ANNUAL REPORT

For the period from 1 January to 31 December 2013

(In accordance with Law 3556/2007)

Athens,

19 March 2014

T A B L E   O F   C O N T E N T S

Statement by the Members of the Board of Directors

(in accordance with article 4 paragraph 2 of Law 3556/2007)

To the best of our knowledge, the annual financial statements that have been prepared in accordance with the applicable accounting standards, give a true view of the assets, liabilities, equity and financial performance of Alpha Bank A.E. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 4 paragraphs 3 and 4 of Law 3556/2007, and the Board of Directors' annual report presents fairly the evolution, performance and financial position of Bank, and group of companies included in the consolidated financial statements taken as a whole, including the analysis of the main risks and uncertainties that they face.

Athens, 19 March 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE EXECUTIVE DIRECTOR
YANNIS S. COSTOPOULOS I.D. No X 661480	DEMETRIOS P. MANTZOUNIS I.D. No I 166670	ARTEMIS CH. THEODORIDIS I.D. No AB 281969

Board of Directors' Annual Management Report as at 31.12.2013

THE GREEK ECONOMY

Following the fiscal crisis of 2009, the Greek economy has undergone four years of adjustment supported by the Eurozone/IMF financing. At the end of 2013, the Greek economy exhibits twin surpluses, both in the public sector and the current account of the balance of payments. The cost of adjustment was certainly too high in terms of losses of production, employment and disposable income, as the size of the adjustment was too large to cope with in such a short period. Unprecedented general government deficits, debts and structural rigidities that were accumulated over several decades had to be faced and corrected. However, the strict implementation of the adjustment programme led to the achievement of General Government primary surplus already from 2013 and also a large surplus in the current account balance, in parallel with the improvement of international competitiveness of Greece via the implementation of important structural reforms in all sectors of the economy.

The improvement of macroeconomic stability and the implementation of the structural and institutional reforms have contributed to the gradual economic recovery and the improvement of investors' confidence in the positive prospects of Greek economy. Since the peak of the crisis, in June 2012, and until the end of 2013, the following developments are noteworthy:

a. The rapid deceleration of the spread between the Greek and the German 10 year bond, by about 1,800 bps to 550 bps.
b. The increase of equity prices in the Greek Stock Exchange by 90%.
c. The increase of deposits by 8.5%.
d. The gradual improvement of the economic sentiment indicator at five-year high in February 2014.
e. The decrease of dependence of Greek banks on the Eurosystem. Meanwhile, a substantial increase of payroll employment was recorded in 2013, while in February 2014 the Purchasing Managers Index (PMI) in industry reached 51.3 points, which marks an increase of production for the first time after 54 months.

In particular, the main economic developments in 2013 can be summarized as follows:

A. The decline in GDP was limited to 3.9% in 2013 (compared to the official forecasts for a decrease of 4.2%), following a cumulative decrease of 23% since 2008. The fall of GDP in 2013 is attributed to the decline in private consumption (2013: -6.0%, 2012: -9.3%), the fall in fixed investment (2013: -12.8%, 2012: -19.2%) and the decline in housing investments (2013: -37.8% 2012: -32.9%). On the other hand, net exports had a positive contribution to GDP growth due to the reduction of imports of goods and services (2013: -5.3% 2012: -13.8%) and an increase in exports (2013: 1.8%, 2012: -1.7%).

As a result of the above developments, 2014 will be the first year of output recovery after a six-year downturn. The recovery will be based on: a) The significant slowdown in the decline of private consumption, following the improved consumer sentiment and the moderate further decline in real disposable income. b) The increase in fixed investment due to faster absorption of resources from the structural funds of the European Union and the European Investment Bank, to be invested in infrastructure (the restart of activity in the construction of the four big highways of the country is of great significance) and to the financing of investment activity by small and medium enterprises. Furthermore, investment growth is expected to be robust in the construction sector (excluding investment in housing) as indicated by the improved investment demand indices in the sector. Also, investment will be boosted by the acceleration of the privatization programme and the entrepreneurial investment in several private projects (namely non-residential). Finally, the housing investment is expected to stabilise at the low level of 2013. c) The net exports which are expected to continue to exert a positive contribution to GDP growth in 2014, due to the small fall in imports and further increase in exports of goods and services. External tourism is expected to register another booming year in 2014, following its satisfactory performance in 2013. In general, in the new growth model of the country the contribution of investment and exports of the domestic output will be strengthened.

The slowdown of recession and the impressive growth of foreign tourism in 2013 improved the trends in the domestic labour market since mid-2013. More specifically, according to the Ministry of Labour, the net increase of payroll employment in the private sector amounted to 133.5 thousands in 2013, versus a decline of 72.0 thousands in 2012 and of 125.9 thousands in 2011. These positive developments halted the rising trend in unemployment. According to the Labour Force Survey of the Hellenic Statistical Authority, the unemployment rate retained on 27.3% in 2013 from 24.1% in 2012. The economic recovery will positively affect employment and, as a result, the average annual level of unemployment is expected to decrease to 27% in 2014 and fall further in 2015.

B. Regarding fiscal consolidation, the progress achieved during the previous four years has been really impressive. The General Government deficit was reduced from 15.6% of GDP in 2009 to 2.2% of GDP in 2013. The achievement of surpluses in the General Government primary balance for the first time since 2002 is even more impressive. It is estimated to reach 0.8% of GDP in 2013 (compared to a target deficit of 0.12% of GDP set by the international lenders in July 2013). In 2013, a General Government primary surplus over Euro 1.5 billion is expected versus a deficit of Euro 24 billion in 2009. The progress that has been reached in fiscal adjustment ensures the continuation of the financial support from the Eurozone and the IMF. The negotiations with the international lenders regarding the payment of the installments must be completed successfully (decision by Eurogroup, November 26-27, 2012) in order to ensure confidence and boost recovery. The fiscal adjustment is expected to continue in 2014. This will lead to the further improvement of confidence in the prospects of the Greek economy and to a gradual reduction of public debt to GDP ratio. Moreover, the recovery of the economy will contribute to greater surpluses facilitating fiscal adjustment.

C. In foreign transactions, the current account balance including capital transfers reached a surplus of 1.3% of GDP in 2013 and it is expected to reach a surplus exceeding 1.1% of GDP versus a deficit of 2.2% in 2012. This is attributed to an increase in the receipts of tourism services, an increase in revenues from exports and a reduction in imports.

The changes in the external balance tend to change the growth model that dominated in the past domestic demand had been the driving force of GDP growth. The increase of exports of goods and services as a percentage of GDP is a key factor for the change of the growth model which in the past it was exclusively based on domestic demand.

The external adjustment is reflected in the improvement of the international competitiveness of the Greek economy as regards the labor cost. It is significant that during 2000-2009 the Greek economy lost 21.2% of its competitiveness against its major trading partners. The loss that has been recorded from Q4 2009 up to the respective quarter of 2013, has been regained and in 2014 the Greek economy is in a more competitive position (5.0% higher compared with the level of 2000). Improved competitiveness, as measured by the relative cost of production, relied on the reduction of wages and benefits and the enhancement of labour productivity in 2012 and 2013, along with the contribution of structural reforms.

D. A remarkable progress has been achieved in the front of structural competitiveness. Greece responds to the OECD recommendations on the structural reforms in the best possible way. Additionally, significant improvement has been recorded in the ranking of the Doing Business Index comprised by the World Bank, reaching the 72nd position from the 78th in 2012, due to the simplification of the process of establishing businesses and the elimination of the required minimum capital. As far as business startups is concerned, Greece has improved its position in the world ranking by 110 steps, to the 36th position in 2013 from 146th in 2012. Concerning the degree of facilitation of international trade, Greece achieved the 52nd position from the 62nd in 2012, due to the introduction of the possibility of electronic submission of customs documents and the implementation of 25 rules that simplify exports. Additionally, according to the data of International Transparency, Greece climbed 14 steps in the world ranking.

The attempt of rationalization of public sector, intensified significantly.

As far as public sector is concerned, the number of civil servants were reduced to 842.7 thousands in 2013 from 1,005.4 thousands in 2009. Public companies have been closed or merged and the tax administration/collection mechanism was improved and social security deficiencies were confronted. Moreover, the process of privatisation has been accelerated so as to create new jobs, contributing to the change of the productive model of economy. Agreements of great significance were made in 2013 with the most important of these being the Astir Palace Hotel at Vouliagmeni, the Organisation of Football Prognostics S.A. (OPAP), the Hellenic Gas Transmission System Operator S.A. (DESFA), the Scorpios Island, etc. Revenues up to Euro 3.0 billion are expected in 2014, due to privatisations, which will in turn boost the investment climate and attract foreign investment. A key development was the selection of the Trans Adriatic Pipeline, which will cross Northern Greece. The project will attract investment for its construction, help reduce energy costs which primarily burden the domestic industry and attract expertise from abroad.

E. Regarding infrastructure investments in 2013, significant progress has been made in utilizing the resources available by the National Strategic Reference Framework (ESPA). The absorption rate of EU funds increased to 74% at the end of 2013 for the total funds of 2007-2013, compared to 48.6% in 2012 and 34.5% in 2011. According to the Ministry, the new National Strategic Reference Framework of Euro 20.5 billion will be frontloaded and mainly directed to sectors with high penetration to the international markets and added value for the Greek economy. The target for 2020 is the new National Strategic Reference Framework to create 640,000 new jobs and to contribute to inward investment of Euro 112 billion with added value of Euro 50 billion per annum by 2020. Since November 2013, reconstruction works have begun in the four major motorways which are expected to contribute significantly in GDP growth and create about 20,000 new jobs. Small public projects (231) are also in progress, related to the regeneration of local authorities. On the back of these positive developments, the infrastructure investment increased by 3.2% in 2013, versus a decline of 7.9% in 2012. The Incentives Investment Law has also been successfully implemented. In 2013 approved payments of investment projects amounted to Euro 610 million, increased by 20% compared to 2012.

F. The recapitalisation and reorganisation of the banking system led to the current market structure consisting basically by four large banks which have secured capital adequacy and credibility, a necessary condition for the return of deposits and the restoration of a positive credit expansion. New loans were reduced by 3.9% yoy in December 2013, given the high share of non-performing loans to total loans. The full restoration, however, of the ability of banks to attract deposits and finance the economic activity is still expected.

G. As of today, the necessary conditions for a positive growth in 2014 and a stronger one in 2015 have been already fulfilled. The ensuring of all these benefits achieved during the fiscal adjustment process thanks to the high social cost is of great importance for the country's future prospects.

THE GLOBAL ECONOMY

The world GDP growth slowed further in 2013, to 3.0% from 3.1% in 2012. The decline in the world GDP growth rate is attributed to the weakening domestic demand in most of the economies. After May 2013, the growth slowdown has negatively affected the developing economies as well. In this framework, the growth in world trade volume of goods and services remained low at 2.7% in 2013 and 2012, mainly due to anaemic global demand but also due to the difficulties that firms in advanced economies have faced in financing their export activities. In 2014, world trade volume is projected to grow at 4.5% (and further to 5.2% in 2015), remaining though below the long-run average.

In advanced economies as a whole, GDP growth slowed to 1.3% in 2013 from 1.4% in 2012, as the satisfactory growth rate of private consumption was maintained and counter balanced the fall in public consumption and the slowing growth of investment fixed capital. The implementation of fiscal adjustment programmes was intense in Europe but less than in the U.S., while in Japan economic policy was largely expansionary. The required deleveraging of financial institutions and the decrease of over-borrowing of the private sector also functioned as a brake for the recovery in 2013, although these contributed to the gradual confidence restoration (especially in Europe) and eventually to the improvement of expectations for a more sustainable growth in the medium-term.

The slowdown in the advanced economies as a whole contains extremely diverse developments in these countries. In the U.S., GDP growth was 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 caused euphoria in the stock markets. Japan's GDP growth rate accelerated to 1.7% in 2013 from 1.4% in 2012, aided by the implementation of a highly expansionary fiscal and monetary policy. In the United Kingdom, GDP rebounded faster than anticipated to 1.7% in 2013 from 0.3% in 2012 while the unemployment rate moves rapidly downwards.

In Eurozone, during the course of 2013, GDP has fallen by 0.4% (+0.3% in Q4 2013), compared to 0.7% in 2012. What is important is that the countries that implement fiscal adjustment programmes stabilise their economies rather fast. However, the credit crunch and high unemployment in several member countries, as a result of their efforts to reduce financial and macroeconomic imbalances, continue to slow down the economic recovery of the European economy in the short run. Eight countries of the Eurozone faced recession in 2013, compared to ten last year. The Central European countries either continued to suffer from very low growth rates (Germany, France, Austria) or remained in recession (Netherlands, Finland). The countries that faced severe macroeconomic imbalances during the crisis (Italy, Spain, Greece and Portugal) have remained in recession, but to a lesser degree in 2013, while Ireland, which completed its adjustment programme in November 2013, continues enjoying a small but positive GDP growth. Recession, credit crunch and deleveraging of the financial and non-private sector has led to a further increase in the unemployment rate.

Inflation in advanced economies has fallen further in 2013 (to 1.4% from 2.0% in 2012) as a result of the high and increased output gap with respect to the last year, of the slowdown in the growth of unit labour costs and the slight decline in 2013 of the international prices of crude oil and of other commodities (oil price in 2013: -0.9%). For 2014, inflation in the advanced economies is projected to increase (to 1.7% from 1.4%), despite the expected slight decline in international commodity prices (-0.3% for crude oil and -6.1% for other commodities). Despite its increase, inflation is forecasted to remain low, allowing the continuation both of the highly expansionary monetary policy followed by the advanced economies, in order to facilitate the recovery from deep recession, and of the improvement of the financial situation of the private and public sector, given that inflationary expectations will continue to be under control.

The unemployment rate continued to decline for the third consecutive year in 2013 in the U.S. (7.3%) as well as in Japan (4.0%). On the contrary, in Eurozone where recession was noticed and unemployment is the number one problem in several of its economies, the unemployment rate increased further to 12.1% in 2013, from 7.6% in 2007. The unemployment rate in the Eurozone is forecast to stabilise in 2014 at 12.0%, before it starts declining from 2015 onwards, while a further decline of the unemployment rate is expected in the U.S. (6.9%).

In emerging markets and developing economies, GDP growth has slowed down further to 4.7% in 2013 from 4.9% in 2012, mainly due to the stabilisation or decline in the international commodity prices of their exports, the restrictive monetary policy and the lower credit growth compared with the past. The apparent stabilisation of GDP growth of some emerging economies at rates higher than those in the advanced economies, but lower than their own in the past, as well as the expected change in the U.S. monetary policy and the rising long-term interest rates in the U.S., have caused significant capital outflows from mid-2013 and a decline in the exchange rates in many emerging economies.

For 2014, the acceleration of global GDP is forecasted to grow to 3.7% from 3.0% in 2013, and actually in all economic areas, while the improvement in the economic activity indicators has been already visible from H2 2013 onwards. In 2014, the GDP growth is projected to accelerate in the advanced economies to 2.2% from 1.3% in 2013 and to 5.1% from 4.7% in emerging and developing economies.

The expected recovery of the Eurozone to 1.0%, although it is not going to be homogeneous within the Eurozone, it will be the driving force for the recovery of global trade and international demand. During the last two months of 2013, the announcement that both Spain and Ireland are exiting their adjustment programmes and that Greece has overshot its fiscal objectives, have undoubtedly contributed to decreasing uncertainty and improving economic climate and expectations in the Eurozone for 2014.

In the U.S., despite the anticipated further fiscal consolidation and the less expansionary monetary policy, what is expected for 2014 is for GDP to accelerate to 2.8% and the unemployment rate to decline further, mainly due to the recovery of the domestic demand in an environment of low inflation. In Japan, stable growth rate is forecast at 1.7% in 2014, too, as the positive effect of the expansionary fiscal and monetary policy decided in December 2012 is diminishing and the impact of the planned increase in the consumption tax from 5% to 8% in Q2 2014 will counter balance the positive results of implementing the new fiscal measures package in order to stimulate demand. In China, the signs of a slowdown in economic growth due to the structural reforms are expected to have large and broader impact on global trade, international commodity prices and Greek shipping. In particular, the growth of China's GDP is now estimated to be 7.5% in 2014 from 7.7% in 2013, while in India, the acceleration of GDP growth is expected to be 5.4% in 2014 from 4.4% in 2013.

Fiscal policy in advanced economies continues to be strongly restrictive. Structural deficits have been decreased in order to eliminate the risks posed by the extremely high and still rising public debt in many of these countries. The primary budget deficit in Eurozone is estimated at 0.4% of GDP in 2013 from 0.9% in 2012, while a surplus of 0.2% is forecasted for 2014.

The total General Government deficit (including interests) is estimated to have been declined to 3.1% of GDP in 2013 from 3.7% in 2012 and is projected to further decline to 2.5% in 2014. The gross public debt increased by almost 3 percentage points to 95.7% of GDP in 2013 while it is estimated to increase further to 96.1% of GDP before it starts declining in 2015.

In the U.S., the reduction of the General Government deficit was drastic, at 5.8% of GDP in 2013 from 8.3% 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 extremely high structural deficit constant, while the General Government deficit is estimated at 9.5% of GDP in 2013 from 10.1% in 2012.

In developed economies, monetary policy continues to be extremely relaxed, supporting 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 outflow.

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 its main refinancing rate twice, on the 8th of May and the 13th of November, 2013, having fixed it now at 0.25%. In the U.S., the stronger than expected recovery and the continued downward trend of the unemployment rate has led the Federal Reserve to announce the reduction of the maximum amount bought monthly in the bond market from the third programme of quantitative easing (QE3), by $10 billion to $75 billion from the beginning 2014, but also to maintain the targeted base rate for the federal funds rate between 0% and 0.25%, i.e. as it has been set since the end of 2008. In Japan, the new target of the Bank of Japan to achieve inflation of 2% by doubling the monetary base, while being vigilant for any possible excessive increases created in asset markets, have already contributed to the improvement of the economic climate and trade balance via a significant weakening of the Yen from August 2012 onwards.

Regarding the economies of Southeastern Europe, which were particularly affected by the global financial crisis of 2008, they have succeeded to recover only to a limited extent until the end of 2013. The pace of reforms has slowed significantly, while investment, credit growth and the consumer and business confidence indices have remained at very low levels. The process of real convergence of the economies of the region has come to a standstill.

In 2014, the recovery of the region is strengthened in most of the cases, particularly as a result of the economic recovery in the Eurozone. The continuing trend of low inflationary pressures and shrinking external deficits seem to be dominant in 2014. The problem of weak credit growth combined with high rates of non-performing loans will continue, limiting the growth potential of their economies and expanding the scope for monetary easing. From 2013 already, the majority of countries implement policies of quantitative easing and cutting key interest rates in order to facilitate the conditions for economic recovery.

Analysis of financial information

During 2013, the Bank's share capital increase by €4,571 million was completed successfully, thus covering the Group's capital requirements as determined by the Bank of Greece.

The share capital increase by preemption rights issue of €457.1 million to existing shareholders was fully covered, as well as the private placement for an additional amount of €92.9 million which was covered by selected institutional and other individual investors, secured a private sector participation which was above the minimum requirement of the law. Thus, through the trust of individual investors, Alpha Bank retains its private status after the completion of the capital reinforcement process. The remaining amount of €4,021 million was covered by direct subscription of the Hellenic Financial Stability Fund (HFSF) through contribution of bonds issued by the HFSF.

On 1.2.2013 the transfer of the entire share capital of Emporiki Bank S.A. to Alpha Bank by Credit Agricole S.A. was completed, following the relevant acquisition agreement of Emporiki from Alpha Bank signed on 16.10.2012. Emporiki Bank's acquisition enhanced the Group's capital base due to the recapitalization of Emporiki Bank by Credit Agricole SA, as well as the purchase from the latter of a €150 million bond issued by Alpha Bank.

On 28.6.2013, according to law, the procedure of the merger of Emporiki Bank was completed, according to the Summary of Merger Agreement on 21.3.2013.

On 8.12.2013, after the completion of the bidding process of article 63D of Law 3601/2007, Alpha Bank undertook the deposits of Cooperative Banks of Western Macedonia, Dodecanese and Evia, which amounted to €0.4 billion, after the decision of Bank of Greece for withdrawal of license of their operation.

The Group's equity as at 31.12.2013 amounted to € 8.4 billion and the Core Tier I ratio was 16.1%.

In terms of balance sheet figures of December 2013, loans of Group before impairment amounted to € 58.6 billion, while domestic loans decreased due to the loan portfolio deleveraging.

Customer deposits of Group amounted to €42.5 billion, which were positively affected by the acquisition of Emporiki bank, undertaking of deposits of Cooperative Banks of Western Macedonia, Dodecanese and Evia, as well as the inflows of deposits of individuals amounted to €1.9 billion for the year.

The loans to deposits ratio in Greece improved on an annual basis and reached 117% at the end of 2013 against 139% at the end of 2012, as a result of the acquisition of Emporiki Bank, inflows of deposits, as well as the decrease of loan balances.

Group's profit for the current year amounted to €2.9 billion mainly affected from the negative goodwill of €3.2 billion arising from the acquisition of Emporiki Bank on 1.2.2013, at almost zero cost.

Net interest income amounted to €1,658 million increased by 19.8% on an annual basis positively affected from the acquisition of Emporiki Bank, the lower cost of funding from the Eurosystem, as well as from the gradual decrease of the term deposits interest rates.

Net income from commissions amounted to €370.3 million increased by 36.3% on an annual basis, positively affected by the acquisition of Emporiki Bank, as well as by the incease of commissions related to the loans as a result of increased restructurings and the partial increase of financial activities and management of portfolio activities.

Net results from financial transactions amounted to a profit of €256.6 million, positively affected by the gain of €110 million that arose from the valuation of the security issued by the Bank on 1.2.2013, in the context of the agreement with Credit Agricole regarding the acquisition of Emporiki Bank, as well as the benefit of €35 million, as a result of the buyback of Group's subordinated bonds.

Operating costs amounted to €1,425.9 million, netagively affected mainly due to the costs relating to the merger of Emporiki, the merger costs which amounted to €27.4 million and the impairment of assets which amounted to €63 million.

Finally income tax has been positively affected by the effect to the deferred tax of an amount of €415 million due to the change in the tax rate in Greece from 20% to 26%.

Participation in the program for the enhancement of liquidity of the Greek economy.

In the context of the program for the enhancement of the Greek economy's liquidity, according to Law 3723/2008, the Bank proceeded with:

- The issuance of senior debt securities guaranteed by the Greek State amounting to €9.8 billion.
- The borrowing of special securities issued by the Greek state amounting to €0.5 billion.

The above mentioned securities were pledged to the European Central Bank to obtain liquidity.

Other Information

The Bank's Ordinary General Meeting of the Shareholders on 29.6.2013 decided the following:

- The non payment to the Greek State of the return as defined by Article 1 paragraph 3 of Law 3723/2008 of the preference shares owned by the Greek State and
- Not to distribute dividend to the common shareholders of the Bank for the fiscal year 2012.

Risk management

Alpha Bank Group, has established a complete and strict risk management framework, in full compliance with the current supervisory rules giving special focus in continuously improving and updating. The Group continued in 2013 to undertake all the necessary measures in order to reinforce itself against all types of financial risks.

Credit Risk

Credit risk arises from the borrowers' weakness to implement their obligations to the Group. The provision of a complete and timely support for the decision making process of business units and the continuous and systematic monitoring of its loan portfolio, in accordance with the provisions set out in the Group policies and procedures, the harmonization with the regulatory framework and international best practices constituted the main objectives for the Bank's Credit Risk management and the minimization of potential losses.

These objectives materialize through a continuously evolving framework of methodologies and systems for measuring and monitoring credit risk, customized to the challenges of the prevailing economic circumstances and the nature as well as the extent of the business activities of the Group.

The indicative actions below represent the development and improvement that occurred with respect to the aforementioned framework:

- Ongoing upgrade of Wholesale and Retail Banking Credit Policies in Greece and abroad to adapt to the given macroeconomic conditions and the Group's risk appetite.
- Ongoing update of the credit rating models for corporate and retail banking in Greece and abroad in order to ensure their proper and effective operation.
- Updating the provisioning policy for Wholesale and Retail.
- Centralized and automated approval process for retail banking applications in Greece and abroad.
- Complete centralization of the collections policy mechanisms for retail banking (mortgage loans, consumer loans, credit cards, retail banking corporate loans) in Greece and abroad.
- Systematic and periodic quality inspection of Corporate and Retail Banking credit.
- Systematic estimation and evaluation of credit risk per customer and per sector of economic activity.
- Periodic stress tests as a tool of assessment of the consequences of the economic scenarios on the capital requirements. The stress tests are performed according to the requirements of the regulatory framework and concern fundamental parameter of the Group's credit risk management policy.

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

- Initiation of the transition process for the Bank and the Group companies, including the portfolio of former Emporiki Bank, in Greece in the Advanced Method for the Calculation of Capital Requirements against Credit Risk. For the purpose of the above mentioned transition, the Advanced Internal Ratings Based Approach method will be used with regards to corporate loan portfolios, retail banking, leasing and factoring.
- Improvement of the current systems in order to adopt the new definitions of European Banking Authority (EBA) for the non performing and restructured loans.
- Creation of databases in order to perform statistical tests in the Group's credit risk rating models. Upgrade and automation of the above mentioned process in relation to Wholesale and Retail Banking by using specialized statistical software. Gradual implementation of an automatic interface of credit risk rating systems with the central systems (core banking systems I-flex) for all Group companies abroad.
- The adoption of a mechanism for completeness and quality inspections of crucial areas of Wholesale and Retail Credit for monitoring and measuring credit risk.

Liquidity Risk

During 2013 the deposits from individuals and companies increased. Additionally, the Bank received bonds issued by the EFSF amounting to €1 billion in addition to the €2.9 billion that the Bank received in 2012 under the context of the recapitalization of the significant, systemic Greek Banks.

In January 2013, the Eupopean Central Bank accepted as coverage the Hellenic Republic's bonds and guarantees. This had as a result the total lending from ELA to decrease and be replaced by lending from the European Central Bank with a significant decrease in lending cost. As at 31 December 2013 the lending from European Central Bank amounted to €13.7 billion and from the Emergency Liquidity Assistance (ELA) amounted to €3.5 billion.

The above, in combination with the deleveraging of assets, had as result the decrease of the total lending of the Group from European System of Central Banks that amounted to €17.2 billion as at 31 December 2013, by €6.5 bilion compared to 31 December 2012.

Market Risk

The replacement of a significant part of lending from ELA, with lending from ECB, has as result the decrease of interest expense by 2% during the first semester of the year and by 1.75% during the second semester.

Moreover the decrease in the ECB's intervention rate by 0.50% decreased even more the funding cost.

Taking into account the significant decrease in customers' interest of term rates deposits, it is noted significant increase in net interest income in the second semester of 2013.

After the acquisition of Emporiki Bank, Bank of Greece reassessed the internal model of calculating market risk for the trading portfolio. The Bank complies with all quantitive and qualitative requirements of the regulator. As a result Bank of Greece validated the use of the internal model used by the Bank for the calculation of capital needs for market risks.

Operational Risk

In the context of the continuous improvement in the implementation of the operational risk management framework, the Bank proceeded rigorously to the expansion of preventive measures in order to identify and evaluate risk as well as, the enhancement of the process of collecting and analyzing operational risk events.

Specifically, the RCSA method of operational risk self assessment has been implemented during the year in accordance with the general plan for selected divisions as well as, for domestic and foreign Bank subsidiaries. It is noted that this method provides the recognition and assessment of potential operational risks through the implementation of audits (residual risks). Further to the above the respective divisions proceed with the appropriate actions in order to hedge against negative results.

Moreover, the Circulars and Acts of the Group concerning the Operational Risk Management have been updated, while a diagnostic study concerning the transition to a more advance methodologies for monitoring and measuring operational risks is in progress (Advance Measurement Approach).

The events of operational risk, the self assessment results as well as, other current issues of operational risk are systematically monitored to all the Group Companies by the competent Operational Risk Management Committees with inceased responsibilities relating to the review of relevant information as well as the adoption of operational risk mitigation measures.

Future prospects

2013 was a particularly decisive year for the future of the banking industry. The economic and political climate normalized significantly and the progress in fiscal adjustment was crucial with the creation of a significant primary surplus in general government and the decline in GDP was limited to levels much lower from expected, creating prospects for recovery in 2014.

The most decisive, however, evolution was the completion of configuration of a structurally robust banking industry, firstly through from the broad restructuring of the sector and the creation of four systemic banks–pillars, despite the shock caused by the banking crisis in Cyprus. Secondly, the successful implementation of the recapitalization of the four emerging financial institutions with the remarkable participation of the private sector and the support of the Hellenic Financial Stability Fund and thirdly the completion of Black Rock review that also took place in the second semester of 2013, which confirmed to a great degree that the Greek banking system is adequate capitalized for the coming years and is well prepared to support the financing needs of households and firms. The additional capital needs resulting from these reviews are expected to be totally covered by the active participation of private sector in the following months of 2014.

These developments created favorable conditions to restore depositor's trust while the structure of the market ensures the vigorous competition and economies of scale. Certain macroeconomic figures improved substantially and the signs that Greece overcomes the debt crisis are now visible. The further normalization of market conditions requires the stabilization of the flow deposits to the banking system which in conjunction with the recovery of the Greek banks' access to international money markets – will contribute to the provision of additional liquidity towards Greek firms and households as Greek economy will recover from early 2014 onwards.

Related parties

According to the corresponding regulatory framework, this report must include the main transactions with related parties. All the transactions between related parties, of the Bank and the Group companies are performed in the ordinary course of business, conducted according to market conditions and are authorized by corresponding management personnel. There are no other material transactions between related parties beyond those described in the following paragraph.

a. The outstanding balances of the Group transactions with key management personnel which is composed by members of the Board of Directors and the Executive Committee of the Bank, as well as their close family members and the companies relating to them, as well as the corresponding results from those transactions are as follows:

	in thousands of Euro
Loans and advances to customers	77,827
Due to customers	80,644
Debt securities in issue	1,638
Employee defined benefit obligation	607
Letters of guarantee and approved limits	12,054
Interest and similar income	1,522
Income from fees and commissions	58
Interest expense and similar charges	2,733
Fees paid to key management and close family members	3,485
Other expenses	6

b. The outstanding balances and the corresponding results of the most significant transactions of the Bank with Group companies are as follows:

A. SUBSIDIARIES

In thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Banks					
1. Emporiki Bank A.E.			273	2,999	
2. Alpha Bank London Ltd	157,896	386	4,006	17	277,661
3. Alpha Bank Cyprus Ltd	1,093,069	230,445	448	983	160,057
4. Emporiki Bank Cyprus Ltd	219,389	48,568	2,272	76	
5. Alpha Bank Romania S.A.	1,777,264	29,057	(8,789)	966	14,080
6. Alpha Bank AD Skopje	13,313	914	193	35	
7. Alpha Bank Srbija A.D.	126,837	6,725	411	1,558	2,204
8. JSC Astra Bank			68	6	
9. Alpha Bank Albania SH.A.	16,729	44,259	1,177	506	13
Leasing companies					
1. Alpha Leasing A.E.	294,801	259	5,476	183	
2. ABC Factors A.E.	355,650	604	19,453	78	70,000
Investment Banking					
1. Alpha Finance A.E.P.E.Y.	372	32,267	1,925	1,766	56
2. SSIF Alpha Finance Romania S.A.		26	1		
3. Alpha Ventures A.E.	5	6,296	19	129	
4. Alpha A.E. Ventures Capital Management – AKES	1	1,117	26	41	
5. Emporiki Ventures Capital Developed Markets Ltd				125	
6. Emporiki Ventures Capital Emerging Markets Ltd		99			
7. Emporiki Diachirisis A.E.	26	2,152	6	119	
Asset Management					
1. Alpha Asset Management A.E.D.A.K.	2,292	6,113	8,823	415	
Insurance					
1. Alpha Insurance Agents A.E.		5,320		153	
2. Alpha Insurance Ltd		227			
3. Alphalife A.A.E.Z.	203	1,189	223	1,804	

A. SUBSIDIARIES

In thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Real estate and hotel					
1. Alpha Astika Akinita A.E.	284	2,747	959	8,135	
2. Ionian Hotel Enterprises A.E.	71,922	2,295	1,967	270	30
3. Oceanos A.T.O.E.E.		875		3	
4. Emporiki Development and Real Estate Management S.A.		390		801	
5. Alpha Real Estate Bulgaria E.O.O.D.		169		29	
6. Chardash Trading E.O.O.D.		1,534		1,901	
7. Alpha Investment Property Chalandriou A.E.	19,966	20	432	2	
8. Alpha Investment Property Attikis A.E.	3,309	35	97		
9. Alpha Investment Property Attikis II A.E.	8,801	153	199	4	
10. Alpha Investment Property Amarousion I A.E.	3,716	69	102	2	
11. Alpha Investment Property Amarousion II A.E.	120	14	11	1	
12. Alpha Investment Property Eleonas A.E.		41	1		
13. Stockfort Ltd	22,864	1,023	1,216	20	
14. AGI-RRE Zeus S.R.L.	35,229		993		
15. AGI-RRE Poseidon S.R.L.	14,401		71		
16. AGI-BRE Participations 1 E.O.O.D.	4,046	55	141		
17. AGI-BRE Participations 2 E.O.O.D.	8,157	3	438		
18. AGI-BRE Participations 2BG E.O.O.D.	5,607	4	224		
19. AGI-BRE Participations 3 E.O.O.D.	17,628	45	894		
20. AGI-BRE Participations 4 E.O.O.D.		3			
21. APE Fixed Assets A.E.		261	2	4	
22. HT-1 E.O.O.D.	26				
Special purpose and holding entities					
1. Alpha Credit Group Plc	254,935	956,263	24,697	55,199	
2. Alpha Group Jersey Ltd	1,194		3		
3. Alpha Group Investments Ltd		4,016	1	15	
4. Ionian Holdings A.E.		135	4	384	
5. Ionian Equity Participations Ltd	1,901	1,076	2	5	
6. Emporiki Group Finance Plc	58,635	483,455	1,238	18,880	
7. Alpha Group Ltd		276,680		1,078	
8. Katanalotika Plc	1,196				
9. Epihiro Plc		1,255			
10. Irida Plc	410,324	54,121	1,945	377	
11. Pisti 2010-1 Plc		142			
12. Lithos Plc		26,918	185	12,885	
13. Umera Ltd	374,654	4,138	1,518	13	
14. AGI-RRE Poseidon Ltd	38,179		479		
15. AGI-BRE Participations 4 Ltd	3,110		10		
16. AGI-RRE Artemis Ltd	1,501				
Other companies					
1. Kafe Alpha A.E.		191	18	166	
2. Alpha Supporting Services A.E.	289	21,254	334	10,146	
3. Real Car Rental A.E.		34			
4. Zerelda Ltd		1			
5. Evisak A.E.		723	1	31	

B. JOINT VENTURES

1. Cardlink A.E.	3,521	709	196	5,125	
2. APE Commercial Property A.E.		133	2	166	
3. APE Investment Property A.E.	146,776	6,568	4,991	107	
4. Alpha TANEO A.K.E.S.		947			

C. ASSOCIATES

In thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
1. AEDEP Thessalias and Stereas Ellados		132			
2. Bank Information Systems SA		415		8	
Total	**5,570,138**	**2,265,065**	**79,382**	**127,716**	**524,101**

c. Other related party transactions

The outstanding balances of the Group and the corresponding results are analyzed as follows:

In thousands of Euro

	Assets	Liabilities	Income	Expenses
Employees Supplementary Funds - TAP		68,956		
Hellenic Financial Stability Fund - HFSF	179,949	988	10,571	12,676

An additional amount of €153 million that the Bank paid to HFSF in accordance with Law 4093/2012 has been recognized directly in equity as share capital increase expense.

Athens, 19 March 2014

THE CHAIRMAN OF
THE BOARD OF DIRECTORS

YANNIS S. COSTOPOULOS
I.D. No X 661480

Explanatory Report of the Board of Directors for the year 2013

The present Explanatory Report of the Board of Directors of Alpha Bank (the "Bank") to the Ordinary General Meeting of Shareholders of the Bank for the year 2013 contains detailed information, in accordance with article 11a of Law 3371/2005, the reference date being 31.12.2013.

In particular:

a. The share capital of the Bank amounts to a total of Euro 4,216,871,803.60 and is divided into 11,122,906,012 shares, of which:

   (a) 1,997,638,231 are common, nominal, with voting rights, paperless shares of a nominal value of Euro 0.30 each

   (b) 8,925,267,781 are common, nominal, with voting rights, in accordance with the restrictions foreseen on the provision of article 7a of Law 3864/2010, paperless shares owned by the Hellenic Financial Stability Fund of a nominal value of Euro 0.30 each and

   (c) 200,000,000 are preferred, nominal, without voting rights, material, redeemable shares issued in accordance with the provisions of Law 3723/2008 of a nominal value of Euro 4.70 each.

   The ordinary shares (under (a) above) are listed for trading in the Securities Market of the Athens Exchange.

   The ordinary shares (under (b) above) owned by the Hellenic Financial Stability Fund may not be listed on an organised market, have the rights stipulated by law and are subject to the restrictions of the law. The Hellenic Financial Stability Fund became a shareholder of the Bank, within 2013, in the context of the Recapitalisation of the Greek Credit Institutions, on the basis of Law 3864/2010, having, however, restricted voting rights at the General Meeting. In particular, the Hellenic Financial Stability Fund may vote at the General Meeting only on resolutions pertaining to the increase or reduction of the share capital or the grant of a relevant authorisation to the Board of Directors, the merger, split-up, conversion, revival, extension of the term of operation or winding-up of the Bank, the transfer of assets, including the sale of Group Companies or on any other item for which an enhanced majority is required in accordance with the stipulations of Codified Law 2190/1920. Furthermore, the Hellenic Financial Stability Fund also possesses all the other rights stipulated by Law 3864/2010.

   The Hellenic Financial Stability Fund, in accordance with Law 3864/2010 and Cabinet Act 38/2012, has issued warrants in order to offer the shares of the Bank it undertook to private investors. These warrants may be exercised within the time periods referred to in the relevant legislation and, in any case, no later than five years since the participation of the Fund in the Bank's share capital increase. This period expires on 10.12.2017.

   The Hellenic Republic owns the total of the preferred shares (under (c) above). The preferred shares, in accordance with the Articles of Incorporation, have the following privileges, attributes, rights, and claims, i.e.:

   (A) The right to draw a fixed return calculated at a rate of ten percent (10%) on the offer price to the Hellenic Republic of each preferred share,

      (i) before the ordinary shares,

      (ii) before the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 and

      (iii) independent of any dividend amount which is distributed to other Shareholders of the Bank and as long as after the payment of the return, the capital adequacy ratios of the Bank, on a stand alone and consolidated basis, satisfy the minimum ratios specified by the Bank of Greece.

      The fixed return is calculated as accrued on an annual basis, proportional to the time that the Hellenic Republic remains as a Preferred Shareholder and is paid within a month after the approval of the annual financial statements of the respective year by the Ordinary General Meeting and is under the provision that there are profits to be distributed as specified in article 44a of

Codified Law 2190/1920 and especially profits from the last fiscal period and/or from previous fiscal periods and/or reserves, under the condition that it has been preceded by a relevant resolution of the General Meeting of the Common Shareholders of the Bank concerning the distribution of the above.

In case of inadequacy of the above distributed amounts, there is a right of preferred drawing (before the ordinary shares) of the above return until these amounts are depleted. The amount paid out to the Hellenic Republic, as per the above, is in addition to the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 solely to the Common Shareholders of the Bank and which may not exceed 35% percent as stipulated in article 3 paragraph 1 of Emergency Law 148/1967.

(B) The right to vote at the General Meeting of the Preferred Shareholders under the conditions specified by Codified Law 2190/1920.

(C) The right to participate in the Board of Directors of the Bank, via a representative, thus appointing the Hellenic Republic as an additional Member of the Board of Directors

(D) The right of the Hellenic Republic, appointed as Member of the Board of Directors, to veto (via its representative) any decision concerning the distribution of dividend amounts and the remuneration policy concerning the Chairman, the Managing Director and the rest of the Members of the Board of Directors, the General Managers and their deputies, following a decision by the Minister of Finance or if the representative deems that the decision of the Board of Directors could endanger the benefits of the depositors or could substantially affect the reliability and the smooth operation of the Bank

(E) The right of the said appointed additional Member of the Board of Directors to appear in the General Meeting of the Common Shareholders of the Bank and the right to veto during the deliberations concerning the decisions on the above items

(F) The right of the representative of the Hellenic Republic to have free access to the books and financial information of the Bank for the purposes stipulated by Law 3723/2008

(G) The right of preferred payout from the product of liquidation, against all other shares in the case of the winding-up of the Bank.

The preferred shares do not provide the right of cumulative returns.

The preferred shares are subject to partial or total repurchasing by the Bank after 1.7.2009, with the approval of the Bank of Greece, at their offer price, either with cash of equal value or with Hellenic Republic bonds of equal value.

The preferred shares are subject to the conversion to ordinary shares or to another category of shares existing at the time of conversion, in case their acquisition is not possible by the Bank after a five year period from their date of issue due to the fact that the capital adequacy ratio set by the Bank of Greece is not met and under the condition of the submission from the Bank at the expiration of the five year period, and the approval by the Minister of Finance, following a relevant recommendation by the Governor of the Bank of Greece, of a restructuring plan of the Bank in accordance with the Minister of Economy and Finance decision 54201/B/2884/26-11-2008 and Law 3723/2008.

It is clarified that the above rights of the Hellenic Republic are in effect as added reference to the relevant clauses of the Articles of Incorporation.

The ordinary shares (under (a) above) represent 14.2%, the ordinary shares (under (b) above) owned by the Hellenic Financial Stability Fund represent 63.5% and the preferred shares (under (c) above) represent 22.3% of the total paid-in share capital of the Bank.

b. The Articles of Incorporation contain no restrictions on the transfer of Bank shares, save as otherwise provided for in the law.

c. From the Bank's records there are no qualified, direct or indirect, holdings within the meaning of Law 3556/2007, in its share capital.

d. There are no shares issued by the Bank possessing special rights of control, with the exception of:

   (a) the preference shares held by the Hellenic Republic (by virtue of Law 3723/2008) in reference to the rights and privileges bestowed upon it in accordance with the Articles of Incorporation of the Bank.

(b) the ordinary shares held by the Hellenic Financial Stability Fund in reference to the rights that the Hellenic Financial Stability Fund enjoys by virtue of Law 3864/2010.

e. The Articles of Incorporation contain no restrictions on voting rights and the deadlines for exercising the same on shares issued by the Bank, save as otherwise provided for in the law.

f. To the knowledge of the Bank, there are no shareholder agreements providing for restrictions on share transfers or restrictions on the exercise of voting rights on shares issued by the Bank save as otherwise provided for in the provisions of the laws stipulating the rights of the Hellenic Financial Stability Fund.

g. There are no rules in the Articles of Incorporation for the appointment and replacement of Members of the Board of Directors, as well as for the amendment of the Articles of Incorporation of the Bank, which are at variance with the stipulations of the law as in force.

h. The Bank may increase its share capital by virtue of a resolution of the General Meeting of Shareholders or of the Board of Directors, in accordance with the law and the Articles of Incorporation.

On 1.2.2013 the Bank, in application of the agreement of 16.10.2012 between the former and 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.

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 of 31.1.2013 approved but never implemented:

(A) 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, interest bearing bonds, contingently convertible (i.e. the bonds) into ordinary 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, and

(B) the granting of authorisation to the Board of Directors of the Bank, at its discretion, to: (i) finalise the principal amount of the Convertible Bond Loan and, accordingly, resolve on its issuance and offer, and (ii) prepare agreements and sign contracts on the specific terms of the said loan as well as proceed with any legal or other acts necessary for the issuance and offer of the bonds.

The Second Iterative Extraordinary General Meeting of 16.4.2013 approved an increase of the share capital of the Bank amounting to a total of Euro 3,116,590,909.20 constituted by the amount of Euro 375,000,000.00 through payment in cash and by the amount of Euro 2,741,590,909.20 through contribution in kind by the Hellenic Financial Stability Fund of securities owned by the latter and issued by the European Financial Stability Facility, through the issuance and distribution of 10,388,636,364 common, nominal shares, with voting rights, of nominal value and offer price equal to Euro 0.30 and Euro 0.44, respectively, each, whereby the difference between issue price and offer price, amounting to a total of Euro 1,454,409,090.96, is credited to the special account (share premium account) by “the issuance of shares above par value”.

For as long as the Bank participates in the programmes for the enhancement of the economy’s liquidity as per Law 3723/2008, the Bank may not purchase its own shares (article 28 par. 2 of Law 3756/2009).

The Bank does not hold any of its own shares.

i. The Bank has not entered into any major agreement, which comes into effect, is amended or expires upon a change of control of the Bank following a public tender offer.

j. The Bank has not entered into any agreement with the Board Directors or the staff, providing for compensation upon their resignation or dismissal without just cause, or upon termination of tenure/employment, owing to a public tender offer, except in accordance with the provisions of the law.

Corporate Governance Report for the year 2013

In accordance with Law 3873/2010 the Annual Management Report of the Board of Directors of Alpha Bank (the "Bank") includes the Corporate Governance Report, the reference date being 31.12.2013.

Specifically:

A. The Bank operates within the framework of the ALPHA BANK Corporate Governance Code, which is posted on the Bank's website (www.alpha.gr).

B. The Bank, as early as 1994, adopted and since then implements the principles of corporate governance, aiming at transparency in communication with the Bank's Shareholders and at keeping investors promptly and continuously informed.

The corporate governance practices, which are implemented by the Bank, are in accordance with the provisions of Law 3873/2010 and are quoted in the ALPHA BANK Corporate Governance Code. In addition to the laws, the Bank has separated the duties of the Chairman of the Board of Directors from those of the Managing Director and implements a comprehensive system of internal audit for the Group in accordance with international standards and the regulatory framework in force.

Additionally, the Bank has adopted a Code of Ethics for the performance of duties with the purpose to promote the standards required by modern corporate governance and effective Internal Audit. The Code of Ethics is posted on the Bank's website (www.alpha.gr).

Article 3 of Law 3016/2002 stipulates, inter alia, that the number of Non-Executive Members of the Board of Directors cannot be less that 1/3 of the total number of Members. Out of a total of fifteen (15) Members of the Board of Directors of the Bank, the number of Non-Executive Members amounts to 10 (66.7% of the total), thus exceeding by far the minimum number for such Members set by Law 3016/2002.

In accordance with Law 3016/2002, at least two (2) Non-Executive Members should (also) be Independent. In the Board of Directors of the Bank, the respective number exceeds, as mentioned above, the minimum requirement set by law and amounts to six (6).

The tenure of the Members of the Board of Directors is four years while Codified Law 2190/1920 stipulates up to six years.

The Articles of Incorporation provide the Board of Directors with the option to meet by teleconference.

C. <u>Internal Control System</u>

The Internal Control System comprises auditing mechanisms and procedures, relating to all the activities of the Bank, aiming at its effective and secure operation.

The Internal Control System ensures:

- the consistent implementation of the business strategy with an effective utilisation of the available resources,
- the identification and management of all risks undertaken,
- the completeness and the credibility of the data and information required for the accurate and timely determination of the financial situation of the Bank and the generation of reliable financial statements,
- the compliance with the current regulatory framework, the internal regulations, the codes of ethics,
- the prevention and avoidance of erroneous actions that could jeopardise the reputation and interests of the Bank, the Shareholders and those transacting with it,
- the effective operation of the IT systems in order to support the business strategy and the secure circulation, processing and storage of critical business information.

The evaluation of the adequacy and effectiveness of the Internal Control System of the Bank is conducted:

a) On a continuous basis through audits effected by the Audit Division of the Bank.

The audit plan of the Audit Division is based on the prioritisation of the audited areas by identifying and assessing the risks and the special factors associated with them. In addition, any instructions or decisions of the Management of the Bank, along with regulatory framework requirements and extraordinary developments in the overall economic environment are taken into account.

The Audit Committee of the Board of Directors approves the audit plan and is updated every quarter on its implementation, the main conclusions of the audits and the implementation of the audit recommendations.

b) Every three years by External Auditors, other than the regular ones.

These are highly experienced individuals in the field of internal audit (external auditors or special advisors), who are independent of the Group and for whom there is no question of a conflict of interests.

The Audit Committee determines the criteria and the selection procedures for external auditors and approves the scope and the content of audit operations.

The Audit Committee of the Board of Directors conducts an annual evaluation of the Internal Control System, based on the relevant data and information from the Audit Division, the findings and observations from the External Auditors, as well as from the Regulating Authorities.

The Bank has in place adequately documented Policies and Procedures for the recognition of financial events and the preparation of the financial statements.

Transactions are carried out through specialised computerised applications, per business activity of the Bank and the Group, which support Officer authorisation limits and procedures for double-checking transactions.

The accounting system of the Bank and the Group is supported by specialised IT systems which have been adapted to the business requirements of the Bank.

Audit and accounting reconciliation procedures have been established in order to ensure the correctness and the legitimacy of the entries in the accounting books as well as the completeness and validity of the financial statements.

Furthermore, in order to ensure the independence of the regular audit of the financial statements of the Group, the Board of Directors applies specific policies and procedures in order to formulate a recommendation for the General Meeting with regard to the election of a regular auditor.

The Audit Committee of the Board of Directors supervises and assesses the drafting procedures, in accordance with the current audit standards, for the interim and annual financial statements of the Bank and studies the reports of the External Auditors as regards deviations from the current accounting practices.

Risk Management

The Bank places great emphasis on the identification, measurement and management of the risks undertaken and, to this end, has assigned these tasks to the Risk Management Business Unit. The Risk Management Business Unit reports on matters of its responsibility to the General Manager and Chief Risk Officer of the Group, to the Risk Management Committee and (through the latter) to the Board of Directors of the Bank.

The effective management of all types of risk focuses on accurate and efficient measurement using specialised methods and calculation models, and on the adoption of policies and limits through which the Bank's exposure to various risks is monitored.

The Operational Risk Committee convenes regularly or whenever deemed necessary by the circumstances and ensures that the appropriate processes, methodologies and infrastructure to manage the operational risk of the Group exist and approves recommendations to limit operational risk.

The Credit Risk Committee convenes regularly and assesses the adequacy and the efficiency of the credit risk management policy and procedures of the Bank and the Group and resolves on the planning of the required corrective actions.

D. In accordance with article 11a of Law 3371/2005, detailed information is set forth, the reference date being 31.12.2013.

In particular:

a. The share capital of the Bank amounts to a total of Euro 4,216,871,803.60 and is divided into 11,122,906,012 shares, of which:

(a) 1,997,638,231 are common, nominal, with voting rights, paperless shares of a nominal value of Euro 0.30 each

(b) 8,925,267,781 are common, nominal, with voting rights, in accordance with the restrictions foreseen on the provision of article 7a of Law 3864/2010, paperless shares owned by the Hellenic Financial Stability Fund of a nominal value of Euro 0.30 each and

(c) 200,000,000 are preferred, nominal, without voting rights, material, redeemable shares issued in accordance with the provisions of Law 3723/2008 of a nominal value of Euro 4.70 each.

The ordinary shares (under (a) above) are listed for trading in the Securities Market of the Athens Exchange.

The ordinary shares (under (b) above) owned by the Hellenic Financial Stability Fund may not be listed on an organised market, have the rights stipulated by law and are subject to the restrictions of the law. The Hellenic Financial Stability Fund became a shareholder of the Bank, within 2013, in the context of the Recapitalisation of the Greek Credit Institutions, on the basis of Law 3864/2010, having, however, restricted voting rights at the General Meeting. In particular, the Hellenic Financial Stability Fund may vote at the General Meeting only on resolutions pertaining to the increase or reduction of the share capital or the grant of a relevant authorisation to the Board of Directors, the merger, split-up, conversion, revival, extension of the term of operation or winding-up of the Bank, the transfer of assets, including the sale of Group Companies or on any other item for which an enhanced majority is required in accordance with the stipulations of Codified Law 2190/1920. Furthermore, the Hellenic Financial Stability Fund also possesses all the other rights stipulated by Law 3864/2010.

The Hellenic Financial Stability Fund, in accordance with Law 3864/2010 and Cabinet Act 38/2012, has issued warrants in order to offer the shares of the Bank it undertook to private investors. These warrants may be exercised within the time periods referred to in the relevant legislation and, in any case, no later than five years since the participation of the Fund in the Bank's share capital increase. This period expires on 10.12.2017.

The Hellenic Republic owns the total of the preferred shares (under (c) above). The preferred shares, in accordance with the Articles of Incorporation, have the following privileges, attributes, rights, and claims, i.e.:

(A) The right to draw a fixed return calculated at a rate of ten percent (10%) on the offer price to the Hellenic Republic of each preferred share,

(i) before the ordinary shares,

(ii) before the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 and

(iii) independent of any dividend amount which is distributed to other Shareholders of the Bank and as long as after the payment of the return, the capital adequacy ratios of the Bank, on a stand alone and consolidated basis, satisfy the minimum ratios specified by the Bank of Greece.

The fixed return is calculated as accrued on an annual basis, proportional to the time that the Hellenic Republic remains as a Preferred Shareholder and is paid within a month after the approval of the annual financial statements of the respective year by the Ordinary General Meeting and is under the provision that there are profits to be distributed as specified in article 44a of Codified Law 2190/1920 and especially profits from the last fiscal period and/or from previous fiscal periods and/or reserves, under the condition that it has been preceded by a relevant resolution of the General Meeting of the Common Shareholders of the Bank concerning the distribution of the above.

In case of inadequacy of the above distributed amounts, there is a right of preferred drawing (before the ordinary shares) of the above return until these amounts are depleted. The amount paid out to the Hellenic Republic, as per the above, is in addition to the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 solely to the Common Shareholders of the Bank and which may not exceed 35% percent as stipulated in article 3 paragraph 1 of Emergency Law 148/1967.

(B) The right to vote at the General Meeting of the Preferred Shareholders under the conditions specified by Codified Law 2190/1920.

(C) The right to participate in the Board of Directors of the Bank, via a representative, thus appointing the Hellenic Republic as an additional Member of the Board of Directors.

(D) The right of the Hellenic Republic, appointed as Member of the Board of Directors, to veto (via its representative) any decision concerning the distribution of dividend amounts and the remuneration policy concerning the Chairman, the Managing Director and the rest of the Members of the Board of Directors, the General Managers and their deputies, following a decision by the Minister of Finance or if the representative deems that the decision of the Board of Directors could endanger the benefits of the depositors or could substantially affect the reliability and the smooth operation of the Bank.

(E) The right of the said appointed additional Member of the Board of Directors to appear in the General Meeting of the Common Shareholders of the Bank and the right to veto during the deliberations concerning the decisions on the above items.

(F) The right of the representative of the Hellenic Republic to have free access to the books and financial information of the Bank for the purposes stipulated by Law 3723/2008.

(G) The right of preferred payout from the product of liquidation, against all other shares in the case of the winding-up of the Bank.

The preferred shares do not provide the right of cumulative returns.

The preferred shares are subject to partial or total repurchasing by the Bank after 1.7.2009, with the approval of the Bank of Greece, at their offer price, either with cash of equal value or with Hellenic Republic bonds of equal value.

The preferred shares are subject to the conversion to ordinary shares or to another category of shares existing at the time of conversion, in case their acquisition is not possible by the Bank after a five year period from their date of issue due to the fact that the capital adequacy ratio set by the Bank of Greece is not met and under the condition of the submission from the Bank at the expiration of the five year period, and the approval by the Minister of Finance, following a relevant recommendation by the Governor of the Bank of Greece, of a restructuring plan of the Bank in accordance with the Minister of Economy and Finance decision 54201/B/2884/26-11-2008 and Law 3723/2008.

It is clarified that the above rights of the Hellenic Republic are in effect as added reference to the relevant clauses of the Articles of Incorporation.

The ordinary shares (under (a) above) represent 14.2%, the ordinary shares (under (b) above) owned by the Hellenic Financial Stability Fund represent 63.5% and the preferred shares (under (c) above) represent 22.3% of the total paid-in share capital of the Bank.

b. The Articles of Incorporation contain no restrictions on the transfer of Bank shares, save as otherwise provided for in the law.

c. From the Bank's records there are no qualified, direct or indirect, holdings within the meaning of Law 3556/2007, in its share capital.

d. There are no shares issued by the Bank possessing special rights of control, with the exception of:

   (a) the preference shares held by the Hellenic Republic (by virtue of Law 3723/2008) in reference to the rights and privileges bestowed upon it in accordance with the Articles of Incorporation of the Bank.

   (b) the ordinary shares held by the Hellenic Financial Stability Fund in reference to the rights that the Hellenic Financial Stability Fund enjoys by virtue of Law 3864/2010.

e. The Articles of Incorporation contain no restrictions on voting rights and the deadlines for exercising the same on shares issued by the Bank, save as otherwise provided for in the law.

f. To the knowledge of the Bank, there are no shareholder agreements providing for restrictions on share transfers or restrictions on the exercise of voting rights on shares issued by the Bank save as otherwise provided for in the provisions of the laws stipulating the rights of the Hellenic Financial Stability Fund.

g. There are no rules in the Articles of Incorporation for the appointment and replacement of Members of the Board of Directors, as well as for the amendment of the Articles of Incorporation of the Bank, which are at variance with the stipulations of the law as in force.

h. The Bank may increase its share capital by virtue of a resolution of the General Meeting of Shareholders or of the Board of Directors, in accordance with the law and the Articles of Incorporation.

On 1.2.2013 the Bank, in application of the agreement of 16.10.2012 between the former and 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.

On 28.6.2013 the process of the merger of the Bank with, and byabsorption 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 of 31.1.2013 approved but never implemented:

(A) 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, interest bearing bonds, contingently convertible (i.e. the bonds) into ordinary 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, and

(B) the granting of authorisation to the Board of Directors of the Bank, at its discretion, to: (i) finalise the principal amount of the Convertible Bond Loan and, accordingly, resolve on its issuance and offer, and (ii) prepare agreements and sign contracts on the specific terms of the said loan as well as proceed with any legal or other acts necessary for the issuance and offer of the bonds.

The Second Iterative Extraordinary General Meeting of 16.4.2013 approved an increase of the share capital of the Bank amounting to a total of Euro 3,116,590,909.20 constituted by the amount of Euro 375,000,000.00 through payment in cash and by the amount of Euro 2,741,590,909.20 through contribution in kind by the Hellenic Financial Stability Fund of securities owned by the latter and issued by the European Financial Stability Facility, through the issuance and distribution of 10,388,636,364 common, nominal shares, with voting rights, of nominal value and offer price equal to Euro 0.30 and Euro 0.44, respectively, each, whereby the difference between issue price and offer price, amounting to a total of Euro 1,454,409,090.96, is credited to the special account (share premium account) by "the issuance of shares above par value".

For as long as the Bank participates in the programmes for the enhancement of the economy's liquidity as per Law 3723/2008, the Bank may not purchase its own shares (article 28 par. 2 of Law 3756/2009).

The Bank does not hold any of its own shares.

i. The Bank has not entered into any major agreement, which comes into effect, is amended or expires upon a change of control of the Bank following a public tender offer.

j. The Bank has not entered into any agreement with the Board Directors or the staff, providing for compensation upon their resignation or dismissal without just cause, or upon termination of tenure/employment, owing to a public tender offer, except in accordance with the provisions of the law.

E. General Meeting

The General Meeting of Shareholders is the supreme governing body of the Bank and resolves on all corporate matters, apart from those that fall within the exclusive jurisdiction of the Board of Directors, unless the latter resolves, on a particular item of its agenda, to relegate it to the General Meeting. Its resolutions shall be binding upon all the Shareholders including those absent or dissenting.

The General Meeting, unless otherwise foreseen by law and the Articles of Incorporation, is vested with exclusive authority to resolve on the following matters:

(a) Amend the Articles of Incorporation, including the resolutions to increase or to reduce the share capital;
(b) elect Members to the Board of Directors and award the status of Independent Member of the Board of Directors;
(c) appoint regular auditors and determine their remuneration;
(d) approve and reform the Annual Financial Statements and determine the distribution of the annual profits of the Bank;
(e) issue bond loans pursuant to articles 8 (without prejudice to article 3a par. 1 section b of Codified Law 2190/1920) and 9 of Law 3156/2003;
(f) merge, split-up, convert, revive, extend the term of operation or wind-up the Bank;
(g) change the nationality of the Bank;
(h) appoint liquidators; and
(i) resolve on any other issues stipulated by law.

The Shareholders have the following rights in relation to General Meetings:

(a) Shareholders representing at least one twentieth (1/20) of the issued and paid-in share capital of the Bank are entitled to ask for an Extraordinary General Meeting of the Shareholders to be convened, setting a date for the Meeting, which shall not be more than forty five (45) days from the date of service of the application to the Chairman of the Board of Directors. The application shall include the items of the Agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the relevant application, it shall be convened by the applicant Shareholders at the company's expense, in accordance with the provisions of the law.
(b) Shareholders representing at least one twentieth (1/20) of the issued and paid-in share capital of the Bank are entitled to ask for the addition of items to the Agenda of the General Meeting, provided that an application to that effect is received by the Board of Directors of the Bank at least fifteen (15) days prior to the General Meeting, to which a reasoning or a draft resolution for approval by the General Meeting is attached.
The Board of Directors is required to include the additional items on the Agenda and publish the same at least thirteen (13) days prior to the General Meeting.

(c) Shareholders representing at least one twentieth (1/20) of the issued and paid-in share capital of the Bank are entitled to ask, by means of an application to be delivered to the Board of Directors of the Bank at least seven (7) days prior to the General Meeting, for the posting on the Bank's website (www.alpha.gr), at least six (6) days prior to the General Meeting, of draft resolutions on items included in the initial or the revised Agenda.

(d) The Board of Directors is not obliged to include items on the Agenda nor to publish or disclose them, along with a justification or draft resolutions made as above, by Shareholders, if their content is clearly contrary to the law and to the moral customs.

(e) At the request of Shareholders representing at least one twentieth (1/20) of the issued and paid-in share capital of the Bank, the Chairman of the Meeting is obliged to adjourn for one time only the resolution by the General Meeting, ordinary or extraordinary, on all or certain items, determining as the day for the resumption of the meeting, the one specified in the application of the Shareholders, and which may not be more than thirty (30) days from the date of the adjournment.

(f) At the request of Shareholders representing at least one twentieth (1/20) of the issued and paid-in share capital of the Bank, the resolution on an item of the

Agenda of a General Meeting is conducted by roll-call.

(g) A Shareholder may apply to the Board of Directors at least five (5) days prior to the General Meeting, for information to be provided to the General Meeting on Bank matters, if deemed useful for the effective assessment of the Agenda items.

(h) At the request of Shareholders representing one twentieth (1/20) of the issued and paid-in share capital of the Bank, the Board of Directors must notify the General Meeting, in the case it is an ordinary one, of the amounts which were paid in the last two years to each Member of the Board of Directors or Manager of the Bank, as well as of any benefit awarded to these persons for any reason whatsoever or as a result of a contract the Bank has concluded with them. In all of the above cases, the Board of Directors may refuse to provide the information, having sufficient material reason as per the specific provisions of the law, which is stated in the minutes.

(i) Shareholders representing at least one fifth (1/5) of the issued and paid-in share capital of the Bank are entitled to apply to the Board of Directors of the Bank at least five (5) days prior to the General Meeting, for the Board of Directors to apprise the General Meeting about the state of corporate affairs and assets of the Bank.

F. Board of Directors

The Board of Directors is responsible for the general administration and management of corporate affairs, as well as for the representation of the Bank in all its relations and resolves on all issues concerning the Bank. It performs any action for which the relevant authority is bestowed upon it, apart from those actions for which the General Meeting of Shareholders is the sole competent authority.

The primary concern of the Board of Directors, while exercising its powers, is to meet the interests of the Bank, the Shareholders, and of its Employees and of other interested parties (as the case may be). The Board of Directors monitors the compliance and adherence to the provisions of the law, within the framework of the corporate interest, as well as the compliance to procedures of reliable and timely information and communication.

Pursuant to the Presubscription Agreement of 28 May 2012, the Hellenic Financial Stability Fund is represented in the Board of Directors of the Bank. The representative of the Hellenic Financial Stability Fund is also a Member of the Audit Committee, the Risk Management Committee and the Remuneration Committee of the Board of Directors.

The Audit Committee convenes at least once every quarter. It supervises and evaluates the procedures followed in drawing-up the published annual and interim Financial Statements of the Bank and of the Group, it approves the Financial Statements of the Bank and of the Group before they are submitted to the Board of Directors and ensures the independent and unprejudiced conducting of internal and external audits in the Bank.

The specific duties and responsibilities of the Audit Committee are determined in its Charter of the Corporate Governance Report: http://www.alpha.gr/page/default.asp?id=3295&la=1.

The Risk Management Committee defines the principles governing risk management with regard to identifying, forecasting, measuring, monitoring, controlling and handling it in line with the adequacy of the available resources. The Committee convenes monthly.

The specific duties and responsibilities of the Risk Management Committee are determined in its Charter of the Corporate Governance Report: http://www.alpha.gr/page/default.asp?id=3295&la=1.

The Remuneration Committee proposes the policy for remuneration, of the Bank and Group Personnel as well as of the Members of the Board of Directors, and submits recommendations accordingly to the Board of Directors. The Committee convenes at least twice a year.

The specific duties and responsibilities of the Remuneration Committee are determined in its Charter of the Corporate Governance Report: http://www.alpha.gr/page/default.asp?id=3295&la=1.

Remuneration Policy

The Remuneration Policy is consistent with the values, business strategy, objectives and, in general, the long-term interests of the Bank and the Group Companies and complies, inter alia, with the dictates of Law 3728/2008 and the Bank of Greece Governor's Act 2650/2012.

In particular, in the context of effective risk management, it discourages excessive risk undertaking and prevents or minimises the emergence of conflicts of interest which are to the detriment of the proper, wise and moral management of risks. It also correlates the remuneration received by the Human Resources of the Bank and Group Companies with the risks they undertake and manage.

For the determination of the fixed remuneration, further to the provisions of the labour legislation and the collective labour agreements, the market practices and the significance of each position are also taken into account. In order to establish an objective and fair Remuneration Policy, the assessment of job positions is required. Furthermore, the performance management system motivates the achievement of outstanding long-term results without encouraging excessive risk undertaking. More specifically, the evaluation of the performance of an Executive takes into account the achievement of his/her predefined goals, which include, operational results, adherence to internal procedures, client relations and subordinates management, but also includes qualitative criteria relating to his/her personality demonstrated in the performance of his/her duties. The proper and selective implementation of the variable remuneration policy is considered a necessary tool of Human Resources Management and is required for attracting and/or keeping Executives at Bank and Group level, thus contributing significantly to the achievement of the long-term business objectives of the Bank and the Group Companies.

The composition of the Board of Directors and the Board of Directors' Committees for the year 2013 was as follows:

	Audit Committee	Risk Management Committee	Remuneration Committee
Chairman (Executive Member)			
Yannis S. Costopoulos			
Vice Chairman (Non-Executive Independent Member)			
Minas G. Tanes		●	
Chairman, FOOD PLUS S.A.			
EXECUTIVE MEMBERS			
Managing Director - CEO			
Demetrios P. Mantzounis			
Executive Directors and General Managers			
Spyros N. Filaretos		○	
Artemis Ch. Theodoridis			
George C. Aronis			
NON-EXECUTIVE MEMBERS			
Paul G. Karakostas	●		
Chairman and Managing Director, GENKA COMMERCIAL S.A.			
Ioanna E. Papadopoulou			
President and Managing Director, E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY			○
NON-EXECUTIVE INDEPENDENT MEMBERS			
George E. Agouridis	○		●
Lawyer			
Pavlos A. Apostolides			
Former Ambassador			
Thanos M. Veremis			
Professor Emeritus, University of Athens			
Evangelos J. Kaloussis	○	○	
Chairman, NESTLE HELLAS S.A.			
Ioannis K. Lyras			○
President, PARALOS MARITIME CORPORATION S.A.			
NON-EXECUTIVE MEMBER in accordance with Law 3723/2008			
THE GREEK STATE, via its appointed representative, Mr. Sarantis-Evangelos 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

CVs of the Members of the Board of Directors

Chairman
(Executive Member)
Yannis S. Costopoulos
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.

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. On 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
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.

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
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.

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 other, 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
He was born in 1943 and is a Professor Emeritus of Political Science 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.

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 in accordance with 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 in accordance with 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 Master's degree from the Athens University of Economics and Business. From 1962 until 2011 he worked at the National Bank of Greece. He has been a member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, since June 2012.

Panagiota S. Iplixian, as of 30.1.2014
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. In the interval 1972-1987 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. She has been a member of the Board of Directors of the Bank, representing the Hellenic Financial Stability Fund, since January 2014.

Mr. Minas G. Tanes, Chairman of the Risk Management Committee and Mr. Paul G. Karakostas, Chairman of the Audit Committee, assisted, respectively, by Messrs Spiros A. Andronikakis, General Manager and Chief Risk Officer, Vassilios E. Psaltis, General Manager and Chief Financial Officer and Athanasios I. Lioudis, Internal Audit Executive General Manager, have been appointed responsible for Risk Management, Financial and Audit Issues.

Management Committees

The Committees composed by Members of the Management of the Bank are the Executive Committee, the Operations Committee, the Assets – Liabilities Management Committee (ALCo), the Treasury and Balance Sheet Management Committee, the Operational Risk Committee and the Credit Risk Committee.

The **Executive Committee** is the senior executive body of the Bank. 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 proceedings. 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 relating to the development of the Group, submits recommendations on the Rules and Regulations of the Bank, as well as on 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 the Group Companies in other companies.

The **Operations Committee** convenes at least once a week under the chairmanship of the Managing Director and with the participation of the General Managers, the Executive 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 proceedings. The Operations Committee undertakes a review of the market and the sectors of the economy, examines the course of business and new products. It approves the policy on Network and Group development and determines the credit policy. Finally, it decides on treasury management, the level of interest rates and the Terms and Conditions for deposits, loans and transactions.

The **Assets – Liabilities Management Committee** convenes regularly every quarter under the chairmanship of the Managing Director. The General Managers, the Executive General Managers and the Managers of the ALM Planning Division, the Market and Operational Risk Division, the Performance Management Division, the Asset Gathering Products Division, the Accounting and Tax Division, the Economic Research Division, the Wholesale Banking Credit Risk Division, the Retail Banking Credit Risk Division, the Trading Division, the Capital Management and Banking Supervision Division and the Financial Markets Division participate as Members. The Committee examines and decides on issues related to Treasury and Balance Sheet Management and monitors the course of the results, the budget, the funding plan, the capital adequacy and the overall financial volumes of the Bank and the Group approving the respective actions and policies. In addition, the Committee approves the interest rate policy, the structure of the investment portfolios and the total market, interest rate and liquidity risk limits.

The **Treasury and Balance Sheet Management Committee** convenes regularly every month under the chairmanship of the Wholesale Banking and International Network General Manager. The Retail Banking General Manager, the Chief Risk Officer, the Chief Financial Officer and the Managers of the ALM Planning Division, Market and Operational Risk Division and Financial Markets Division participate as Members. The Committee examines and recommends to ALCo on issues generally related to the Treasury and Balance Sheet Management, such as capital structure, interest rate policy, total market, interest rate and liquidity risk limits, the funding policy of the Bank and the Group, liquidity management, stress test assumptions, hedging strategies, funds transfer pricing, the structure of the investment portfolios and capital and liquidity allocation to the business units.

The **Operational Risk Committee** convenes regularly every quarter under the chairmanship of the Managing Director and with the participation of the General Managers, the Information Technology and Operations Executive General Manager and the Manager of the Market and Operational Risk Division. The Operational Risk Committee ensures that the appropriate processes, methodologies and infrastructure to manage operational risk are in place. In addition, it is regularly updated on the operational risk profile of the Group and the results of the operational risk assessment process; reviews recommendations for minimising operational risk; assesses forecasts regarding Third Party Lawsuits against the Bank; approves the authorisation limits of the Committees responsible for the management of operational risk events of the Bank and the Group Companies and reviews the operational risk events whose financial impact exceeds the limits of the other Committees.

The **Credit Risk Committee** convenes regularly every quarter under the chairmanship of the Managing Director and with the participation of the General Managers and the Managers of the Wholesale Banking Credit Risk

Division, the Retail Banking Credit Risk Division and the Capital Management and Banking Supervision Division. The Credit Risk Committee assesses the adequacy and the efficiency of the credit risk management policy and procedures of the Bank and the Group with regard to the undertaking, monitoring and management of credit risk per Business Unit (Wholesale Banking, Retail Banking, Wealth Management/Private Banking), geographical area, product, activity, industry et al. and resolves on the planning of the required corrective actions.

Finally, the Bank states that it intends to comply immediately with any additional disclosure requirements which may be set by the institutional framework for Credit Institutions which is being formulated.

Athens, 19 March 2014

THE CHAIRMAN OF
THE BOARD OF DIRECTORS

YANNIS S. COSTOPOULOS
I.D. No X 661480

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

Group Financial Statements as at 31.12.2013

Consolidated Income Statement

(in thousands of Euro)

		From 1 January to	
	Note	31.12.2013	31.12.2012*
Interest and similar income	2	3,512,375	3,303,458
Interest expense and similar charges	2	(1,854,554)	(1,920,176)
Net interest income	2	1,657,821	1,383,282
Fee and commission income		429,378	322,949
Commission expense		(59,071)	(51,262)
Net fee and commission income	3	370,307	271,687
Dividend income	4	1,048	998
Gains less losses on financial transactions	5	256,551	(232,856)
Other income	6	74,626	61,337
		332,225	(170,521)
Total income		**2,360,353**	**1,484,448**
Staff costs	7	(661,569)	(532,699)
General administrative expenses	8	(584,554)	(454,990)
Depreciation and amortization expenses	20, 21, 22	(92,161)	(93,634)
Other expenses	9	(87,568)	(70,769)
Total expenses		**(1,425,852)**	**(1,152,092)**
Impairment losses and provisions to cover credit risk	10	(1,923,213)	(1,666,543)
Negative goodwill from the acquisition of Emporiki Bank	46	3,283,052	
Share of profit/(loss) of associates and joint ventures	19	(16,194)	(10,393)
Profit/(loss) before income tax		**2,278,146**	**(1,344,580)**
Income tax	11	701,195	256,973
Profit/(loss) after income tax, from continuing operations		**2,979,341**	**(1,087,607)**
Profit /(loss) after income tax, from discontinued operations	47	(57,117)	5,920
Profit/(loss) after income tax		**2,922,224**	**(1,081,687)**
Profit/(loss) attributable to:			
Equity owners of the Bank			
- from continuing operations		2,979,286	(1,088,021)
- from discontinued operations		(57,117)	5,920
		2,922,169	**(1,082,101)**
Non-controlling interests			
- from continuing operations		55	414
Earnings/(losses) per share:			
Basic and diluted (€ per share)	12	0.44	(1.12)
Basic and diluted from continuing operations (€ per share)	12	0.45	(1.13)
Basic and diluted from discontinued operations (€ per share)	12	(0.01)	0.01

* *The figures of the Consolidated Income Statement of the comparative period have been restated due to the retrospective application of new accounting policies and the presentation of JSC Astra Bank as a discontinued operation (notes 47 and 49).*

Consolidated Balance Sheet

(in thousands of Euro)

	Note	31.12.2013	31.12.2012*
ASSETS			
Cash and balances with Central Banks	13	1,688,182	1,437,248
Due from banks	14	2,566,230	3,382,690
Securities held for trading	15	8,836	20,132
Derivative financial assets	16	797,393	736,693
Loans and advances to customers	17	51,678,313	40,578,845
Investment securities			
- Available for sale	18a	4,966,934	6,037,298
- Held to maturity	18b	1,369,786	1,535,572
- Loans and receivables	18c	4,308,556	
Investments in associates and joint ventures	19	50,044	74,610
Investment property	20	560,453	493,498
Property, plant and equipment	21	1,122,470	987,385
Goodwill and other intangible assets	22	242,914	141,757
Deferred tax assets	23	2,788,688	1,806,151
Other assets	24	1,542,830	1,014,735
		73,691,629	58,246,614
Assets held for sale	25	5,638	6,804
Total Assets		**73,697,267**	**58,253,418**
LIABILITIES			
Due to banks	26	19,082,724	25,215,163
Derivative financial liabilities	16	1,373,500	1,518,881
Due to customers (including debt securities in issue)	27	42,484,860	28,464,349
Debt securities in issue held by institutional investors and other borrowed funds	28	782,936	732,259
Liabilities for current income tax and other taxes	29	56,768	42,529
Deferred tax liabilities	23	35,160	412,020
Employee defined benefit obligations	30	78,700	52,182
Other liabilities	31	1,156,000	929,748
Provisions	32	278,884	138,787
Total Liabilities		**65,329,532**	**57,505,918**
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	33	4,216,872	1,100,281
Share premium	34	4,212,062	2,757,653
Reserves	35	631,033	268,315
Retained earnings	36	(747,572)	(3,538,207)
		8,312,395	**588,042**
Non-controlling interests		**23,640**	**11,904**
Hybrid securities	37	**31,700**	**147,554**
Total Equity		**8,367,735**	**747,500**
Total Liabilities and Equity		**73,697,267**	**58,253,418**

* *Certain figures of the Consolidated Balance Sheet of the comparative period have been restated due to the retrospective application of new accounting policies (note 49).*

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

		From 1 January to	
	Note	**31.12.2013**	**31.12.2012***
Profit / (loss), after income tax, recognized in the Income Statement		**2,922,224**	**(1,081,687)**
Other comprehensive income recognized directly in Equity:	11		
Amounts that may be reclassified in the Income Statement			
Change in available for sale securities reserve		226,865	239,353
Change in cash flow hedge reserve		153,151	(152,674)
Exchange differences on translating and hedging the net investment in foreign operations		(2,449)	(21,003)
Change in the share of other comprehensive income of associates and joint ventures		1,131	500
Income tax		(94,196)	(12,363)
Total amounts that may be reclassified in the Income Statement after income tax from continuing operations		**284,502**	**53,813**
Amounts that may be reclassified in the Income Statement from discontinued operations	47	47,037	(5,064)
		331,539	**48,749**
Amounts that will not be reclassified in the Income Statement from continuing operations			
Change in actuarial gains/(losses) of defined benefit obligations		(5,074)	2,584
Income tax		3,510	(517)
		(1,564)	**2,067**
Total of other comprehensive income recognized directly in Equity, after income tax	11	**329,975**	**50,816**
Total comprehensive income for the period, after income tax		**3,252,199**	**(1,030,871)**
Total comprehensive income for the period attributable to:			
Equity owners of the Bank			
- from continuing operations		3,262,233	(1,032,651)
- from discontinued operations		(10,080)	856
		3,252,153	**(1,031,795)**
Non controlling interests			
- from continuing operations		46	924

* *The figures of the Consolidated Income Statement of the comparative period have been restated due to the retrospective application of new accounting policies and the presentation of JSC Astra Bank as a discontinued operation (notes 47 and 49).*

Consolidated Statement of Changes in Equity

(in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained Earnings	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2012		**1,100,281**	**2,757,653**	**218,893**	**(2,659,574)**	**1,417,253**	**11,700**	**537,295**	**1,966,248**
Impact from the retrospective application of new accounting policies after income tax	49				(31,363)	(31,363)			(31,363)
Restated balance 1.1.2012		**1,100,281**	**2,757,653**	**218,893**	**(2,690,937)**	**1,385,890**	**11,700**	**537,295**	**1,934,885**
Changes for the period 1.1 - 31.12.2012									
Profit for the year, after income tax					(1,082,101)	(1,082,101)	414		(1,081,687)
Other comprehensive income recognized directly in Equity, after income tax	11			48,239	2,067	50,306	510		50,816
Total comprehensive income for the year, after income tax		**-**	**-**	**48,239**	**(1,080,034)**	**(1,031,795)**	**924**	**-**	**(1,030,871)**
Purchases/sales and change of ownership interests in subsidiaries					15	15	(720)		(705)
Purchases/sales of hybrid securities, after income tax					234,391	234,391		(389,741)	(155,350)
Appropriation to reserves				1,183	(1,183)	-			-
Other					(459)	(459)			(459)
Balance 31.12.2012		**1,100,281**	**2,757,653**	**268,315**	**(3,538,207)**	**588,042**	**11,904**	**147,554**	**747,500**

(in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained Earnings	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2013		**1,100,281**	**2,757,653**	**268,315**	**(3,538,207)**	**588,042**	**11,904**	**147,554**	**747,500**
Changes for the period 1.1 - 31.12.2013									
Profit for the year, after income tax					2,922,169	2,922,169	55		2,922,224
Other comprehensive income recognized directly in Equity, after income tax				331,527	(1,543)	329,984	(9)		329,975
Total comprehensive income for the period, after income tax		-	-	**331,527**	**2,920,626**	**3,252,153**	**46**	-	**3,252,199**
Share capital increase through issuance of ordinary shares to Hellenic Financial Stability Fund	33 34	2,741,591	1,279,409			4,021,000			4,021,000
Share capital increase paid in cash	33 34	375,000	175,000			550,000			550,000
Share capital increase expenses, after income tax					(163,828)	(163,828)			(163,828)
Purchases/sales and change of ownership interests in subsidiaries					(392)	(392)	11,690		11,298
(Purchases), (Redemptions)/Sales of hybrid securities, after income tax					50,926	50,926		(115,854)	(64,928)
Appropriation to reserves				31,191	(31,191)	-			-
Other					14,494	14,494			14,494
Balance 31.12.2013		**4,216,872**	**4,212,062**	**631,033**	**(747,572)**	**8,312,395**	**23,640**	**31,700**	**8,367,735**

Consolidated Statement of Cash Flows

(in thousands of Euro)

		From 1 January to	
	Note	**31.12.2013**	**31.12.2012***
Cash flows from continuing operating activities			
Profit/(loss) before income tax		2,278,146	(1,344,580)
Adjustments for:			
Depreciation/ impairment of fixed assets	20, 21	127,028	74,901
Amortization/ impairment of intangible assets	22	23,110	68,312
Impairment losses from loans, provisions and defined benefit obligations		2,006,379	1,754,658
(Gains)/losses from investing activities		(89,089)	206,885
(Gains)/losses from financing activities		(92,406)	31,202
Share of (profit)/loss of associates and joint ventures	19	16,194	10,393
Negative goodwill from the acquisition of Emporiki Bank	46	(3,283,052)	
Other adjustments			25,788
		986,310	**827,559**
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks		737,179	11,736
Securities held for trading and derivative financial assets		155,809	(118,417)
Loans and advances to customers		1,226,519	1,806,585
Other assets		311,545	(255,117)
Net increase /(decrease) in liabilities relating to continuing operating activities:			
Due to banks		(7,843,535)	2,694,974
Derivative financial liabilities		(156,433)	(214,013)
Due to customers		182,214	(2,055,194)
Other liabilities		(9,820)	(18,488)
Net cash flows from continuing operating activities before taxes		**(4,410,212)**	**2,679,625**
Income taxes and other taxes paid		(19,674)	(54,954)
Net cash flows from continuing operating activities		**(4,429,886)**	**2,624,671**
Net cash flows from discontinued operating activities		**(2,479)**	**(18,697)**
Cash flows from continuing investing activities			
Investments in subsidiaries and associates		(12,479)	2,489
Acquisition of Emporiki Bank		645,215	
Amounts received from disposal of subsidiary		81,385	
Dividends received	4	1,048	998
Acquisition of fixed and intangible assets		(127,139)	(62,160)
Disposals of fixed and intangible assets		7,720	20,199
Net (increase)/decrease in investement securities		2,257,071	(1,178,859)
Net cash flows from continuing investing activities		**2,852,821**	**(1,217,333)**
Net cash flows from discontinued investing activities		**(415)**	**(5,247)**
Cash flows from continuing financing activities			
Dividends paid		(2,283)	(2,840)
(Repayment)/Receipt of debt securities		12,033	(316,988)
(Purchases)/sales of hybrid securities		(45,064)	(158,606)
Share capital increase		550,000	
Share capital increase expenses		(68,386)	
Net cash flows from continuing financing activities		**446,300**	**(478,434)**
Effect of exchange rate fluctuations on cash and cash equivalents		(3,267)	(939)
Net increase/(decrease) in cash flows – continuing activities		**(1,134,032)**	**927,965**
Net increase/(decrease) in cash flows – discontinued activities		**(2,894)**	**(23,944)**
Cash and cash equivalents at the beginning of the year	13	**2,110,093**	**1,206,072**
Cash and cash equivalents at the end of the year	13	**973,167**	**2,110,093**

* *The figures of the Consolidated Income Statement of the comparative period have been restated due to the retrospective application of new accounting policies and the presentation of JSC Astra Bank as a discontinued operation.*

The attached notes (pages 45 to 184) form an integral part of the consolidated financial statements

Notes to the Group Financial Statements

GENERAL INFORMATION

The Alpha Bank Group, which includes companies in Greece and abroad, offers the following services: corporate and retail banking, financial services, investment banking and brokerage services, insurance services, real estate management, hotel activities.

The parent company of the Group is Alpha Bank A.E. which operates under the brand name of Alpha Bank A.E.. The Bank's registered office is 40 Stadiou Street, Athens and is listed as a societé anonyme with registration number 6066/06/B/86/05 and in the General Commercial Register with registration number 223701000. The Bank's duration is until 2100 but may be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, community, foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 22.6.2010 expires in 2014.

The Board of Directors as at December 31, 2013, consists of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non Executive Independent Member)

Minas G. Tanes ***

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis (CEO)

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO) ***

Artemis Ch. Theodoridis

George K. Aronis

NON-EXECUTIVE MEMBERS

Paul G. Karakostas *

Ioanna E. Papadopoulou **

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis */**

Paul A. Apostolidis

Thanos M. Veremis

Evangelos J. Kaloussis */***

Ioannis K. Lyras **

* *Member of the Audit Committee*

** *Member of the Remuneration Committee*

*** *Member of the Risk Management Committee*

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3723/2008)

Sarantis – Evangelos G. Lolos

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3864/2010)

Nikolaos G. Koutsos */**/*** (replaced by Mrs Panagiota S. Iplixian on 30.1.2014)

SECRETARY

Hector P. Verykios (replaced by Mr Georgios P. Triantafyllidis on 2.1.2014)

The Ordinary General Meeting of Shareholders, held on 29.6.2013, has appointed as auditors of the interim and annual financial statements for 2013 the following:

Principal Auditors:	Marios T. Kyriacou
	Harry G. Sirounis
Substitute Auditors:	Michael A. Kokkinos
	John A. Achilas

from KPMG Certified Auditors A.E.

The Bank's shares are listed in the Athens Stock Exchange since 1925 and are constantly ranked among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, and FTSE Med 100.

Apart from the Greek listing, the shares of the Bank are listed in the London Stock Exchange in the form of international certificates (GDRs) and they are traded over the counter in New York (ADRs).

As a result of the Bank's share capital increase which took place in May 2013, according to the recapitalization framework for the Greek banks, the share capital of the Bank amounted to 10,922,906,012 ordinary, registered shares of nominal value of €0.30 each and 200,000,000 preference shares of nominal value €4.70 each. 1,997,638,231 ordinary shares of the Bank are traded in the Athens Exchange while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 8,925,267,781 ordinary, registered, voting, paperless shares or percentage equal to 81.7% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

In addition, on the Athens Exchange there are 1,204,702,851 warrants that are traded each one incorporating the right of its holder to purchase 7,408683070 new shares owned by the HFSF.

During the year 2013 the average daily volume per session was €5,928,313.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: Caa1
- Fitch Ratings: B-
- Standard & Poor's: CCC

The financial statements have been approved by the Board of Directors on 19 March 2014.

---

* *Member of the Audit Committee*

** *Member of the Remuneration Committee*

*** *Member of the Risk Management Committee*

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

These consolidated financial statements relate to the fiscal year 1.1 – 31.12.2013 and they have been prepared:

a) in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and

b) on the historical cost basis except for the following assets and liabilities which were measured at fair value:
• Securities held for trading
• Derivative financial instruments
• Available-for-sale securities
• The convertible bond issued by the Bank which is included in “Debt securities in issue held by institutional investors and other borrowed funds”.

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2012 and 2013, after taking into account the re-estimation of the useful life of property, plant and equipment, investment property and software of the Bank which, although it did not alter the range of the useful life of each class of the Group’s assets, took place during this reporting period and affected the consolidated figures arising from the Bank. The useful life of the main of the above assets was determined as follows:

- Offices: 35 years
- Branches: 30 years
- Houses-storages: 40 years
- Equipment and vehicles: 5 to 15 years
- Software: 15 years

In addition, the accounting policies applied by the Group took into account the following new standards, amendments of standards and Interpretation 20 which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2013:

- **Amendment of International Financial Reporting Standard 1** “Government loans” (Regulation 183/4.3.2013)

  On 13.3.2012 the International Accounting Standards Board issued an amendment of IFRS 1 according to which, a first-time adopter shall not apply retrospectively the requirements in IFRS 9 (or IAS 39) and IAS 20 regarding government loans existing at the date of transition to IFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with IFRS requirements, it shall use its previous GAAP carrying amount of the loan in the opening IFRS statement of financial position. However, as an exception, an entity may apply the requirements in IFRS 9 (or IAS 39) and IAS 20 retrospectively to any government loan originated before the date of transition to IFRSs, provided that the information needed to do so had been obtained at the time of initially accounting for that loan.

  The above amendment does not apply to the financial statements of the Group.

- **Amendment of International Financial Reporting Standard 7** “Disclosures – Offsetting Financial Assets and Financial Liabilities” (Regulation 1256/13.12.2012)

  On 16.12.2011 the International Accounting Standards Board issued an amendment of IFRS 7 relating to offsetting financial assets and liabilities. The amendment requires additional disclosures not only for the recognised financial instruments that can be offset in accordance with the provisions of IAS 32, but also for the instruments that are subject to an enforceable master netting agreement or a similar agreement irrespective of whether the netting criteria of IAS 32 are met.

  The adoption of the above amendment had as a result additional disclosures which are presented in note 41.6.

- **International Financial Reporting Standard 10** “Consolidated Financial Statements” (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board issued IFRS 10 “Consolidated Financial Statements”. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The major change brought by IFRS 10 is the new definition of the principle of control. Control is the basis for determining which entities are consolidated, regardless of the type of entity. IFRS 10 supersedes the requirements relating to consolidated financial statements in IAS 27 "Consolidated and Separate Financial Statements" and also supersedes SIC 12 "Consolidation – Special Purpose Entities".

According to the new control definition, an investor controls an investee when it is exposed, or has rights, to variable returns from his involvement with the investee and has the ability to affect those returns through his power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

1. power over the investee,
2. exposure, or rights, to variable returns from his involvement with the investee, and
3. ability to use his power over the investee to affect the amount of the investor's returns.

Power arises from existing rights that give the investor the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. Although only one investor can control an investee, more than one party can share in the returns of an investee. Control must be reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control.

IFRS 10 sets out requirements on how to apply the control principle in various circumstances, i.e. when voting or similar rights give an investor power, when voting rights are not the dominant factor in deciding who controls the investee, in circumstances involving agency relationships or when the investor has control over specified assets of an investee.

IFRS 10 also includes the accounting principles for the preparation and presentation of consolidated financial statements which are substantially the same as the ones that currently apply according to IAS 27 "Consolidated and Separate Financial Statements", which is amended accordingly.

The assessment of control under the new definitions introduced by the adoption of the above standard did not alter the consolidation perimeter.

- **International Financial Reporting Standard 11** "Joint Arrangements" (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board issued IFRS 11 «Joint Arrangements» which establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. *Joint control* is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the *relevant activities* require the unanimous consent of the parties sharing control. There are two types of joint arrangements according to IFRS 11, i.e. *joint operations* and *joint ventures.* The classification depends upon the rights and obligations of the parties to the arrangement. Specifically, in *joint operations*, the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement, while in *joint ventures*, they have rights to the net assets of the arrangement.

  The parties that have joint control of a joint operation recognise in their consolidated and separate financial statements the assets and the liabilities as well as income or expenses that they own or are entitled to from the joint operation. The same accounting principles apply for parties to joint operations that do not have joint control but have rights to the assets and obligations for the liabilities relating to the joint operation. The parties that have joint control of a joint venture recognise their interest as an investment using the equity method in accordance with IAS 28 "Investments in associates and joint ventures". The alternative of proportionally consolidating joint ventures is no longer provided. A party to a joint venture that does not have joint control of the joint venture accounts for its interest in accordance with IAS 39 (or IFRS 9 if applied), unless it has significant influence over the joint venture, in which case it shall account for it using the equity method.

  IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non Monetary Contributions by Venturers".

  The main impact on the Group financial statements from the adoption of the above standard is that joint ventures are accounted using the equity method instead of the proportionate consolidation method. The application of the new standard is retrospective and its impact is presented in note 49.

- **International Financial Reporting Standard 12** "Disclosure of Interests in Other Entities" (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board issued IFRS 12 which establishes the information that the reporting entity must disclose concerning its interests in other entities. An interest in another entity refers to contractual or non-contractual involvement that exposes an entity to variability of returns from the performance of another entity. IFRS 12 lists the disclosures required depending on the nature of the interest to other entities, i.e. a)

subsidiaries, b) joint arrangements, c) associates and d) unconsolidated structured entities.
Structured entities are those that have been designed so that voting or similar rights are not a dominant factor in deciding who controls the entity (ie. the relevant activities are directed by means of contractual arrangements).
IFRS 12 does not apply to separate financial statements to which IAS 27 "Separate financial statements" applies. However, an entity with interests in unconsolidated structured entities that only prepares separate financial statements will include the IFRS 12 disclosure requirements concerning unconsolidated structured entities in those financial statements.
The adoption of the above standard by the Group had as a result additional disclosures which are presented in notes 19 and 39.

- **Amendment of International Financial Reporting Standard 10** "Consolidated Financial Statements", of **International Financial Reporting Standard 11** "Joint Arrangements" and of **International Financial Reporting Standard 12** "Disclosure of Interests in Other Entities": Transition Guidance (Regulation 313/4.4.2013)

  On 28.06.2012, the International Accounting Standards Board issued an amendment to the transition requirements of the above standards. The amendment clarifies that the "date of initial application" is the beginning of the annual reporting period in which IFRS 10 is applied for the first time. In the case that the consolidation conclusion reached at the date of initial application is different when compared with applying IAS 27 and SIC 12, only the immediately preceding comparative period needs to be adjusted retrospectively. The presentation of adjusted comparatives for earlier periods is permitted but not required. A similar exception regarding the presentation of adjusted comparatives is also provided in the transition requirements of IFRS 11 and 12. Also, the disclosures relating to non consolidated structured entities are not required for any period before the first annual period for which IFRS 12 is applied.

  The adoption of the above amendments by the Group had no impact on its financial statements.

- **Amendment of International Accounting Standard 27** "Separate Financial Statements" (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board amended and retitled IAS 27. The amended IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The amended standard does not substantially change the respective accounting requirements that are currently applicable under IAS 27 "Consolidated and Separate Financial Statements" and preserves the option to account for the above investments either at cost or in accordance with IAS 39 (or IFRS 9 if applied).

  The adoption of the above amendment by the Group had no impact on its financial statements.

- **Amendment of International Accounting Standard 28** "Investments in Associates and Joint Ventures" (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board amended and retitled IAS 28 to "Investments in Associates and Joint Ventures". IAS 28 prescribes now the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. All entities that have joint control of, or significant influence over, an investee shall account for the joint venture or associate using the equity method, except for venture capital organizations, mutual funds, unit trusts or similar entities including investment linked insurance funds, which may elect to measure investments in associates and joint ventures at fair value through profit or loss in accordance with IAS 39 (or IFRS 9).

  Apart from making the equity method compulsory for joint ventures, the amended IAS 28 has not substantially changed the accounting for associates and the application of the equity method.

  The main impact on the Group financial statements from the adoption of the above amendment is that joint ventures are accounted using the equity method instead of the proportionate consolidation method. The application of this amendment is retrospective and its impact is presented in note 49.

  It is noted that according to the Regulation 1254/11.12.2012 and 313/4.4.2013, under which the above new standards and amendments were adopted, their effective date is, by the latest, the annual period beginning on or after 1.1.2014. The Group, however, decided to adopt them on 1.1.2013, consistently with the effective date defined by the International Accounting Standards Board.

- **International Financial Reporting Standard 13** "Fair Value Measurement"(Regulation 1255/11.12.2012)

  On 12.5.2011, the International Accounting Standards Board issued IFRS 13 which:

i. Defines fair value
ii. Sets out a single framework for measuring fair value and
iii. Specifies disclosures about fair value measurements.

The adoption of the above standard had as a result additional disclosures which are presented in notes 20, 24 and 41.4.

- **Amendment of International Accounting Standard 1** "Presentation of Items of Other Comprehensive Income" (Regulation 475/5.6.2012)

  On 16.6.2011, the International Accounting Standards Board issued an amendment of IAS 1, which although had no financial impact, it resulted in modifications in the presentation of the Statement of Comprehensive Income. In particular, items of other comprehensive income shall be grouped in those that will not be reclassified subsequently to profit or loss and in those that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax is also presented separately for each of the above groups.

- **Amendment of International Accounting Standard 19** "Employee Benefits" (Regulation 475/5.6.2012)

  The International Accounting Standards Board issued on 16.6.2011 the revised IAS 19. The main impact from the adoption of the above amendment is the abolition of the option to defer actuarial gains and losses (corridor approach). Actuarial gains and losses shall be recognized in other comprehensive income and they are not reclassified in profit or loss in a subsequent period. In addition, according to the revised standard, interest on the net defined benefit liability (asset), which is recognised in profit or loss, shall be determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset). The difference between the total return on plan assets and its part that has been included in the interest on the net defined benefit liability (asset) is recognised in other comprehensive income and it is not reclassified in profit or loss in a subsequent period. The application of the revised IAS 19 is retrospective and the impact from its adoption is presented in note 49.

- **Improvements to International Accounting Standards** (Regulation 301/27.3.2013)

  As part of the annual improvements project, the International Accounting Standards Board issued, on 17 May 2012, non urgent but necessary amendments to various standards.

  The adoption of the above amendments by the Group had no impact on its financial statements.

- **Interpretation 20** "Stripping costs in the production phase of a surface mine" (Regulation 1255/11.12.2012)

  On 19.10.2011, the International Accounting Standards Board issued IFRIC 20 which clarifies issues relating to the recognition of production stripping costs as an asset as well as to its initial and subsequent measurement.

  The above Interpretation does not apply to the activities of the Group.

Except for the standards mentioned above, the European Union has adopted the following amendments of standards which are effective for annual periods beginning after 1.1.2013 and which have not been early adopted by the Group.

- **Amendment of International Financial Reporting Standard 10** "Consolidated Financial Statements", of **International Financial Reporting Standard 12** "Disclosure of Interests in Other Entities" and **of International Accounting Standard 27** "Separate Financial Statements": Investment Entities (Regulation 1174/20.11.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 31.10.2012, the International Accounting Standards Board issued the above amendment which defines "investment entities" and introduces an exception to consolidating particular subsidiaries for investment entities. An investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9. The above does not apply to subsidiaries that are not held for the purpose of obtaining returns from the investment, but for providing services that relate to the investment activities of the parent. However, a parent of an investment entity, that is not itself an investment entity, shall consolidate all entities that it controls, including those controlled through an investment entity subsidiary.

  The Group is evaluating the impact from the adoption of the above amendment on its financial statements.

- **Amendment of International Accounting Standard 32** “Offsetting Financial Assets and Financial Liabilities” (Regulation 1256/13.12.2012)

  Effective for annual periods beginning on or after 1.1.2014

  On 16.12.2011, the International Accounting Standards Board issued the amendment of IAS 32 regarding offsetting of financial assets and financial liabilities. The amendment of IAS 32 relates to the addition of application guidance concerning the right to offset.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment of International Accounting Standard 36** “Recoverable amount disclosures for non-financial assets” (Regulation 1374/19.12.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 29.5.2013, the International Accounting Standards Board issued an amendment of IAS 36 with which it removed the requirement, introduced following the issuance of IFRS 13, to disclose the recoverable amount of each cash generating unit to which a material amount of the carrying amount of goodwill or intangible assets with indefinite useful life has been allocated, regardless of whether an impairment loss had been recognized. Furthermore, the above amendment added the following disclosure requirements:

  - the recoverable amount of the asset (or cash-generating unit) for which an impairment loss has been recognized or reversed during the period,
  - if the recoverable amount is fair value less costs of disposal, the level of the fair value hierarchy,
  - for fair value measurements categorized within level 2 and level 3 of the fair value hierarchy, a description of the valuation techniques and the key assumptions used for their determination, as well as the discount rate used if fair value less costs of disposal was calculated using a present value technique.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment of International Accounting Standard 39** “Novation of derivatives and continuation of hedge accounting” (Regulation 1375/19.12.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 27.6.2013, the International Accounting Standards Board issued an amendment of IAS 39 which provides an exception to the requirement to discontinue hedge accounting when the hedging instrument expires or is sold, terminated or exercised.

  The exception is provided when the over-the-counter (OTC) derivative designated in a hedging relationship is novated to a central counterparty and at the same time the novation meets all the following conditions:

  - it arises as a consequence of laws or regulations,
  - it achieves the replacement of the previous counterparty with a central one which becomes the new counterparty to each of the parties and finally,
  - no changes are expected to the contract’s initial terms other than changes directly attributable to the change in the counterparty (changes in the collateral requirements, rights to offset receivables and payables balances and charges levied).

  The Group examines the impact from the adoption of the above amendment on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments of standards which have not yet been adopted by the European Union and they have not been early applied by the Group.

- **International Financial Reporting Standard 9** “Financial Instruments”

  On 12.11.2009, IFRS 9: “Financial Instruments” was issued by the International Accounting Standards Board. The new standard was issued as part of the first phase of the project for the replacement of IAS 39; therefore, the scope of the first phase is the classification and measurement of financial assets. According to the new standard, financial instruments should be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

  I. The entity’s business model for managing the financial assets and
  II. The contractual cash flow characteristics of the financial assets.

  In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative should not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

In addition, on 28.10.2010, the International Accounting Standards Board issued the revised requirements regarding the classification and measurement of financial liabilities. According to the new requirements, which were included in IFRS 9, in the case of financial liabilities that are initially designated at fair value through profit or loss, the change in the fair value of the liability should be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which should be recognised directly in other comprehensive income.

Finally, on 19.11.2013 the International Accounting Standards Board issued the new requirements for hedge accounting. The new requirements are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:

- more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,
- the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
- in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.

It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet. In addition, except for the new requirements for hedge accounting, the text issued on 19.11.2013:

- allows entities to apply the aforementioned requirements of IFRS 9 regarding the accounting for financial liabilities initially designated at fair value through profit and loss, before adopting the remaining IFRS 9 requirements,
- removes the mandatory effective date of 1.1.2015 for the application of the standard (this date had been determined in the amended text of IFRS 9 issued on 16.12.2011). No new mandatory effective date is determined.

Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment of other standards and mainly of IFRS 7 where new disclosures were added.

It should be noted that for the completion of IFRS 9, the finalization of the texts relating to impairment methodology is pending.

The Group is evaluating the impact from the adoption of IFRS 9 on its financial statements.

- **International Financial Reporting Standard 14** "Regulatory deferral accounts"

  Effective for annual periods beginning on or after 1.1.2016.

  On 30.01.2014 the International Accounting Standards Board issued IFRS 14. The new standard addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services.

  The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.

  The above standard does not apply to the financial statements of the Group.

- **Amendment of International Accounting Standard 19** "Defined benefit Plans: Employee Contributions"

  Effective for annual periods beginning on or after 1.7.2014

  On 21.11.2013 the International Accounting Standards Board amended the requirements of IAS 19 for the accounting of employee contributions that are linked to service but are independent of the number of years of service. Examples of contributions that are independent of the number of years of service include those that are a fixed percentage of the employee's salary, a fixed amount throughout the service period or dependent on the employee's age. In accordance with this amendment, the entity is permitted to recognise such contributions either as a reduction of service cost in the period in which the related service is rendered (as if a short term employee benefit is recognised) or to continue to attribute them to periods of service.

  The Group is examining the impact from the adoption of the above amendment on its financial statements.

- **Improvements to International Accounting Standards**

  Effective for annual periods beginning on or after 1.7.2014

  As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2013, non- urgent but necessary amendments to various standards.

  The Group is evaluating the impact from the adoption of the above amendments on its financial statements.

- **IFRIC Interpretation 21** "Levies"

  Effective for annual periods beginning on or after 1.1.2014

  On 20.05.2013, the International Accounting Standards Board issued IFRIC 21 which addresses the accounting treatment of levies imposed by governments. According to IFRIC 21, a liability to pay a levy shall be recognized in the financial statements when the obligating event, that triggers the payment of the levy, occurs. The obligating event that triggers the payment of the levy is defined as the activity of the entity that triggers the liability in accordance with the relevant legislation.

  The Group is examining the impact from the adoption of the above interpretation on its financial statements.

1.2 Basis of consolidation

The consolidated financial statements include the parent company Alpha Bank, its subsidiaries, associates and joint ventures. The financial statements used to prepare the consolidated financial statements have been prepared as at 31.12.2013 and the accounting policies applied in their preparation, when necessary, were adjusted to ensure consistency with the Group accounting policies.

a. Subsidiaries

Subsidiaries are entities controlled, directly or indirectly, by the Bank.

The Group takes into account the following factors, in assessing control:

i) power over the investee,
ii) exposure, or rights, to variable returns from its involvement with the investee, and
iii) the ability to use its power over the investee to affect the amount of the investor's return.

Power arises from currently exercisable rights that provide the Group with the current ability to direct the relevant activities of the investee. In a straightforward case, rights that provide power are derived from voting rights granted by equity instruments such as shares. In other cases, power results from contractual arrangements.

The Group's returns are considered variable, when these returns have the potential to vary as a result of the investee's performance. Variability of returns is judged based on the substance of the arrangement, regardless of their legal form.

The Group, in order to evaluate the link between power and returns, assesses whether it exercises its power for its own benefit or on behalf of other parties, thus acting as either a principal or an agent, respectively. If the Group determines that it acts as a principal, then it controls the investee and consolidation is required. Otherwise, control does not exist and there is no requirement to consolidate.

In cases where the power over an investee arises from voting rights, the Group primarily assesses whether it controls the investee through holding more than 50% of the voting rights. However, the Group can have power, even if it holds less than 50% of the voting rights of the investee, through:

- a contractual arrangement between the investors and other vote holders,
- rights arising from other contractual arrangements,
- the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- potential voting rights.

In cases of special structure entities where the voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements (i.e. securitization vehicles or mutual funds), the Group assesses the existence of control based on the following:

- the purpose of the entity and the contractual rights of the parties involved,
- the risks to which the investee was designed to be exposed, the risks it was designed to pass on to the parties involved with the investee and the degree of exposure of the Group to those risks,
- indications of a special relationship with the entity, which suggests that the Group has more than a passive interest in the investee.

Furthermore, regarding the special structure entities that are managed by the Group, the Group assesses if it acts as principal or an agent based on the extent of its decision – making authority over the entity's activities, the rights of third parties and the degree of its exposure to variability of returns due to its involvement with the entity.

The Group, based on the above criteria, controls special structure entities established for the securitization of loan portfolios.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

The financial statements of subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

The acquisition method is applied when the Group obtains control of other companies. Application of the acquisition method requires identifying the acquirer, determining the acquisition date and measuring the consideration transferred, the identifiable assets acquired, the liabilities assumed and any non controlling interest in the acquiree, in order to determine the amount of goodwill or gain arising from the business combination.

The consideration transferred is measured at fair value on acquisition date. Consideration includes also the fair value of any contingent consideration. The obligation to pay contingent consideration is recognized as a liability or as an equity component, in accordance with IAS 32 or other applicable IFRSs. The right to the return of a previously transferred consideration is classified as an asset, if specified conditions are met. Subsequently, and to the extent that changes in the value of the contingent consideration do not constitute measurement period adjustments, contingent consideration is measured as follows:

- In case it has been classified in equity, it is not re-measured.
- In case it is a financial instrument within the scope of IAS 39, it is measured at fair value through profit or loss.
- In case it is not within the scope of IAS 39, it is accounted for in accordance with IAS 37 or other IFRSs as appropriate.

The identifiable assets acquired and liabilities assumed are initially recognised on acquisition date at their fair value, except from specific assets or liabilities for which a different measurement basis is required. Any non controlling interests are recognised at either fair value or at their proportionate share in the acquiree's identifiable net assets, as long as they are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Otherwise, they are measured at their acquisition date fair values.

Any difference between:

a. the sum of the consideration transferred, the fair value of any previously held equity interest of the Group in the acquiree and the amount of any non – controlling interests, and
b. the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed,

is recognised as goodwill if the above difference is positive or as a gain in profit or loss if the difference is negative.

During the measurement period, the provisional amounts recognized at the acquisition date are adjusted in order to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. These adjustments affect accordingly the amount of goodwill. The measurement period ends as soon as the information about facts and circumstances existed as of the acquisition date has been obtained. However, the measurement period shall not exceed one year from the acquisition date.

When the Group's interest in a subsidiary increases as a result of an acquisition, the difference between the consideration paid and the share of net assets acquired is recognized directly in retained earnings.

Sales of ownership interests in subsidiaries that do not result in a loss of control for the Group are accounted for as equity transactions and the gain or loss arising from the sale is recognized directly in retained earnings.

Intercompany transactions are eliminated, unless the transaction provides evidence of impairment of the asset transferred, in which case, it is recognized in the consolidated balance sheet.

b. Associates

Associates are entities over which the Group has significant influence but not control. Significant influence is generally presumed to exist when the Group holds, directly or indirectly, more than 20% of the share capital of the company concerned without having control or joint control, unless the ownership of more than 20% does not ensure significant influence, e.g. due to lack of representation of the Group in the company's Board of Directors or due to the Group's non-participation in the policy making process.

Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate.

The Group's share of the associate's profit or loss and other comprehensive income is separately recognized in the income statement and in the statement of comprehensive income, accordingly.

c. Joint ventures

The Group applies IFRS 11 which deals with the accounting treatment of interests in joint arrangements. All joint arrangements in which the Group participates and has joint control are joint ventures, which are accounted for by using the equity method.

A detailed list of all Group subsidiaries, associates and joint ventures, as well as the Group's ownership interest in them, is provided in note 39.

1.3 Operating Segments

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of resourses between the Group's operating segments and the assessment of their performance.

Based on the above, as well as the Group's administrative structure and activities, the following operating segments have been determined:

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- South Eastern Europe
- Other

Since the Group operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:

- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 40.

1.4 Transactions in foreign currency and translation of foreign operations

a. Transactions in foreign currency

The consolidated financial statements are presented in Euro, which is the functional currency and the currency of the country of incorporation of the parent company Alpha Bank.

Items included in the financial statements of the subsidiaries are measured in the functional currency of each subsidiary which is the currency of the company's country of incorporation or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency of each subsidiary at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

b. Translation of foreign operations

The financial statements of all group entities that have a functional currency that is different from the presentation currency of the Group financial statements are translated as follows:

i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.

ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange difference from the retranslation and those arising from other monetary items designated as a part of the net investment in the entity are recorded in equity. When a foreign entity is sold, the exchange differences are reclassified to the income statement as part of the gain or loss on sale.

1.5 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents consists of:

a. Cash on hand

b. Non-restricted placements with Central Banks and

c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances due from banks are amounts that mature within three months of the balance sheet date.

1.6 Classification and measurement of financial instruments

Initial recognition

The Group recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Upon initial recognition the Group measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Subsequent measurement of financial assets

The Group classifies its financial assets as:

- Loans and receivables

- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

For each of the above categories the following apply:

a) Loans and receivables

Non derivative financial assets, with fixed or determinable payments, that are not quoted in an active market and for which the Group does not expect not to recover substantially its investment other than because of credit deterioration of the issuer, can be classified as loans and receivables. The Group has classified the following as loans and receivables:

i. loans to customers,

ii. amounts paid to acquire a portion or the total of series of bonds that are not quoted in an active market,

iii. all receivables from customers, banks etc.,

iv. bonds with fixed or determinable payments that are not quoted in an active market.

This category is measured at amortized cost using the effective interest rate method and is periodically tested for impairment based on the procedures described in note 1.14.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date.

b) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold until maturity can be classified as Held-to-maturity investments.

The Group has classified bonds, treasury bills and other debt securities in this category.

Held-to-maturity investments are measured at amortized cost using the effective interest rate method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the recoverable amount, and the difference is recognised in profit and loss.

c) Financial assets at fair value through profit or loss

Financial assets included in this category are:

i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

   The Group has included in this category bonds, treasury bills and a limited number of shares.

ii. Financial assets the Group designated, at initial recognition, as at fair value through profit and loss.

This classification is used in the following circumstances:

- When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
- When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortized cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through the profit or loss).
- When a financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Group had not designated, at initial recognition, any financial assets as at fair value through profit and loss.

d) Available-for-sale

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

The Group has included in this category bonds, treasury bills, debt securities, shares and mutual fund units.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. For investments in shares, in particular, a significant and prolonged decline in their fair value below their acquisition cost is considered as an objective evidence of impairment. The Group considers as “significant” a decrease of over 20% compared to the cost of the investment. Respectively, “prolonged” is a decrease in the fair value below amortised cost for a continuous period exceeding one year. The above criteria are assessed in conjunction to the general market conditions.

In case of impairment, the cumulative loss already recognised in equity is reclassified in profit and loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss, if it can objectively be related to an event occurring after the impairment loss was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit and loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.7 apply.

Reclassification of financial assets

Reclassification of non-derivative financial assets is permitted as follows:

i. Reclassification out of the “held-for-trading” category to the “loans and receivables” category, “investments held-to-maturity” category or “available-for-sale” category is permitted only when there are rare circumstances and the financial assets are no longer held for sale in the foreseeable future.

ii. Reclassification out of the “held-for-trading” category to either “loans and receivables” or “available-for-sale” is permitted, even when there are no rare circumstances, only if the financial assets meet the definition of loans and receivables and there is the intention to hold them for the foreseeable future or until maturity.

iii. Reclassification out of the “available-for-sale” category to the “loans and receivables” category is permitted for financial assets that would have met the definition of loans and receivables and the entity has the intent to hold the financial asset for the foreseeable future or until maturity.

iv. Reclassification out of the “available-for-sale” category to the “held-to-maturity” category is permitted for financial assets that meet the relevant characteristics and the entity has the intent and ability to hold that financial asset until maturity.

v. Reclassification out of the “held-to-maturity” category to the “available-for-sale” category occurs when the entity has no longer the intention or the ability to hold these instruments until maturity.

It is noted that in case of sale or reclassification of a significant amount of held-to-maturity investments, the remaining investments in this category are mandatorily transferred to the available-for-sale category. This would prohibit the classification of any securities as held for maturity for the current and the following two financial years. Exceptions apply in cases of sales and reclassifications of investments that:

i. are so close to maturity or the financial asset’s call date that changes in the market rate of interest would not have a significant effect on the financial asset’s fair value;

ii. occur after the Group has collected substantially all of the financial asset’s original principal through scheduled payments or prepayments; or

iii. are attributable to an isolated, nonrecurring event that is beyond the Group’s control

Derecognition of financial assets

The Group derecognizes financial assets when:

- the cash flows from the financial assets expire,
- the contractual right to receive the cash flows of the financial assets is transferred and at the same time both risks and rewards of ownership are transferred,
- loans or investments in securities are no longer recoverable and consequently are written off.

In the case of transactions where despite the transfer of the contractual right to recover the cash flows from financial assets both the risk and rewards remain with the Group, no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Group in such transactions are discussed further in notes 1.21 and 1.22

In the case of transactions, whereby the Group neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Group’s continuing involvement. If the Group does not retain control of the assets then they are derecognised, and in their position the Group recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

Subsequent measurement of financial liabilities

The Group classifies financial liabilities in the following categories for measurement purposes:

a) Financial liabilities measured at fair value through profit or loss

i. This category includes financial liabilities held for trading, that is:
   - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
   - derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as “derivative financial liabilities” and are measured according to the principles set out in note 1.7.

ii. this category also includes financial liabilities which are designated by the Group as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).

In the context of the acquisition of Emporiki Bank, the Group issued a bond which was classified in the above mentioned category.

b) Financial liabilities carried at amortized cost

The liabilities classified in this category are measured at amortized cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Group and other loan liabilities are classified in this category.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.7.

c) Liabilities arising from financial guarantees and commitments to provide loans at a below market interest rate

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment.

The financial guarantee contracts and the commitments to provide loans at a below market interest rate are initially recognized at fair value, and measured subsequently at the higher of:

- the amount of the provision (determined in accordance with IAS 37) when an outflow of resources is considered probable and a reliable estimate of this outflow is possible,
- the amount initially recognised less cumulative amortization.

Derecognition of financial liabilities

The Group derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expire.

In cases that a financial liability is exchanged with another one with substantially different terms, the exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new one. The same applies in cases of a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor). The terms are considered substantially different if the discounted present value of the cash flows under the new terms (including any fees paid net of any fees received), discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability.

In cases of derecognition, the difference between the carrying amount of the financial liability (or part of the financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only in cases when the Group has both the legal right and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

1.7 Derivative financial instruments and hedge accounting

Derivative financial instruments

Derivatives are financial instruments that upon inception have a minimal or zero value that subsequently changes in accordance with a particular underlying instrument (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In the cases when derivatives are embedded in other financial instruments, such as bonds, loans, deposits, borrowed funds etc and the host contract is not itself carried at fair value through profit or loss, then they are accounted for as separate derivatives when the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. These embedded derivatives are measured at fair value and are recognized as derivative assets or liabilities.

In the cases where derivatives are embedded in financial instruments that are measured at fair value through profit or loss, the changes in the fair value of the derivative are included in the fair value change of the combined instrument and recognized in gains less losses on financial transactions.

The Group uses derivatives as a means of exercising Asset-Liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Group uses derivatives for trading purposes to exploit short-term market fluctuations, within the Group risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions.

When the Group uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction, and that the effectiveness of the hedge is monitored on an ongoing basis at each balance sheet date.

We emphasize the following:

a. Synthetic Swaps

The parent company (Alpha Bank), in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY or other currency with a simultaneous forward purchase of the related currency to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, which is included in deposits' interest expense, foreign exchange differences and other gains less losses on financial transactions.

b. FX Swaps

These types of swaps are entered into primarily to hedge the exposures arising from customer loans and deposits.

As there is no documentation to support hedge accounting they are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest and foreign exchange differences, in order to match with the interest element and foreign exchange differences resulting from the deposits and loans, and as other gains less losses on financial transactions.

Hedge accounting

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied.

Documentation of the hedging relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and is repeated at each reporting date.

a. Fair value hedges

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged.

Changes in the fair value of both the hedging instrument and the hedged item, in respect of the specific risk being hedged, are recognized in the income statement.

When the hedging relationship no longer exists, the hedged items continue to be measured based on the classification and valuation principles set out in note 1.6. Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used, up to the point that the hedging relationship ceases to be effective, is amortized to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Group uses interest rate swaps (IRS's, caps) to hedge risks relating to borrowings, bonds, and loans.

b. Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective portion is recognized in profit or loss. The accounting treatment of the hedged item does not change.

When the hedging relationship is discontinued, the amount recognized in equity remains there separately until the cash flows or the future transaction occur. When the cash flows or the future transaction occur the following apply:

- If the result is the recognition of a financial asset or a financial liability, the amount is reclassified to profit or loss in the same periods during which the hedged forecast cash flows affect profit or loss.
- If the result is the recognition of a non-financial asset or a non-financial liability or a firm commitment for which fair value hedge accounting is applied, the amount recognized in equity either is reclassified to profit or loss in the same periods during which the asset or the liability affect profit or loss or adjusts the carrying amount of the asset or the liability.

If the expected cash flows or the transaction are no longer expected to occur, the amount is reclassified to profit or loss.

The Group applies cash flow hedge accounting for specific groups of term deposits as well as for the currency risk of specific assets. The amount that has been recognized in equity, as a result of revoked cash flow hedging relationships for term deposits, is linearly amortized in the periods during which the hedged cash flows from the aforementioned term deposits affect profit or loss.

c. Hedges of net investment in a foreign operation

The Group uses foreign exchange derivatives or borrowings to hedge foreign exchange risks arising from investment in foreign operations.

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

1.8 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The Group measures the fair value of assets and liabilities traded in active markets based on available quoted market prices. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Especially, for the measurement of securities, the Group uses a particular range of prices, within the bid-ask spread, in order to characterize the prices as prices of an active market.

The fair value of financial instruments that are not traded in an active market is determined by the use of valuation techniques, appropriate in the circumstances, and for which sufficient data to measure fair value are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If observable inputs are not available, other model inputs are used which are based on estimations and assumptions such as the determination of expected future cashflows, discount rates, probability of counterparty default and prepayments. In all cases, the Group uses the assumptions that 'market participants' would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Assets and liabilities which are measured at fair value or for which fair value is disclosed are categorized according to the inputs used to measure their fair value as follows:

- Level 1 inputs: quoted market prices (unadjusted) in active markets
- Level 2 inputs: directly or indirectly observable inputs
- Level 3 inputs: unobservable inputs used by the Group, to the extent that relevant observable inputs are not available

In particular, the Group applies the following:

Financial instruments

For financial instruments the best evidence of fair value at initial recognition is the transaction price, unless the fair value can be derived by other observable market transactions relating to the same instrument, or by a valuation technique using only observable inputs. In these cases, if the fair value differs from the transaction price, the difference is recognized in the statement of comprehensive income. In all other cases, fair value is adjusted to defer the difference with the transaction price. After initial recognition, the deferred difference is recognized as a gain or loss only to the extent that it arises from a change in a factor that market participants would take into account when pricing the instrument.

When measuring fair value, the Group takes into consideration the effect of credit risk. Specifically, for derivative contracts, the Group estimates the credit risk of both counterparties (bilateral credit valuation adjustments).

The Group measures fair value for all assets and liabilities separately. Regarding derivative exposures, however, that the Group manages as a group on a counterparty basis and for which it provides information to the key management personnel, the fair value measurement for credit risk is performed based on the net risk exposure per counterparty. Credit valuation adjustments arising from the aforementioned process are allocated to either assets or liabilities, depending on whether the net exposure to the counterparty is long or short respectively.

Furthermore, the fair value of deposit accounts with a demand feature (such as saving deposits) is no less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The principal inputs to the valuation techniques used by the Group are:

- Bond prices - quoted prices available for government bonds and certain corporate securities.
- Credit spreads - these are derived from active market prices, prices of credit default swaps or other credit based instruments, such as debt. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Interest rates - these are principally benchmark interest rates such as the LIBOR, OIS and other quoted interest rates in the swap, bond and futures markets. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Foreign currency exchange rates - observable markets both for spot and forward contracts and futures.
- Equity and equity index prices - quoted prices are generally readily available for equity shares listed on stock exchanges and for major indices on such shares.
- Price volatilities and correlations - Volatility and correlation values are obtained from pricing services or derived from option prices.
- Unlisted equities - financial information specific to the company or industry sector comparables.
- Mutual Funds- for open-ended investments funds listed on a stock exchange the published daily quotations of their net asset values (NAVs).

Non financial assets and liabilities

The most important category of non financial assets for which fair value is estimated is real estate property.

The process, mainly, followed for the determination of the fair value is summarized below:

- Assignment to the engineer - valuer
- Case study- Setting of additional data
- Autopsy - Inspection
- Data processing - Calculations
- Preparation of the valuation report

To derive the fair value of the real estate property, the valuer chooses among the three following valuation techniques:

- Market approach (or sales comparison approach), which measures the fair value by comparing the property to other identical ones for which information on transactions is available.
- Income approach, which capitalizes future cash flows arising from the property using an appropriate discount rate.
- Cost approach, which reflects the amount that would be required currently to replace the asset with another asset with similar specifications, after taking into account the required adjustment for impairment.

Examples of inputs used to determine the fair value of properties and which are analysed to the individual valuations, are the following:

- Commercial property: price per square meter, rent growth per annum, long-term vacancy rate, discount rate, expense rate of return, lease term, rate of non leased properties/units for rent.
- Residential property: Net return, reversionary yield, net rental per square meter, rate of continually non leased properties/units, expected rent value per square meter, discount rate, expense rate of return, lease term etc.
- General assumptions such as the age of the building, residual useful life, square meter per building etc are also included in the analysis of the individual valuation assessments.

It is noted that the fair value measurement of a property takes into account a market's participant ability to generate economic benefits by using the asset in it's highest and best use or by selling it to another market participant that would use the asset in it's highest and best use.

1.9 Property, Plant and Equipment

This caption includes: land, buildings used by branches or for administrative purposes, additions and improvements of leased property and equipment.

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit.

Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: up to 50 years.
- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 3 to 50 years.

Land is not depreciated but it tested for impairment.

The right to use of land for indefinite period that is held by Alpha Real Estate D.O.O. Belgrade, a subsidiary of the Group, is recorded as land and is not depreciated.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

1.10 Investment property

The Group includes in this category buildings or portions of buildings together with their respective portion of land that are held to earn rental income.

Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method are the same as those applied to property, plant and equipment.

In case of a change in the Group's intention regarding the use of property, reclassifications to or from the "Investment Property" category occur. In particular, property is reclassified to "Property, plant and equipment" if the Group's intention is to use the asset in its own business operations, whereas in case the Group decides to sell the property, it is reclassified to the "Assets held-for-sale" category, provided that all conditions mentioned in paragraph 1.17 are met. Conversely, property not classified as "Investment Property", is transferred to this category in case a decision for its lease is made.

1.11 Goodwill and other intangible assets

Goodwill

Goodwill represents the difference between the cost of an acquisition as well as the value of non-controlling interests and the fair value of the assets and liabilities of the entity acquired, as at the acquisition date.

Positive goodwill arising from acquisitions after 1/1/2004 is recorded to "Goodwill and other intangible assets", if it relates to the acquisition of a subsidiary, and it is tested for impairment at each balance sheet date. Goodwill on acquisitions of associates or joint ventures is included in "Investment in associates and joint ventures".

Negative goodwill is recognized in profit or loss.

Other intangible assets

The Group has included in this caption:

a) Intangible assets which are recognized from business combinations in accordance with IFRS 3 or which were individually acquired. The intangible assets are carried at cost less accumulated amortization and impairment losses.

The useful life of the deposit base resulting from the purchase price allocation from the acquisition of Emporiki Bank was determined to 6 years.

The price paid for the acquisition of the deposits of the Cooperative Banks Western Macedonia, Evia and Dodecanese was recognized as an intangible asset, as it reflects the expected economic benefits that the Group attributes to the acquired deposit base. The amortization period was determined to 2 years.

b) Software, which is measured at cost less accumulated amortization and impairment losses. The cost of separately acquired software comprises of its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. The cost of internally generated software comprises of expenditure incurred during the development phase, including employee benefits arising from the generation of the software. Amortization is charged over the estimated useful life of the software which the Group has estimated between 3 to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred. Software that is considered to be an integral part of hardware (hardware cannot operate without the use of the specific software) is classified in property, plant and equipment.

c) Brand names and other rights are measured at cost less accumulated amortization and impairment losses. The amortization is charged over the estimated useful life which the Group has estimated to 5 years.

Intangible assets are amortized using the straight line method, excluding those with indefinite useful life, which are not amortized. All intangible assets are tested for impairment.

No residual value is estimated for intangible assets.

1.12 Leases

The Group enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Group is the lessor

i. Finance leases:

For finance leases where the Group is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments and the aggregate amount of lease payments is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.14.

ii. Operating leases:

When the Group is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

b) When the Group is the lessee

i. Finance leases:

For finance leases, where the Group is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if, this is not available, the Group’s borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Group is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

ii. Operating leases:

For operating leases the Group as a lessee does not recognize the leased asset but charges in general administrative expenses the lease payments on an accrual basis.

1.13 Insurance activities

a) Insurance reserves

The insurance reserves are the current estimates of future cash flows arising from insurance life and non-life contracts. The reserves consist of:

i. Mathematical reserves

The insurance reserves for the term life contracts (e.g. term, comprehension, investment) are calculated on actuarial principles using the present value of future liabilities less the present value of premiums to be received.

The calculations are based on technical assumptions (mortality tables, interest rates) in accordance with the respective supervisory authorities on the date the contract was signed.

If the carrying amount of the insurance reserves is inadequate, the entire deficiency is provided for.

ii. Unearned premiums reserves

They represent part of net premiums earned which cover proportionally the period from the balance sheet date to the termination of the period the net premium covers.

iii. Outstanding claims reserves

They concern liabilities on claims occurred and reported but not yet paid at the balance sheet date. These claims are determined on a case-by-case basis based on existing information (loss adjustors' reports, doctors' reports, court decisions etc) at the balance sheet date.

Provisions are also determined for claims incurred but not reported at the balance sheet date (IBNR). The calculation of these provisions is based on the estimated average cost of claim.

iv. Reserves for investments held on behalf and at risk of the insurance policy holders

These reserves are accounted for as assets and liabilities at the current value of the associated investments.

b) Revenue recognition

Revenue from life and non-life insurance contracts is recognized when it becomes payable.

c) Reinsurance

The reinsurance premiums ceded and the respective ceded portion of the insurance reserves follow the terms of the relevant reinsurance agreements.

d) Distinction of insurance products

In accordance with IFRS 4 contracts that do not transfer significant insurance risk are characterized as investment and/or service contracts, and their accounting treatment is covered by IAS 32 and IAS 39 for financial instruments, and IAS 18 for revenue.

Based on the above the following were separated from insurance services:

i. The individual unit-linked contracts with zero insured capital,
ii. Group pension fund contracts under unit-linked management,
iii. Contract services provided for which the Group acts as intermediate (e.g. motor assistance and accident care).

e) Liability adequacy test

In accordance with IFRS 4 an insurer shall assess at each reporting date whether its recognized insurance reserves less deferred acquisition costs are adequate to cover the risk arising from the insurance contracts.

If that assessment shows that the carrying amount of its insurance reserves is inadequate, the entire deficiency is recognized against profit or loss.

The methodology applied for life insurance was based on current estimates of all future cash flows from insurance contracts and of related handling costs. These estimates were based on assumptions representing current market conditions and regarding mortality, cancellations, future changes and allocation of administrative expenses, medical inflation relating to medical changes and the discount rate. The guaranteed return included in certain insurance contracts has also been taken into account in estimating cash flows.

For the liability adequacy test of claims reserves, the triangulation method (chain-ladder/link ratio) was used which is based on the assumption that the proportional relation occurred in past years between the amounts of cumulative claims (paid and outstanding) will be repeated in the future. Data of the last five years were used for the calculation of the relevant test.

1.14 Impairment losses on loans and advances

The Group assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

a. The criteria of assessment on an individual or collective basis

The Group assesses for impairment on an individual basis the business loans of the wholesale sector. For business loans of the retail sector and as well as for consumer and mortgage loans, impairment test is performed, as a rule, on a collective basis, regardless of their amount or limit.

The Group has determined the criteria that consist trigger events for the assessment of impairment.

Loans which are individually assessed for impairment and found not impaired are included in groups, based on similar credit risk characteristics, and assessed for impairment collectively.

The Group groups the portfolio into homogenous populations, based on common risk characteristics, and has a strong historical statistical basis, in which it performs an analysis with which it captures and defines impairment testing, by segment population.

In addition, the Group recognizes impairment for loss events that have been incurred but not reported (IBNR). The calculation of the impairment loss in these cases takes into account the period between the occurance of a specific event and the date it becomes known (Loss Identification Period).

A detailed analysis of the loans that belong to the wholesale sector, of the trigger events for impairment as well as of the characteristics used for the determination of the groups for the collective assessment is included in note 41.1

b. Methodology in determining future cash flows from impaired loans

The Group has accumulated a significant amount of historical data, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

Based on the above, the amount of the recoverable amount of each loan is determined after taking into account the time value of money. The cash flows are discounted at the loans' original effective interest rate.

An impairment loss is recognized to the extent that the recoverable amount of the loan is less than its carrying amount.

c. Interest income recognition

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

d. Impairment recognition – Write – offs

Amounts of impaired loans are recognized on allowance accounts until the Group decides to write them off.

In particular, the Group proceeds to the write off of loans when it is estimated that loans are uncollectable and all legal actions for their collection have been completed.

e. Recoveries

If in a subsequent period, after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in impairment losses and provisions to cover credit risk.

1.15 Impairment losses on non-financial assets

The Group assess as at each balance sheet date non-financial assets for impairment, particularly property, plant and equipment, investment property, goodwill and other intangible assets as well as its investment in associates and joint ventures.

In assessing whether there is an indication that an asset may be impaired both external and internal sources of information are considered, of which the following are indicatively mentioned:

- The asset's market value has declined significantly, more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect have taken place during the period or will take place in the near future, in the technological, economic or legal environment in which the entity operates or in the market to which the asset is dedicated.
- Significant unfavorable changes in foreign exchange rates.
- Market interest rates or other rates of return of investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use.
- The carrying amount of the net assets of the entity is more that its market capitalization.
- Evidence is available of obsolescence or physical damage of an asset.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.
Fair value less costs to sell is the amount received from the sale of an asset (less the cost of disposal) in an orderly transaction between market participants.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash – generating unit through their use and not from their disposal. For the valuation of property, plant and equipment, value in use incorporates the value of the asset as well as all the improvements which render the asset perfectly suitable for its use by the Group.

1.16 Income tax

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income tax, both current and deferred, is recognized in profit or loss except when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

1.17 Non-current assets held for sale

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

The above classification is used if the asset is available for immediate sale in its present condition and its sale is highly probable. The sale is considered highly probable when it has been decided by Management, an active programme to locate a buyer has been initiated, the asset is actively marketed for sale at a price which is reasonable in relation to its current fair value and the sale is expected to be completed within one year. Non-current assets that are acquired exclusively with a view to their subsequent disposal are classified as held for sale at the acquisition date when the one-year requirement is met and it is highly probable that the remaining criteria will be met within a short period following the acquisition (usually within three months).

Non-current assets held for sale mainly consist of assets acquired through the enforcement of security over customer loans and advances.

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are initially recognised and subsequently remeasured at each balance sheet date at the lower of their carrying amount and fair value less cost to sell. Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. When the loss relates to a disposal group it is allocated to assets within the disposal group with the exception of specific assets that are not within the scope of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Assets in this category are not depreciated.

Gains or losses from the sale of these assets are recognized in the income statement.

Non - current assets that are acquired through enforcement procedures but are not available for immediate sale or are not expected to be sold within a year are included in Other Assets and are measured at the lower of cost (or carrying amount) and fair value. Non-current assets held for sale, that the Group subsequently decides either to use or to lease, are reclassified to the categories of property, plant and equipment or investment property respectively. During their reclassification, they are measured at the lower of their recoverable amount and their carrying amount before they were classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized had the assets not been classified as held for sale.

1.18 Employee benefits

The Group has both defined benefit and defined contribution plans.

A defined contribution plan is where the Group pays fixed contributions into a separate entity and the Group has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the entity of the Group.

The defined benefit obligation is calculated, separately for each plan, based on an actuarial valuation performed by independent actuaries using the projected unit credit method.

The net liability recognized in the consolidated financial statements is the present value of the defined benefit obligation (which is the expected future payments required to settle the obligation resulting from employee service in the current and prior periods) less the fair value of plan assets. The amount determined by the above comparison may be negative, an asset. The amount of the asset recognised in the financial statements cannot exceed the total of the present value of any economic benefits available to the Group in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there in no deep market in corporate bonds.

Interest on the net defined benefit liability (asset), which is recognised in profit or loss, is determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset).

Service cost, which is also recognised in profit or loss, consists of:

- Current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period;
- Past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the

introduction or withdrawal of, or changes to, a defined benefit plan or a curtailment (a significant reduction by the entity in the number of employees covered by a plan) and

- Any gain or loss on settlement.

Before determining past service cost or a gain or loss on settlement, the Group remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan before that plan amendment, curtailment or settlement.

Past service cost, in particular, is directly recognized to profit or loss at the earliest of the following dates:

- When the plan amendment or curtailment occurs; and
- When the Group recognizes related restructuring costs (according to IAS 37) or termination benefits.

Likewise, the Group recognizes a gain or loss on the settlement when the settlement occurs.

Remeasurements of the net defined benefit liability (asset) which comprise:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the limitation in the asset recognition, excluding amounts included in net interest on the net defined benefit liability (asset), are recognized directly in other comprehensive income and are not reclassified in profit or loss in a subsequent period.

Finally, when the Group decides to terminate the employment before retirement or the employee accepts the Group's offer of benefits in exchange for termination of employment, the liability and the relative expense for termination benefits are recognized at the earlier of the following dates:

a. when the Group can no longer withdraw the offer of those benefits; and
b. when the Group recognizes restructuring costs which involve the payment of termination benefits.

1.19 Share options granted to employees

The granting of share options to the employees, their exact number, the price and the exercise date are decided by the Board of Directors in accordance with the Shareholders' Meeting approvals and after taking into account the current legal framework.

The fair value calculated at grant date is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Group and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

1.20 Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision is equal to the present value of the expenditures expected to settle the obligation.

Amounts paid for the settlement of an obligation are set against the original provisions for these obligations. Provisions are reviewed at the end of each reporting period.

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Additionally, provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The amount recognized for the reimbursement does exceed the amount of the provision. The expense recognized in profit or loss relating to the provision is presented net of the amount of the reimbursement.

The Group does not recognize in the statement of financial position contingent liabilities which relate to:

- possible obligations resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or
- present obligations resulting from past events and:
  - it is not probable that an outflow of resources will be required, or
  - the amount of liability cannot be measured reliably.

The Group provides disclosures for contingent liabilities taking into consideration their materiality.

1.21 Sale and repurchase agreements and securities lending

The Group enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized as investments.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the consolidated balance sheet and are measured in accordance with the accounting policy of the category that they have been classified in and are presented as investments.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed by the Group under securities lending agreements are not recognized in the consolidated balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

1.22 Securitization

The Group securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the assessment of control of the special purpose entity is considered, based on the circumstances mentioned in note 1.2, so as to examine whether it should be consolidated. In addition, the contractual terms and the economic substance of transactions are considered, in order to decide whether the Group should proceed with the derecognition of the securitised financial assets, as referred in note 1.6.

1.23 Equity

Distinction between debt and equity

Financial instruments issued by Group companies to obtain funding are classified as equity when, based on the substance of the transaction, the Group does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when Group companies are required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

Share premium

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Group.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

Retained earnings

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders in General Meeting.

1.24 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest rate method. Interest on impaired financial assets is determined on their balance after impairment using the effective interest rate.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

As at the reporting date no borrowing costs have been capitalised.

1.25 Fee and commission income

Fee and commission income is recognized in the income statement on an accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit or loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

1.26 Dividend Income

Dividend income from investments in shares is recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Group has invested in.

1.27 Gains less losses on financial transactions

Gains less losses on financial transactions include the fair value changes of financial assets, gains or losses on their disposal and the exchange differences arising from the translation of financial instruments denominated in foreign currencies. Impairment losses on bonds, shares and other securities of variable return are also included in gains less losses on financial transactions.

Differences that may arise between the carrying amount of financial liabilities settled or transferred and the consideration paid are also recognised in gains less losses on financial transactions.

1.28 Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or has been classified as held for sale and represents:

- a major line of Group's business; or
- a geographical area of operations; or
- a subsidiary acquired exclusively with a view to resale.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation is presented separately (as a separate line in equity).

The post tax profit or loss from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations.

The comparative financial statements are restated only for the income statement and the cash flow statement.

1.29 Related parties definition

According to IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements. For the Group, in particular, related parties are considered:

a) An entity that constitutes for the Group:

i) a joint venture,

ii) an associate and

iii) a Post-Employment Benefit Plan, in this case the Supplementary Fund of former Alpha Credit Bank's employees,

b) A person or an entity that have control, or joint control, or significant influence over the Group.

This category includes Hellenic Financial Stability Fund and its subsidiaries because, in the context of the L.3864/2010, the HFSF participates in the Board of Directors and in significant committees of the Bank and as a result is considered to have significant influence over the Group.

c) A person and his close family members, if that person is a member of the key management personnel.

The Group considers as key management personnel all the members of the Bank's Board of Directors and of the Bank's Executive Committee while as their close family members it considers their children and spouses or domestic partners and their dependants and the dependants of their spouses or domestic partners.

Moreover, the Group discloses all transactions and outstanding balances with entities which are controlled or jointly controlled by the above mentioned persons. This disclosure concerns participations of the above persons in entities that exceed 20%.

1.30 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

1.31 Estimates, decision making criteria and significant sources of uncertainty

The Group, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

• Fair value of assets and liabilities

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions eg. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

• Impairment losses of financial assets

The Group, when performing impairment tests on loans and advances to customers, makes estimates regarding the amount and timing of future cash flows. Given that these estimates are affected by a number of factors such as the financial position of the borrower, the net realizable value of any collateral or the historical loss ratios per portfolio, actual results may differ from those estimated. Similar estimates are used in the assessment of impairment losses of securities classified as available for sale or held to maturity.

• Impairment losses of non – financial assets

The Group, at each balance sheet date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in associates and joint ventures. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and the value in use.

• Income Tax

The Group recognizes the amounts of current and deferred income tax based on estimates concerning the amount of taxable profits, based on which the amounts of tax expected to be paid or recovered in the current and future periods are determined. Estimates are affected by factors such as the practical implementation of the relevant legislation, the expectations regarding the existence of future taxable profit etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised, may result in tax payments other than those recognized in the financial statements of the Group.

• Employee defined benefit obligations

Defined benefit obligations are estimated based on actuarial valuations that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.

• Provisions and contingent liabilities

The Group recognises provisions when it estimates that it has a present legal or constructive obligation that can be estimated reliably, and it is almost certain that an outflow of economic benefits will be required to settle the obligation. In contrast, when it is probable that an outflow of resources will be required, or when the amount of liability cannot be measured reliably, the Group does not recognise a provision but it provides disclosures for contingent liabilities, taking into consideration their materiality. The estimation for the probability of the outflow as well as for the amount of the liability are affected by factors which are not controlled by the Group, such as court decisions, the practical implementation of the relevant legislation and the probability of default of the counterparty, for those cases which are related to the exposure to off-balance sheet items.

The estimates and judgments applied by the Group in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.

1.31.1 Going concern principle

The Group for the preparation of the financial statements as at 31.12.2013, was based on the going concern principle.

During the last three years the Group's operations have been adversely affected by the crisis of the Greek Public debt, which resulted in the application of a program for the exchange of Greek Government bonds and of loans guaranteed by the Hellenic Republic (PSI) with terms unfavorable to their holders and by the prolonged recession of the Greek economy, which led to an increase in the impairment losses on loans and advances to customers. In 2012 the Bank of Greece determined the capital needs of the Group to € 4.571 billion, taking into account the impact from the participation in the bond exchange program (PSI) and the results of the diagnostic study of the consulting firm BlackRock Solutions. In the second quarter of 2013, the Bank successfully implemented a share capital increase of € 4.571 billion, according to the framework that was set in the Law 3864/2010 and the Cabinet Decision 38/2012, with which the capital needs of the Group, as were determined by the Bank of Greece, were fully covered.

As set out in the Memorandum of Economic and Financial Policies of May 2013, the Bank of Greece conducted a new stress test, based on the data as at 30.6.2013, in order to update the capital needs of the banks. The results of the stress test were announced in March 2014. The exercise showed that the Group has the lowest capital needs among systemic Greek banks, of a marginal amount of € 262 million.

The Group has already announced that it will cover the aforementioned capital needs through a guaranteed share capital increase up to the amount of € 1.2 billion. Consequently, it is estimated that there are no significant uncertainties affecting the application of the going concern principle.

1.31.2 Estimation of the Group's exposure to the Hellenic Republic

The actions taken for the restructuring of the Greek debt, ie the completion of the bond exchange program (PSI) and of the bond buy-back program, the significant increase of it's weighted average duration and the fact that its interest rate has become extremely low, are factors that improve the prospects of the debt repayment. Additionally, a positive indication of the reestablishment of the Greek access to the capital markets is the decrease of the 10-year Greek government bonds yield in levels below 7%.

Based on the above, the Group estimates that no impairment is required for the Greek government securities held by the Group as at 31.12.13. The Group's exposure to loans related to the Hellenic Republic is presented in note 41.1 for credit risk. The aforementioned loans are tested for impairment according to the policy for credit risk management described in this note.

The main sources of uncertainty regarding the estimations for the recoverability of the total exposure of the Group to the Hellenic Republic relate to the development of the macroeconomic environment in Greece and the eurozone, as well as to the implementation progress of the program for the support of the Greek economy, to the achievement of the goals set as a prerequisite for the smooth disbursement of the related funds and to the verification of the assumptions on which the program has been based. In this context, the above will be re-estimated at each reporting date, taking also into account the market conditions.

1.31.3 Recoverability of deferred tax assets

The Group recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized.

The main categories of deferred tax assets which have been recognized by the Group relate to the tax losses carried forward, to the losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to the deductible temporary differences arising from loans' impairment. Total deferred tax assets amount to € 2.75 billion, as described in note 23, and include recoverable tax assets that were recognized on the assets and liabilities arising due to the acquisition of Emporiki Bank.

Deferred tax assets on tax losses carried forward arise, to their greater extent, from the Bank and they relate to the years 2012 and 2013. Tax losses can be offset against taxable profits within five years from their formation. The Group recognized the aforementioned assets since, according to the estimated future taxable profits of the Bank, for the coming years until the expiry of the right to set-off tax losses, these are recoverable even after the deduction of the temporary differences that are expected to occur within these years. The estimation of future taxable profits for the assessment of the recoverability of tax losses took into account:

- the existence of significant tax profits in the last decade, with the exception of the years from 2012, because of the unexpected major recession of the Greek economy and the loss from the PSI and
- the positive impact on the profitability of the Bank from the synergies due to the integration of Emporiki Bank,

while it was based on forecasts for the development of the accounting results, as these are reflected in the revised restructuring plan that is going to be submitted to the Directorate-General for Competition, which has been based on an adverse scenario regarding the progress of the Greek economy and in which the acquisition of Emporiki Bank has been taken into account.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law 4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the "debit difference" is deductible for tax purposes, gradually in equal installments, within 30 years, a fact which, according to the Group's estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their recovery, as it also applies to the other deferred tax assets categories. The Group assessed their recoverability based on estimates for future taxable profits, as these are estimated to be formed on the basis of the revised restructuring plan mentioned above, after extending the period of estimation for a limited number of years and after taking into account the expected improvement in the conditions which affect the credit risk and the need for the recognition of impairment losses on loans and advances. However, considering that the estimates for the recoverability of the temporary differences arising from loan's impairment have to be limited to a period for which the estimates can be considered reliable, the Group did not recognize deferred tax assets amounting to € 422 million for temporary differences arising from the impairment/valuation of loans derived from the acquisition of Emporiki Bank.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Bank's business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date the Group reassesses its estimation regarding the recoverability of the deferred tax assets or the recognition of the non-recognised deferred tax in connection to the development of the factors that affect them.

INCOME STATEMENT

2. Net interest income

	From 1 January to	
	31.12.2013	**31.12.2012**
Interest and similar income		
Due from banks	15,827	21,386
Loans and advances to customers	2,666,455	2,257,222
Securitized loans	255,346	308,992
Securities held for trading	1,207	4,680
Available for sale securities	280,951	309,155
Held to maturity securities	16,516	60,991
Loans and receivables securities	13,957	
Derivative financial instruments	226,952	317,802
Other	35,164	23,230
Total	**3,512,375**	**3,303,458**
Interest expense and similar charges		
Due to banks	(262,340)	(562,385)
Due to customers	(997,005)	(733,252)
Debt securities in issue and other borrowed funds	(255,741)	(192,248)
Derivative financial instruments	(252,086)	(361,334)
Other	(87,382)	(70,957)
Total	**(1,854,554)**	**(1,920,176)**
Net interest income	**1,657,821**	**1,383,282**

3. Net fee and commission income

	From 1 January to	
	31.12.2013	**31.12.2012**
Loans	126,428	75,940
Letters of guarantee	67,331	49,304
Imports-Exports	11,288	8,363
Credit cards	47,659	42,038
Fund transfers	56,418	50,065
Mutual funds	21,405	15,273
Advisory fees and securities transaction fees	857	361
Brokerage services	9,938	6,522
Foreign exchange trades	10,845	10,067
Issuance of securities of Law 3723/2008	(4,007)	(3,437)
Other	22,145	17,191
Total	**370,307**	**271,687**

4. Dividend income

	From 1 January to	
	31.12.2013	**31.12.2012**
Available for sale securities	1,048	998
Total	**1,048**	**998**

5. Gains less losses on financial transactions

	From 1 January to	
	31.12.2013	31.12.2012
Foreign exchange differences	27,576	32,134
Securities held for trading		
- Bonds	6,516	61,164
- Shares	1,014	(13)
- Other securities	(46)	(464)
Investment securities (note 18):		
- Bonds	65,407	(286,678)
- Shares	(1,387)	(652)
- Other securities	(6,220)	
From sale of investments	(997)	
Derivative financial instruments	11,237	16,811
Valuation of convertible bond loan held by Credit Agricole	110,400	
Other financial instruments	43,051	(55,158)
Total	**256,551**	**(232,856)**

6. Other income

	From 1 January to	
	31.12.2013	31.12.2012
Insurance activities	4,598	5,566
Hotel activities	25,624	23,183
Operating lease income	14,008	10,107
Sale of fixed assets	1,025	1,082
Other	29,371	21,399
Total	**74,626**	**61,337**

Income from insurance activities is analyzed as follows:

	From 1 January to	
	31.12.2013	31.12.2012
Non-life Insurance		
Premiums and other related income	18,026	14,660
Less:		
- Reinsurance premiums ceded	(5,097)	(5,106)
- Commissions	(502)	(741)
- Claims from policyholders	(8,642)	(8,248)
Reinsurers' participation	1,903	1,396
Net income from non-life insurance	**5,688**	**1,961**
Life Insurance		
Premiums and other related income	50,559	36,564
Less:		
- Reinsurance premiums ceded	(5,429)	(3,463)
- Commissions	(3,798)	(2,828)
- Claims from policyholders	(46,828)	(28,270)
Reinsurers' participation	4,406	1,602
Net income from life insurance	**(1,090)**	**3,605**
Total	**4,598**	**5,566**

7. Staff costs

	From 1 January to	
	31.12.2013	**31.12.2012**
Wages and salaries	489,643	351,500
Social security contributions	146,575	89,731
Common Insurance Fund of Bank Employees	12,829	12,246
Bank's employee indemnity provision due to retirement in accordance with Law 2112/1920 (note 30)	(10,532)	46,622
Employee defined benefit obligation of Group (note 30)	(14,208)	3,344
Other	37,262	29,256
Total	**661,569**	**532,699**

The merger costs of Emporiki Group which amounted to €3.4 million are also included in the above figures.

The total number of employees in the Group as at 31.12.2013 was 16,934 (31.12.2012: 13,650) out of which 11,140 (31.12.2012: 7,397) are employed in Greece and 5,794 (31.12.2012: 6,253) are employed abroad.

Defined contribution plans

All the employees of the Group in Greece are insured for their main pension by the Social Insurance Fund (IKA). Also for the Bank's employees, the following applies:

a. The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is T.A.P.I.L.T.A.T., a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if the fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and has accounted for it as such.

b. Employees of former Ioniki and Popular Bank of Greece and former Emporiki Bank are insured for the lump sum benefit in the Bank Employee and Companies Common Benefit Plan (T.A.Y.T.E.K.O.) which is a defined contribution plan with contributions paid only by employees.

c. All employees of the Bank receive medical benefits from the Bank Employee and Companies Common Benefit Plan (T.A.Y.T.E.K.O.). This plan has been accounted for as a defined contribution plan. This fund has joined the National Organization of Health Care (EOPYY) since 12.11.2012 in accordance with circular 47284/14.11.2012 of the National Organization of Health Care and pursuant to the implementation of Law 4093/2012 paragraph IB.1, paragraph 1b.

d. Employees of former Alpha Credit Bank, which were insured, for supplementary pension in T.A.P. (the Insurance Fund of employees of Alpha Credit Bank), since 1.1.2008, they are insured for supplementary pension in E.T.A.T according to article 10, Law 3620/2007. The Bank pays to E.T.A.T. a fixed contribution percentage over employee salaries in addition to the annual installment that relates to the total cost of joining E.T.A.T. which amounts to €543 million, which was calculated with the reference date being 31.12.2006, in accordance with a special economic study as stipulated by Law 3371/2005. The outstanding balance including accrued interest amounts to €254 million as at 31.12.2013, which equals to the last four interest bearing installments of €67.3 million each.

The implementation of Law 3371/2005 for Emporiki Bank was done in accordance with Law 3455/2006. According to this law, the pensioners and insured members of Emporiki Bank, who were insured for supplementary pension in T.E.A.P.E.T.E. were absorbed by I.K.A-E.T.E.A.M. and E.T.A.T on 31.12.2004. In accordance with a special economic study as stipulated by Law 3371/2005, Emporiki Bank S.A. paid a total amount of specific contribution of €786.6 million for the pensioners to the insurance funds I.K.A-E.T.E.A.M and E.T.A.T. in ten annual interest bearing installments. The outstanding amount including an accrued interest amounts to €90 million as at 31.12.2013, which equals to the last interest bearing installment which is paid in January 2014.

In addition, in accordance with the amendments of Law 3455/2006 for the active insured members, who were hired before 31.12.2004 in Emporiki Bank, increased social contributions are paid for the supplementary pension compared to the respective contributions which are stipulated by the Law of E.T.E.A.M. The payment of increased contributions was regulated by the IKA decision F-20203/19189/931/7.11.2006.

In accordance with Law 4052/2012, a new public sector legal entity was established under the name of Common Supplementary Insurance Fund (E.T.E.A.), that commenced its operations on 1.7.2012 and in which E.T.E.A.M. was incorporated on the same date. In this respect, employees of former Emporiki Bank S.A., who were insured in T.E.A.P.E.T.E. are now insured by E.T.E.A. and receive supplementary pension from E.T.E.A. upon their retirement from the Main Pension Fund.

On 1.3.2013, E.T.A.T. was absorbed by E.T.E.A for the supplementary insurance obligation. In particular, all the employees of Alpha Bank who were insured in T.A.P., as well as pensioners who were insured in T.A.P. upon their retirement from E.T.E.A. After 1.3.2013, the objective of E.T.A.T is the payment of:

a) Pre-pensioning contributions (main and supplementary pension until the retirement from Main Pension Fund and E.T.E.A.) to the insured members of T.E.A.P.E.T.E. and T.A.P. who were insured until 31.12.1992.

b) The difference between the amount of pensions which arose from the calculation of supplementary pension in accordance with the provisions of Article of Association of E.T.E.A. (former E.T.E.A.M) and T.E.A.P.E.T.E. for the insured members of T.E.A.P.E.T.E. who were insured until 31.12.1992.

e. The Bank, in cooperation with AXA Insurance, has created a new group savings plan for its employees that were hired and insured for the first time on 1.1.1993 and onwards. The plan's effective date is January 1, 2011 and its aim is to provide a lump sum monetary benefit to retiring employees. The plan assets consist of investment from the fixed monthly contributions of the Bank and its employees in low risk mutual funds. For employees hired by the Bank and insured after 1.1.2005 this is a defined contribution plan since the benefit arises solely from the savings capital accumulated up to their departure date.

Defined benefit plans

An analysis of liabilities arising from defined benefit plans is set out in note 30.

8. General administrative expenses

	From 1 January to	
	31.12.2013	**31.12.2012**
Rent for buildings	54,072	41,494
Rent and maintenance of EDP equipment	22,625	19,363
EDP expenses	34,623	34,247
Marketing and advertisement expenses	24,480	23,175
Telecommunications and postage	27,346	23,711
Third party fees	109,025	67,070
Consultants fees	7,264	7,573
Contribution to the Deposit guarantee fund - Investment fund and Solvency Fund	45,886	18,409
Insurance	12,109	12,152
Consumables	6,439	5,305
Electricity	17,298	11,948
Taxes (VAT, real estate etc)	96,269	73,016
Services from collection agencies	11,490	11,547
Buildings and equipment maintenance	13,045	8,089
Security	13,805	11,398
Cleaning fees	5,986	5,547
Other	82,792	80,946
Total	**584,554**	**454,990**

The above figures include costs/expenses relating to the merger of Emporiki Group amounting to €17.5 million.

9. Other expenses

	From 1 January to	
	31.12.2013	31.12.2012
Impairment on goodwill of Alpha Bank Srbija A.D. (note 22)		40,520
Losses from write-offs/impairment on fixed assets	71,043	16,170
Other provisions (note 32)	527	14,079
Impairment losses of other assets	15,998	
Total	**87,568**	**70,769**

The above figures include also costs relating to the merger of Emporiki Group amounting to €6.5 million.

"Losses from write-offs/impairment on fixed assets" of 31.12.2013, includes an amount of €62.6 million which is a result from the recognition of impairment losses on the value of investment property, property plant and equipment and Group property obtained through auctions. The impairment losses on other assets mainly concern tax receivables.

10. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.12.2013	31.12.2012
Impairment losses on loans and advances to customers (note 17)	1,932,371	1,666,278
Provisions to cover credit risk relating to off balance sheet items (note 32)	18,164	11,524
Recoveries	(27,322)	(11,259)
Total	**1,923,213**	**1,666,543**

11. Income tax

According to article 14 of Law 3943/2011 "Tackling tax evasion, staffing the tax auditing department and other provisions under the responsibility of the Ministry of Finance" a 20% tax rate is effective for legal entities for the periods commencing from 1.1.2011 and thereon. For profit distribution, withholding tax of 25% is imposed.

In accordance with article 9 of Law 4110/23.1.2013 "Income tax regulations, regulations on issues under the responsibility of the Ministry of Finance and other provisions", the tax rate for legal entities increased from 20% to 26% for profits arising from 1.1.2013 and onwards. For profit distribution which will be approved from 1.1.2014 and onwards, the withholding tax rate is reduced to 10%.

In accordance with article 48 of Law 4172/23.7.2013 "Income tax, emergency implementation measures of Law 4046/2012, Law 4093/2012 and Law 4127/2013 and other provisions", dividends paid either by local or foreign companies of the same Group, are relieved both from income tax and withholding tax provided that the parent company's participation in the share capital of the subsidiary is 10% or greater is retained for at least 2 years and the legal entity distributing the dividend is not based in a non-cooperating country. The above are applicable from 1.1.2014.

According to Article 49 of the same law, interest expense is not deducted for tax purposes from gross revenue to the extent that the excess interest expense (interest expense less interest income) exceed 30% of taxable income before interest, tax, depreciation and amortization (EBITDA). The above provision is applicable from 1.1.2017. During the transition period, interest expense is not recognized as a deductible expense to the extent that the excess interest expense exceed the following percentages of taxable income before interest, tax, depreciation and amortization (EBITDA):

- 60% from 1 January 2014,
- 50% from 1 January 2015,
- 40% from 1 January 2016.

Interest expense is fully recognized (without the above limitation) if the amount of net interest expense recognized in books does not exceed an amount of € 3 million (effective from 1.1.2016).

Up to fiscal year 2015, interest expense is fully recognized regardless of EBITDA, if the amount of net interest recognized in the books does not exceed an amount of €5 million per year.

Non deductible expenses according to the specific provisions are carried forward for an unlimited period.

In accordance with article 72 of the same Law, the amount included in non-distributed or capitalized non-taxable reserves for legal entities as presented on the last balance sheet issued before 1.1.2014, and deriving from non-taxable profits as defined by Law 2238/1994, in case of distribution or capitalization until 31.12.2013, are subject to taxation at a rate of 15% which extinguishes the tax liability of the entity and its shareholders. From 1.1.2014 onwards, the above mentioned reserves are compulsorily offset at the end of each tax year against losses incurred by any cause in the last 5 years until they are exhausted. But, in case of distribution or capitalization they are subject to taxation on a self assesement basis at a rate of 19%. Since 1.1.2015, the non taxable reserves cannot be established.

For the Bank's subsidiaries and the branches operating in other countries, the applicable nominal tax rates for accounting periods 2012 and 2013 are as follows:

Cyprus	12,5[1] (from 1.1.2013)
Bulgaria	10
Serbia	15[2] (from 1.1.2013)
Romania	16
FYROM	10[3]
Albania	10
Ukraine	19[4] (from 1.1.2013)
Jersey	10
United Kingdom	23[5] (from 1.4.2013)

According to Law 84/29.4.2011 an additional tax was imposed for credit institutions operating in Cyprus, which is calculated at a rate of 0.095% on their total deposits payable in four installments. After the amendment of Law 28/30.4.2013 the tax rate reached 0.15%.

In accordance with article 82 paragraph 5 of Law 2238/94, for fiscal year 2011 and thereafter, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (AE), are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity subject to an audit within 10 days from the submission of the corporate income tax return, as well as, to the Ministry of Finance, electronically, no later than ten days following the date of the approval of the financial statements from the Ordinary General Assembly of the Shareholders.

After eighteen months from the issuance of tax unqualified certificate and on the precondition that no tax offences have been identified by the Ministry of Finance audits, the tax audit of the year is considered finalized.

For fiscal year 2012 the Bank and its domestic subsidiaries have obtained the relevant tax certificate without any qualifications on the tax issues covered, whereas for the year 2013 the tax audit is in progress and no material findings are expected.

The income tax in the income statement from continuing operations is analysed at the table below, while the income tax from discontinued operations is analysed in note 47.

	From 1 January to	
	31.12.2013	**31.12.2012**
Current	28,619	28,577
Deferred	(729,814)	(285,550)
Total	**(701,195)**	**(256,973)**

The current income tax for the year 2012 includes an amount attributed to prior year current tax differences.

In addition, in both periods, the additional tax which was imposed to credit institutions operating in Cyprus, is included.

(1) For the year 2012 the tax rate was 10%

(2) For the year 2012 the tax rate was 10%

(3) From 1.1.2009 the non distributed profits are not subject to tax. When profits are distributed, they are subject to tax, with the applicable tax rate.

(4) For the year 2012 the tax rate was 21%.

(5) For the year 2012 and up to 31.3.2013 the tax rate was 24%.

Deferred tax recognized in the income statement is attributable to temporary differences, the effects of which are analyzed as follows:

	From 1 January to	
	31.12.2013	31.12.2012
Debit difference of Law 4046/2012	(205,364)	(811,773)
Revaluation/impairment of assets	(32,826)	(2,620)
Write-offs and fixed assets depreciation	26,846	2,575
Valuation/impairment of loans	(578,692)	55,406
Suspension of interest accruals	271,216	114,632
Employee defined benefit obligations	(5,229)	746
Valuation of derivatives	(20,939)	8,175
Effective interest rate	(2,746)	1,142
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	873	(297)
Valuation/impairment of bonds and other securities	(21,136)	455,773
Tax losses carried forward	(151,543)	(106,028)
Other temporary differences	(10,274)	(3,281)
Total	**(729,814)**	**(285,550)**

The above amounts include the effect from the change in the income tax rate from 20% to 26%.

For the result arising from the Bank's participation in the Greek Bond exchange program under PSI during fiscal year 2012, a deferred tax has been calculated which is included as "Debit difference of Law 4046/2012".

A reconciliation between the weighted average nominal and effective tax rate is provided below:

	From 1 January to			
	31.12.2013		31.12.2012	
	%		%	
Profit/(loss) before income tax		**2,278,146**		**(1,344,580)**
Income tax (weighted average nominal tax rate)	24.53	558,764	19.57	(263,123)
Increase/(decrease) due to:				
Additional tax on income from fixed assets	0.02	363	(0.23)	3,143
Non taxable income	(0.38)	(8,763)	2.06	(27,689)
Non deductible expenses	1.32	30,096	(1.16)	15,597
Effect of changes of tax rates used for deferred tax	(18.23)	(415,291)		
Taxation of reserves under Law 4172/2013	0.22	5,047		
Negative goodwill from the acquisition of Emporiki Bank not subject to tax	(30.02)	(683,990)		
Tax losses carried forward	(5.27)	(119,965)		
Other temporary differences	(2.96)	(67,456)	(1.13)	15,099
Income tax (effective tax rate)	**(30.77)**	**(701,195)**	**19.11**	**(256,973)**

The tax rate of 24.53% for 2013 and 19.57% for 2012 is the weighted average nominal tax rate based on the nominal income tax rate and the profit/loss before tax of the Group's companies.

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	31.12.2013			31.12.2012		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Change in available for sale securities' reserve	226,865	(59,642)	167,223	239,353	(43,356)	195,997
Change in cash flow hedge reserve	153,151	(39,819)	113,332	(152,674)	30,535	(122,139)
Exchange differences on translating and hedging the net investment in foreign operations	(2,449)	352	(2,097)	(21,003)	458	(20,545)
Tax rate adjustment (Law 4110/2013)		4,913	4,913			
Change in the share of other comprehensive income of associates and joint ventures	1,131		1,131	500		500
Total amounts that may be reclassified in the Income Statement from continuing operations	**378,698**	**(94,196)**	**284,502**	**66,176**	**(12,363)**	**53,813**
Amounts that may be reclassified in the Income Statement from discontinued operations	47,346	(309)	47,037	(5,398)	334	(5,064)
	426,044	**(94,505)**	**331,539**	**60,778**	**(12,029)**	**48,749**
Amounts that will not be reclassified to the Income Statement						
Change in actuarial gains/(losses) of defined benefit obligations	(5,074)	1,628	(3,446)	2,584	(517)	2,067
Tax rate adjustments (Law 4110/2013)		1,882	1,882			
Total	**420,970**	**(90,995)**	**329,975**	**63,362**	**(12,546)**	**50,816**

In 2013, "Retained Earnings" include a deferred tax asset amounting to €57,561, arising from the share capital issue costs which were recorded on the same account and relate to the share capital increase which was completed during the reporting period.

In 2012, "Retained Earnings" includes a deferred tax asset amounting to €3,723, arising from purchases/sales of hybrid securities.

12. Earnings/(losses) per share

a. Basic

Basic earnings/(losses) per share are calculated by dividing the profit/(losses) after income tax attributable to ordinary equity owners of the Bank, by the weighted average number of outstanding ordinary shares, after deducting the weighted average number of treasury shares held by the Group companies, during the period.

For the calculation of basic earnings/(losses) per share, profit or loss for the period is adjusted with the deduction of the after-tax amount of the dividends of those preference shares that have been classified in equity. The after-tax amount of preference dividends that is deducted is:

i. The after-tax amount of any dividends of preference shares on non-cumulative dividend preference shares declared for distribution during the period.

ii. The after-tax amount of the preference dividends for cumulative dividend preference shares required for the period, whether or not the dividends have been declared.

The Bank has issued non-cumulative dividend preference shares, according to Law 3723/2008.

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have dilutive potential ordinary shares and additionally, based on the preference shares' terms of issuance and the convertible bond loan with Credit Agricole S.A., basic and dilutive earnings/(losses) per share should not differ.

	From 1 January to	
	31.12.2013	**31.12.2012**
Profit/(loss) attributable to equity owners of the Bank	**2,922,169**	**(1,082,101)**
Weighted average number of outstanding ordinary shares	6,639,922,965	965,652,432
Basic and diluted earnings/(losses) per share (in €)	0.44	(1.12)

	From 1 January to	
	31.12.2013	**31.12.2012**
Profit/(loss) from continuing operations attributable to equity owners of the Bank	**2,979,286**	**(1,088,021)**
Weighted average number of outstanding ordinary shares	6,639,922,965	965,652,432
Basic and diluted earnings/(losses) from continuing operations per share (in €)	0.45	(1.13)

	From 1 January to	
	31.12.2013	**31.12.2012**
Profit/(loss) from discontinued operations attributable to equity owners of the Bank	**(57,117)**	**5,920**
Weighted average number of outstanding ordinary shares	6,639,922,965	965,652,432
Basic and diluted earnings/(losses) from discontinued operations per share (in €)	(0.01)	0.01

The weighted average number of outstanding ordinary shares of 31.12.2012 has been adjusted using a factor of 1.8074 in order to reflect the impact to the above ratio from the share capital increase at an exercise price that was lower compared to the implied price.

The Ordinary General Meeting of Shareholders held on 29.6.2013, decided not to distribute to the Greek State the respective return on its preference shares, issued by the Bank and owned by the Greek State, as defined according to article 1 paragraph 3 of Law 3723/2008.

The restatements of 31.12.2012 referred to in note 49 and concerning the retrospective application of amendments on accounting standards, did not have a significant effect on basic and diluted profit/(loss) per share (in €).

ASSETS

13. Cash and balances with Central Banks

	31.12.2013	31.12.2012
Cash	419,150	334,033
Cheques receivable	16,716	20,606
Balances with Central Banks	1,252,316	1,082,609
Total	**1,688,182**	**1,437,248**
Less: Deposits pledged to Central Banks	(1,000,939)	(865,977)
Balance	687,243	571,271

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 1% of customer deposits.

These deposits are interest bearing same with the refinancing rate set by the European Central Bank which as at 31.12.2013 was 0.25% (31.12.2012: 0.75%).

The subsidiaries that operate abroad and offer banking services, maintain pledged deposits in accordance with the rules set by the respective central banks.

Cash and cash equivalents (as presented in the Statement of cash flows)

	31.12.2013	31.12.2012
Cash and balances with Central Banks	687,243	571,271
Short-term placements with other banks	285,924	1,538,822
Cash and cash equivalents	**973,167**	**2,110,093**

14. Due from banks

	31.12.2013	31.12.2012
Placements with other banks	1,373,618	2,212,623
Guarantees for derivative securities coverage (note 38e)	1,189,771	1,149,646
Sale and repurchase agreements (Reverse Repos)		22,076
Loans to credit institutions	11,806	16,006
Less:		
Allowance for impairment losses	(8,965)	(17,661)
Total	**2,566,230**	**3,382,690**

Allowance for impairment losses

Balance 1.1.2012	**17,809**
Changes for the period 1.1. - 31.12.2012	
Foreign exchange differences	(148)
Balance 31.12.2012	**17,661**
Changes for the period 1.1. - 31.12.2013	
Amounts written-off during the year	(8,754)
Foreign exchange differences	58
Balance 31.12.2013	**8,965**

15. Securities held for trading

	31.12.2013	31.12.2012
Bonds		
- Greek Government	6,538	13,605
- Other states		4,596
- Other issuers		
Listed	464	514
Shares		
- Listed	1,834	1,417
Total	**8,836**	**20,132**

16. Derivative financial instruments (assets and liabilities)

	31.12.2013		
	Contractual nominal amount	Fair Value	
		Assets	Liabilities
Derivatives held for trading purposes			
a. Foreign exchange derivatives			
Foreign exchange forwards	242,172	5,509	3,834
Foreign exchange swaps	1,203,931	669	6,977
Cross currency swaps	10,630,689	431,752	523,855
Currency options	20,984	300	59
Currency options embedded in customer products	1,311	2	
Total non-listed	**12,099,087**	**438,232**	**534,725**
Futures	39,858		77
Total listed	**39,858**		**77**
b. Interest rate derivatives			
Interest rate swaps	10,620,906	284,002	325,605
Interest rate options (caps and floors)	1,179,362	22,314	5,627
Total non-listed	**11,800,268**	**306,316**	**331,232**
Futures	4,219,626	1,297	99
Total listed	**4,219,626**	**1,297**	**99**
c. Commodity derivatives			
Commodity swaps	193,158	3,935	3,086
Total non-listed	**193,158**	**3,935**	**3,086**
d. Index derivatives			
OTC options	49,000	293	293
Total non-listed	**49,000**	**293**	**293**
Futures	610	2	36
Total listed	**610**	**2**	**36**
e. Other derivatives			
GDP linked security	1,920,680	22,453	
Total listed	**1,920,680**	**22,453**	
Derivatives for hedging purposes			
a. Foreign exchange derivatives			
Cross currency swaps	2,020,237	23,179	40,584
Total non-listed	**2,020,237**	**23,179**	**40,584**
b. Interest rate derivatives			
Interest rate swaps	1,908,636	1,686	463,368
Interest rate options (caps and floors)	3,766		
Total non-listed	**1,912,402**	**1,686**	**463,368**
Grand Total	**34,254,926**	**797,393**	**1,373,500**

	31.12.2012		
	Contractual nominal amount	Fair Value	
		Assets	Liabilities
<u>**Derivatives held for trading purposes**</u>			
a. Foreign exchange derivatives			
Foreign exchange forwards	739,211	9,508	25,885
Foreign exchange swaps	211,591	230	1,724
Cross currency swaps	8,334,432	211,593	278,219
Currency options	24,930	579	341
Currency options embedded in customer products	539	1	
Total non-listed	**9,310,703**	**221,911**	**306,169**
b. Interest rate derivatives			
Interest rate swaps	11,570,619	485,114	481,234
Interest rate options (caps and floors)	1,172,620	9,360	7,052
Total non-listed	**12,743,239**	**494,474**	**488,286**
Futures	5,425,116	398	756
Total listed	**5,425,116**	**398**	**756**
c. Commodity derivatives			
Commodity swaps	191,639	1,717	869
Total non-listed	**191,639**	**1,717**	**869**
d. Index derivatives			
OTC options	49,000	263	263
Total non-listed	**49,000**	**263**	**263**
Options	8	4	3
Futures	1,287	11	22
Total listed	**1,295**	**15**	**25**
e. Other derivatives			
GDP linked security	1,917,087	12,979	
Total listed	**1,917,087**	**12,979**	**-**
<u>**Derivatives for hedging purposes**</u>			
a. Foreign exchange derivatives			
Cross currency swaps	2,060,234	1,421	60,059
Total listed	**2,060,234**	**1,421**	**60,059**
b. Interest rate derivatives			
Interest rate swaps	2,656,837	3,515	662,453
Interest rate options (caps and floors)	3,766		1
Total non-listed	**2,660,603**	**3,515**	**662,454**
Grand Total	**34,358,916**	**736,693**	**1,518,881**

17. Loans and advances to customers

	31.12.2013	31.12.2012
Individuals		
Mortgages		
- Non-securitized	20,128,867	13,997,727
- Securitized	99,096	
Consumer:		
- Non-securitized	3,859,647	3,404,639
- Securitized	1,319,169	1,056,336
Credit cards:		
- Non-securitized	529,613	366,004
- Securitized	471,800	545,204
Other	20,504	60,315
Total	**26,428,696**	**19,430,225**
Companies:		
Corporate loans:		
- Non-securitized	28,990,910	22,836,423
- Securitized	1,480,643	1,355,796
Leasing:		
- Non-securitized	312,336	388,322
- Securitized	449,050	434,833
Factoring	503,431	447,972
Total	**31,736,370**	**25,463,346**
Receivables from insurance and re-insurance activities	14,363	12,657
Other receivables	455,018	278,837
	58,634,447	**45,185,065**
Less: Allowance for impairment losses (1)	(6,956,134)	(4,606,220)
Total	**51,678,313**	**40,578,845**

The Bank and Alpha Leasing A.E. have proceeded in securitizing consumer, corporate loans, mortgage loans, credit cards and leasing through special purpose entities controlled by them.

The amount of €99,096 relates to securitized mortgage loans which were acquired from Emporiki Bank.

Based on the contractual terms and structure of the above transactions (e.g. allowance of guarantees or/and credit enhancement or due to the Bank owing the bonds issued by the special purpose entities) the Bank and Alpha Leasing A.E. retained in all cases the risks and rewards deriving from securitized portfolios.

The Bank has proceeded with the direct issuance of covered bonds, secured by mortgage loans. As at 31.12.2013, the balance of the covered bonds amounted to €3.7 billion and the value of mortgage loans provided as coverage for these bonds amounted to €4.3 billion.

Loans and advances to customers include loans obtained from the acquisition of Emporiki Group. The carrying amount of these loans on acquisition date amounted to €14.9 billion and has been recognized in loans and advances to customers before impairment (note 46).

(1) *In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of €66,986 (31.12.2012: €12,723) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to €7,023,120 (31.12.2012: €4,618,943).*

Allowance for impairment losses

Balance 1.1.2012	**4,871,662**
Changes for the period 1.1. - 31.12.2012	
Impairment losses for the year from continuing operations (note 10)	1,666,278
Impairment losses for the year from discontinued operations	1,751
Change in present value of the allowance account	247,846
Foreign exchange differences	(6,560)
Loans written-off during the year [1]	(2,174,757)
Balance 31.12.2012	**4,606,220**
Changes for the period 1.1. - 31.12.2013	
Accumulated provisions of companies which are consolidated for the first time	5,564
Impairment losses for the year from continuing operations (note 10)	1,932,371
Impairment losses for the year from discontinued operations	863
Change in present value of the allowance account	381,630
Foreign exchange differences	(10,162)
Loans written-off during the year	(126,498)
Other adjustments for credit risk	174,416
Accumulated provisions of disposed companies	(8,270)
Balance 31.12.2013	**6,956,134**

The finance lease receivables by duration are as follows:

	31.12.2013	31.12.2012
Up to 1 year	393,578	386,966
From 1 year to 5 years	208,857	247,710
Over 5 years	313,017	356,412
	915,452	**991,088**
Non accrued finance lease income	(154,066)	(167,933)
Total	**761,386**	**823,155**

The net amount of finance lease receivables by duration is analyzed as follows:

	31.12.2013	31.12.2012
Up to 1 year	369,858	361,190
From 1 year to 5 years	129,859	162,401
Over 5 years	261,669	299,564
Total	**761,386**	**823,155**

---

(1) *Includes write-offs of loans guaranteed by the Hellenic Republic eligible to PSI amounting to €2 billion. These bonds were exchanged with new Greek Government Bonds as at 11.4.2012.*

18. Investment securities

a. Available for sale

	31.12.2013	31.12.2012
Greek Government		
- Bonds	881,269	555,113
- Treasury bills	2,474,087	3,015,576
Other States:		
- Bonds	320,496	529,607
- Treasury bills	202,208	331,853
Other issuers:		
- Listed	937,403	1,481,657
- Non-listed	2,476	3,257
Shares		
- Listed	24,809	35,353
- Non-listed	62,106	48,394
Other variable yield securities	62,080	36,488
Total	**4,966,934**	**6,037,298**

During 2013 the Group recognized impairment losses amounting to €43,647 which is analyzed as an amount of €9,006 that relates to shares and other variable yield securities and an amount of €34,641 which relates to bonds of other issuers.

The corresponding amount recognized in the 2012 results amounted to €72,942, out of which an amount of €56,269 relates to shares and other variable yield securities and an amount of €16,673 relates to bonds of other issuers.

These impairment amounts are included in “Gains less losses on financial transactions”.

b. Held to maturity

	31.12.2013	31.12.2012
Greek Government:		
- Bonds	891,641	891,676
- Treasury bills	17,308	21,418
Other States:		
- Bonds	29,988	30,484
- Treasury bills	39,818	68,570
Other issuers:		
- Listed	545,795	678,665
- Non-listed	1,578	1,869
	1,526,128	**1,692,682**
Less:		
Allowance for impairment losses	(156,342)	(157,110)
Total	**1,369,786**	**1,535,572**

The held to maturity Greek Government bonds include only the bonds transferred to the Bank’s ownership for the issuance of the preference shares owned by the Greek State according to Law 3723/2008.

Allowance for impairment losses

Balance 1.1.2012	**2,688,114**
Changes for the period 1.1 - 31.12.2012	
Impairment losses on Greek Government bonds	77,646
Impairment losses on bonds of other issuers	143,321
Amounts written-off during the year relating to Greek Government bonds	(2,751,971)
Balance 31.12.2012	**157,110**
Changes for the period 1.1 - 31.12.2013	
Loans written-off during the period	(768)
Balance 31.12.2013	**156,342**

The amount of €77,646 relates to the additional impairment loss of Greek Government bonds issued abroad, which were exchanged in April 2012, due to the transition of the new Greek Government bonds from inactive to active markets.

The amount of €143,321 relates to subordinated bond of Agricultural Bank, whose licence was recalled on 27.7.2012.

c. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (E.F.S.F.) at a nominal value of €3,960,544 received by the Bank as a result of the share capital increase which was completed on 6.6.2013 and of nominal value of €284,628 which were transferred to the Bank from the Hellenic Financial Stability Fund for the undertaking of customer deposits from the former Cooperative Banks of Macedonia, Evia and Dodecanese in December 2013. The total carrying amount of these bonds as at 31.12.2013 amounted to €4,308,556.

19. Investments in associates and joint ventures

	31.12.2013	Restated 31.12.2012	Published 31.12.2012
Opening balance	**74,610**	**44,855**	**44,855**
Purchase/recognition and increase in participation	615	423	423
Share capital increase	1,304		
Transformation of joint venture to subsidiary	(24,168)		
Return of capital		(2,726)	(2,726)
Reduced ownership interest		(270)	(270)
Measurement of joint ventures using the equity method		42,221	
Share of profit/(loss) and other comprehensive income	(2,317)	(9,893)	(2,877)
Total	**50,044**	**74,610**	**39,405**

The restatement to the comparative figures is a result of the retrospective application for the measurement of joint ventures, under the equity method, in accordance with IAS 28 "Investments in associates and joint ventures" and IFRS 11 "Joint arrangements".

The amounts recognized in 2013 concerns the "Bank Information Systems SA" and "Propindex AEDA" companies which became associates of the combined entity after the acquisition of Emporiki Bank, as well as the company "Olganos A.E.". The share capital increase concerns the joint venture "Alpha TANEO A.K.E.S.".

The transformation of joint venture to subsidiary concerns "APE Fixed Assets AE" which after the acquisition of Emporiki Bank became a subsidiary of the combined entity and is fully consolidated.

The associates and joint ventures of the Group are the following:

Name	Country of incorporation	Group's ownership interest % 31.12.2013	31.12.2012 Restated	31.12.2012 Published
a. Associates				
AEDEP Thessalias & Stereas Ellados	Greece	50.00	50.00	50.00
A.L.C Novelle Investments Ltd	Cyprus	33.33	33.33	33.33
Olganos AE	Greece	30.44		
Bank Infromation Systems SA	Greece	23.77		
Propindex A.E.D.A	Greece	35.58		
Evisak A.E. (1)	Greece			27.00
EL.P.ET. Balcan A.E. (2)	Greece			26.71
Kritis Gi-Tsatsakis A.V.E.E (2)	Greece			22.95
Biokid A.E. (2)	Greece			40.29
Piraiki Microbrewery A.E. (2)	Greece			36.72
b. Joint ventures				
Cardlink A.E.	Greece	50.00	50.00	
APE Commercial Property A.E	Greece	72.20	72.20	
APE Investment Property A.E.	Greece	72.80	67.42	
Alpha TANEO A.K.E.S.	Greece	51.00	51.00	
APE Fixed Assets A.E. (1)	Greece		60.10	
Rosequeens Properties Ltd	Cyprus	33.33	33.33	33.33

(1) After the acquisition of Emporiki Bank, the companies became subsidiaries of the combined entity and are fully consolidated.

(2) The above mentioned companies are associates or joint ventures of the Group which were presented at the financial statements of 31.12.2012 as associates, due to the fact that the consolidation of joint ventures was done under the proportional consolidation method. Further to the retrospective application of measurement of the joint ventures under the equity method, the balances of the above mentioned companies, are included in the balances of the corresponding joint venture.

The Group's share in equity and profit/(loss) of each associate and joint venture is set out below:

	Group's share on equity			Share of profit/(loss)			Share of other comprehensive income in equity		
		31.12.2012			From 1 January to 31.12.2012			From 1 January to 31.12.2012	
	31.12.2013	Restated	Published	31.12.2013	Restated	Published	31.12.2013	Restated	Published
Name									
a. Associates									
AEDEP Thessalias and Stereas Ellados	74	74	74						
A.L.C. Novelle Investments Ltd	1,061	1,176	1,176	(30)	(598)	(598)	(85)	500	500
Olganos AE	30								
Bank Infromation Systems SA	748			220					
Propindex A.E.D.A	94			37					
EVISAK A.E.			932						
Less: Impairment of EVISAK A.E.			(932)						
EL.P.ET Balcan A.E.			36,753			(2,779)			
Kritis Gi -Tsatsakis A.B.E.E			504						
Less: Kritis Gi -Tsatsakis A.B.E.E			(504)						
Biokid A.E.			688						
Piraiki Microbrewery A.E.			714						
Total (a)	**2,007**	**1,250**	**39,405**	**227**	**(598)**	**(3,377)**	**(85)**	**500**	**500**
b. Joint ventures									
Cardlink A.E.		148		(148)	(21)				
APE Commercial Property A.E.	43,167	46,045		(2,866)	(2,523)		(12)		
APE Investment Property A.E.					(6,644)				
Alpha TANEO A.K.E.S.	4,870	2,999		(661)	(408)		1,228		
APE Fixed Assets A.E.		24,168			(199)				
Total (b)	**48,037**	**73,360**	**-**	**(3,675)**	**(9,795)**		**1,216**		
Total (a) + (b)	**50,044**	**74,610**	**39,405**	**(3.448)**	**(10,393)**	**(3,377)**	**1,131**	**500**	**500**
Impairment losses on loans to Cardlink A.E.				(422)					
Impairment losses on loans to APE Investmemt Property A.E.				(12,324)					
Total (c)				**(12,746)**					
Total (a) + (b) + (c)	**50,044**	**74,610**	**39,405**	**(16,194)**	**(10,393)**	**(3,377)**	**1,131**	**500**	**500**

Investments in material associates and joint ventures

None of the associates of the Group is considered material for the Group based on its size or its activities which is of strategic importance for the Group.

The Group has no participation in joint operations.

From the joint ventures of the Group, APE Commercial Property A.E., which is a real estate company, is considered material. The country of activitiy is not different from the country of incorporation. The company is not listed and thus, no official market price exists for its fair value. In addition, it is characterized as joint venture due to the fact that according to contractual agreement, the control requires unanimous decision of its shareholders.

Name	Country of incorporation	Consolidation method	Group's ownership interest %	
			31.12.2013	31.12.2012
APE Commercial Property A.E.	Greece	Equity method	72.20	72.20

Condensed financial information for APE Commercial Property A.E. are presented below. All the information below relates to amounts presented in the financial statements which are prepared according to IFRS as adopted by the EU, including any fair value adjustments on acquisition date and adjustments derived from applying different accounting policies between the Group and the joint venture.

Condensed Other Comprehensive Income

	31.12.2013	31.12.2012
Interest and similar income	497	280
Gains less losses on financial transactions	(4,064)	(3,741)
Depreciation and amortization expenses	(1)	(1)
Other expenses	(30)	(32)
Profit/(loss) before income tax	**(3,598)**	**(3,494)**
Income tax	(372)	-
Profit/(loss) after income tax	**(3,970)**	**(3,494)**
Other comprehensive income recognized directly in Equity	**(17)**	**-**
Total comprehensive income for the year, after income tax	**(3,987)**	**(3,494)**
Amount attributed to the participation of the Group to profits/(losses) of the joint venture	(2,866)	(2,523)
Amount attributed to the participation of the Group to other comprehensive income recorded directly in the equity of the joint venture	(12)	-

No dividends have been received from the joint venture in 2013 and 2012.

Condensed Balance Sheet

	31.12.2013	31.12.2012
Cash and cash equivalents	13,222	12,831
Other current assets	133	45
Total current assets	**13,355**	**12,876**
Non current assets	**46,823**	**50,905**
Short-term liabilities	391	7
Total short-term liabilities	**391**	**7**
Long-term liabilities	**-**	**-**
Total Equity	**59,787**	**63,774**
Group participation (%)	72,20	72,20
Carrying amount of participation	**43,167**	**46,045**

Other information for associates and joint ventures and significant restricitions

No cases exist where the Group has stopped recognizing its share in the losses of associates and joint ventures because it has fully impaired its participation.

With respect to Cardlink A.E. and APE Investment Properties A.E., where our participation is fully impaired, the Group recognized a loss of €12,746 in 2013 for the impairment of long term loans in order to recognize its share in the loss of these companies.

The Group has no contingent liabilities regarding its participation in associates or joint ventures. The Bank has undertaken the obligation to participate in additional investments in the joint venture Alpha TANEO AKES amounting up to €8.1 million. Further to this, there are no other unrecognized commitments of the Group relating with its participation in joint ventures which could result in future cash or other outflows.

No significant restrictions exist (e.g. arising from loan agreements, conventional, regulatory) on associates or joint ventures to transfer capital in the entity either as dividends or to repay loans that have been financed by the Group.

20. Investment property

	Land - Buildings
Balance 1.1.2012	
Cost	46,998
Accumulated depreciation and impairment losses	(6,679)
1.1.2012 - 31.12.2012	
Net book value 1.1.2012	40,319
Additions	2,226
Additions from companies consolidated for the first time in 2012	312,800
Disposals	(2,073)
Impairment losses	(2,187)
Reclassification from “Non-current assets held for sale”	142,144
Reclassification from “Property, plant and equipment”	7,109
Foreign exchange differences	(65)
Accumulated depreciation from continuing operations	(6,775)
Net book value 31.12.2012	**493,498**
Balance 31.12.2012	
Cost	510,252
Accumulated depreciation and impairment losses	(16,754)
1.1.2013 - 31.12.2013	
Net book value 1.1.2013	493,498
Additions	39,679
Additions from companies consolidated for the first time in 2013	82,919
Foreign exchange differences	(399)
Reclassification	(2,500)
Disposals	(2,596)
Impairment losses	(39,385)
Accumulated depreciation from continuing operations	(10,763)
Net book value 31.12.2013	**560,453**
Balance 31.12.2013	
Cost	627,457
Accumulated depreciation and impairment loss	(67,004)

In 2013, an impairment loss amounting to €39.4 million was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2013, as estimated by Alpha Astika Akinita A.E.. The impairment amount was recorded in “Other Expenses”.

The fair value of investment property as at 31.12.2013 amounts to €569,856.

The fair value of investment property is calculated in accordance with the methods mentioned in note 1.8 and are classified, in terms of fair value hierarchy, in Level 3, since they have made use of research inputs, assumptions and inputs relating to properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs.

The impairment amount of €2.2 million in 2012 relates to the estimated restoration costs for damages caused by fire that occurred in two preservable buildings of the Bank during the riots which took place on 12.2.2012.

The additions from companies consolidated for the first time in 2012 relate to investment property which were obtained as collateral for loans and acquired by the group in the context of its credit risk methodology.

21. Property, plant and equipment

	Land and buildings	Leasehold improvements	Equipment	Total
Balance 1.1.2012				
Cost	1,279,503	5,722	492,942	1,778,167
Accumulated depreciation and impairment losses	(323,710)	(3,228)	(398,314)	(725,252)
1.1.2012 - 31.12.2012				
Net book value 1.1.2012	955,793	2,494	94,628	1,052,915
Foreign exchange differences	(4,173)	(71)	(41)	(4,285)
Additions	14,445		15,247	29,692
Disposals/Write offs	(15,530)	(688)	(2,028)	(18,246)
Reclassifications	(5,634)	209	(209)	(5,634)
Impairment loss for the year	(6,872)			(6,872)
Depreciation charge from discontinued operations	(426)		(692)	(1,118)
Depreciation charge from continuing operations	(26,859)	(641)	(31,567)	(59,067)
Net book value 31.12.2012	**910,744**	**1,303**	**75,338**	**987,385**
Balance 31.12.2012				
Cost	1,261,028	3,747	497,024	1,761,799
Accumulated depreciation and impairment losses	(350,284)	(2,444)	(421,686)	(774,414)
1.1.2013 - 31.12.2013				
Net book value 1.1.2013	910,744	1,303	75,338	987,385
Foreign exchange differences	(1,121)	(13)	(31)	(1,165)
Additions	13,551	1,042	14,647	29,240
Additions from companies consolidated for the first time in 2013	190,914		22,540	213,454
Sale of subsidiary	(4,673)		(1,104)	(5,777)
Disposals/Write offs	(15,195)	(83)	(924)	(16,202)
Reclassifications	(6,759)		(195)	(6,954)
Impairments	(18,571)		(21)	(18,592)
Depreciation charge from discontinued operations	(217)		(414)	(631)
Depreciation charge from continuing operations	(30,980)	(531)	(26,777)	(58,288)
Net book value 31.12.2013	**1,037,693**	**1,718**	**83,059**	**1,122,470**
Balance 31.12.2013				
Cost	1,428,120	4,378	515,075	1,947,573
Accumulated depreciation and impairment losses	(390,427)	(2,660)	(432,016)	(825,103)

"Additions from companies consolidated for the first time in 2013" mainly includes the fair value of Emporiki Bank Group's assets on the acquisition date as presented in note 46.

In 2013, an impairment loss of €18.6 million was recognized for property, plant and equipment and was recorded in "Other Expenses".

During the impairment test of property, plant and equipment, the estimation is based on the value in use incorporating the carrying amount of an asset and all the improvements which render it absolutely suitable for use from the Group.

The carrying amount of owned land and buildings included in the above balances amounts to €953,160 as at 31.12.2013 (31.12.2012: €841,098).

The impairment loss of €6.9 million for 2012 related to the estimated restoration costs for damages caused by fire that occurred in two preservable buildings of the Bank during the riots that took place on 12.2.2012. The majority of losses are covered by insurance compensation.

22. Goodwill and other intangible assets

	Goodwill	Software	Other intangible	Total
Balance 1.1.2012				
Cost	45,084	318,110	52,371	415,565
Accumulated amortization and impairment loss		(210,320)	(24,779)	(235,099)
1.1.2012 - 31.12.2012				
Net book value 1.1.2012	45,084	107,790	27,592	180,466
Additions		33,516	307	33,823
Disposals		(384)		(384)
Foreign exchange differences	(3,428)	(312)		(3,740)
Impairment loss	(40,520)			(40,520)
Reclassifications		(3,018)	3,018	
Accumulated amortization from discontinued operations		(94)	(2)	(96)
Accumulated amortization from continuing opearations		(25,057)	(2,735)	(27,792)
Net book value 31.12.2012	**1,136**	**112,441**	**28,180**	**141,757**
Balance 31.12.2012				
Cost	41,656	347,339	54,597	443,592
Accumulated amortization and impairment loss	(40,520)	(234,898)	(26,417)	(301,835)
1.1.2013 - 31.12.2013				
Net book value 1.1.2013	1,136	112,441	28,180	141,757
Additions		48,737	389	49,126
Additions from companies consolidated for first time in 2013		24,008	46,100	70,108
Additions from acquisitions of Cooperative Banks			9,094	9,094
Disposals/Write offs		(2,693)		(2,693)
Sale of subsidiary	(1,136)	(80)	(22)	(1,238)
Reclassifications		(1,972)	1,972	
Foreign exchange differences		(68)	3	(65)
Accumulated amortization from discontinued operations		(63)	(2)	(65)
Accumulated amortization from continuing opearations		(16,685)	(6,425)	(23,110)
Net book value 31.12.2013		**163,625**	**79,289**	**242,914**
Balance 31.12.2013				
Cost	40,520	418,490	112,361	571,371
Accumulated amortization and impairment loss	(40,520)	(254,865)	(33,072)	(328,457)

"Additions from companies consolidated for first time in 2013" includes the fair value of intangible assets of Emporiki Bank Group obtained on the acquisition date as presented in note 46.

In particular, an amount equal to €46.1 million relates to the recognition of an intangible asset regarding the newly acquired core customer deposit base of Emporiki Bank with an estimated useful life of 6 years.

Additionally, an amount equal to €9.1 million relates to the recognition of an intangible asset regarding the newly acquired core customer deposit base of Cooperative Banks of Dodecanese, Evia and Macedonia, with an estimated useful life of 2 years.

The amount of €1,136 relates to the goodwill arising from the initial acquisition of JSC Astra Bank

Based on the annual impairment test performed on goodwill arising from the initial acquisition of Alpha Bank Srbija A.D., the Group, as at 31.12.2012 recorded an impairment loss of goodwill amounting to €40.5 million. In particular, the investment's recoverable amount which was calculated as the highest amount between (a) its value in use calculated based on a dividend discount model and (b) its fair value less costs to sell based on multiples method, was less than the value of Alpha Bank Srbjia A.D. as included in the consolidated financial statements of the Group.

23. Deferred tax assets and liabilities

	31.12.2013	31.12.2012
Assets	2,788,688	1,806,151
Liabilities	(35,160)	(412,020)
Total	**2,753,528**	**1,394,131**

Deferred tax assets and liabilities are analysed as follows:

	1.1 - 31.12.2013				
		Recognized in			
	Balance 1.1.2013	Income Statement	Equity	Negative goodwill from the acquisition of Emporiki Bank	Balance 31.12.2013
Debit difference of Law 4046/2012	811,773	205,364		101,342	1,118,479
Revaluation/impairment of fixed assets	10,856	32,826		4,024	47,706
Depreciation and fixed assets write-offs	(15,032)	(26,846)			(41,878)
Valuation/impairment of loans	501,694	578,692		570,743	1,651,129
Suspension of interest accruals	(343,591)	(271,216)		(29,539)	(644,346)
Employee defined benefit obligations	54,253	5,229	3,510	22,414	85,406
Valuation of derivatives	121,392	20,939	(28,938)	12,538	125,931
Effective interest rate	(1,750)	2,746			996
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,274)	(873)		(54,776)	(59,923)
Valuation/impairment of bonds and other securities	46,517	21,136	(64,446)		3,207
Tax losses carried forward	117,650	151,543			269,193
Share capital increase expenses			57,561		57,561
Other temporary differences	90,724	10,274	10,388	25,574	136,960
Exchange differences from translation of foreign operations	3,919		(812)		3,107
Total	**1,394,131**	**729,814**	**(22,737)**	**652,320**	**2,753,528**

The adjustments to the opening balance of 1.1.2013, derive from the retrospective application of new accounting policies (note 49).

	1.1 - 31.12.2012					
	Balance 1.1.2012			Recognized in		
	Before adjustments	Adjustments due to PSI	After adjustments	Income Statement	Equity	Balance 31.12.2012
Debit difference of Law N.4046/2012				811,773		811,773
Revaluation/impairment of fixed assets	8,236		8,236	2,620		10,856
Depreciation and fixed assets write-offs	(12,457)		(12,457)	(2,575)		(15,032)
Valuation/impairment of loans	155,404	401,696	557,100	(55,406)		501,694
Suspension of interest accruals	(228,959)		(228,959)	(114,632)		(343,591)
Employee defined benefit obligations	56,489		56,489	(1,719)	(517)	54,253
Valuation of derivatives	99,032		99,032	(8,175)	30,535	121,392
Effective interest rate	(608)		(608)	(1,142)		(1,750)
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,571)		(4,571)	297		(4,274)
Valuation/impairment of bonds and other securities	(14,216)	555,806	541,590	(455,773)	(39,300)	46,517
Tax losses carried forward	11,622		11,622	106,028		117,650
Other temporary differences	86,470		86,470	4,254		90,724
Exchange differences from the translation of foreign operations	2,316		2,316		1,603	3,919
Total	**158,758**	**957,502**	**1,116,260**	**285,550**	**(7,679)**	**1,394,131**
Impairment of Greek Government Bonds and Loans guaranteed by the Hellenic Republic eligible to PSI (note 11)	957,502	(957,502)				
Total	**1,116,260**	**-**	**1,116,260**	**285,550**	**(7,679)**	**1,394,131**

24. Other assets

	31.12.2013	31.12.2012
Tax advances and withholding taxes	346,874	193,634
Deposit and Investment Guarantee Fund	592,825	305,458
Lump sum payment to Hellenic Financial Stability Fund (HFSF)		153,003
Assets obtained from auctions	187,447	87,439
Investments on behalf of life insurance policyholders	22,180	20,697
Prepaid expenses	65,320	71,629
Accrued income	8,578	3,775
Receivables from employee defined benefit plan (note 30)		411
Other	319,606	178,689
Total	**1,542,830**	**1,014,735**

- In accordance with article 6 of Law 3714/7.11.2008 deposits guaranteed by the deposit guarantee system increased from €20 thousand to €100 thousand per customer. The percentages used for calculating the contribution paid by banks to the Deposit Guarantee Fund also increased. In accordance with the Ministry decision 23384/27.5.2011 the law was extended until 31.12.2015.

  Law 3746/16.2.2009 concerning the "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" provides that the amount contributed relating to investment coverage and the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008, will be included in a special group of assets, along with the proportion of each participant in the credit institutions. This specific asset includes the amounts of former Emporiki Bank as well as the amounts from Cooperative Banks of Evia, Western Macedonia and Dodecanese, in the context of the decision of Bank of Greece of 8.12.2013 for the transfer to the Bank, among other assets, the rights of Cooperative Banks towards the Deposit and Investment Guarantee Fund (DIGF) which had applied before the recall of their licenses.
- "Other" includes the claim of the Bank from the Hellenic Financial Stability Fund for the payment of the difference between the transferred assets and liabilities of the above mentioned Cooperative Banks.
- Assets obtained from auctions include an amount of €98,075 relating to assets of former Emporiki Bank.
- On 31.12.2013 the Group measured its fixed assets obtained through auctions at the lowest value between the carrying amount and its fair value. In cases where the fair value was less than the carrying amount, an impairment loss was recognized which amounted to €4.6 million in total and is included in "Other expenses" of the Income Statement. On 31.12.2012, the relevant impairment loss amounted to €9.8 million. The fair value of fixed assets acquired from auction are calculated in accordance with the methods mentioned in note 1.8 and are classified in terms of fair value hierarchy in Level 3, since they have made use of research inputs, assumptions and inputs relating to properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs.

25. Non current assets held for sale

As at 31.12.2013 "Non-current assets held for sale" include land and buildings amounting to €4,793 (31.12.2012: €6,804) and office equipment amounting to €845.

LIABILITIES

26. Due to banks

	31.12.2013	31.12.2012
Deposits:		
- Current accounts	69,757	49,032
- Term deposits		
Central Banks	17,177,211	23,822,285
Other credit institutions	538,517	866,977
Sale and repurchase agreements (Repos)	857,590	
Borrowing funds	439,649	476,869
Total	**19,082,724**	**25,215,163**

27. Due to customers (including debt securities in issue)

	31.12.2013	31.12.2012
Deposits:		
- Current accounts	7,274,532	4,727,195
- Saving accounts	8,404,234	4,900,398
- Term deposits	25,871,350	17,955,637
Debt securities in issue	268,575	440,207
Sale and repurchase agreements (Repos)	514,608	348,455
	42,333,299	**28,371,892**
Cheques payable	151,561	92,457
Total	**42,484,860**	**28,464,349**

The above amounts include cash balances acquired from the Cooperative Banks, after the decision of the Bank of Greece for the removal of the operating license of the Cooperative Banks of Evia, Western Macedonia and Dodecanese (note 48k).

28. Debt securities in issue and other borrowed funds

i. Issues guaranteed by the Greek State (Law 3723/2008)

In the context of the programme for the enhancement of the Greek economy's liquidity, according to Law 3723/2008, the Bank proceeded in issuing the following senior debt securities:

- Nominal value of €2.6 billion, issued on 20.5.2013, maturing on 20.5.2014 with a floating interest rate of twelve month Euribor plus a spread of 12%.
- Nominal value of €2.3 billion, issued on 19.6.2013, maturing on 19.6.2014 with a floating interest rate of three month Euribor plus a spread of 12%.
- Nominal value of €3.6 billion, issued on 18.12.2013, maturing on 27.2.2015 with a floating interest rate of three month Euribor plus a spread of 12%.

The total balance of senior debt securities guaranteed by the Greek State as at 31.12.2013 amounts to €9.8 billion.

These securities are not disclosed in "Debt securities in issue and other borrowed funds", since they are held by the Bank.

ii. Covered bonds[1]

The balance of covered bonds issued by the Bank as at 31.12.2013 amounts to €3.7 billion.

Covered bonds are not included in "Debt securities in issue and other borrowed funds" since the corresponding securities are held by the Bank.

(1) Financial disclosure regarding covered bond issues as determined by the 2620/28.8.2009, act of the Bank of Greece, will be published on the Bank's website.

iii. Short term securities

Balance 1.1.2013	
Changes for the period 1.1 - 31.12.2013	
New issues	80,498
(Purchases)/Sales by Group companies	(1,668)
Maturities/Repayments	(42,519)
Accrued interest	614
Foreign exchange differences	(1,074)
Balance 31.12.2013	**35,851**

The amount of "new issues" includes the following issues:

- nominal value of USD 28.3 million maturing on 7.6.2013.
- nominal value of USD 28.8 million maturing on 10.12.2013.
- nominal value of USD 52 million maturing on 11.3.2014.

iv. Senior debt securities

Balance 1.1.2013	**927,935**
Changes for the period 1.1 - 31.12.2013	
New issues	25,045
Acquisition of Emporiki Bank 1.2.2013	395,135
(Repurchases)/Sales	42,325
Maturities/Repayments	(633,719)
Fair value changes	4,012
Accrued interest	(16,157)
Foreign exchange differences	(322)
Balance 31.12.2013	**744,254**

The amount of "new issues" includes the following issues:

- value of €13.8 million maturing on 17.5.2018, bearing a fixed interest rate of 2%.
- value of €1.3 million maturing on 18.12.2028, bearing a fixed interest rate of 1.5%.
- value of €10 million maturing on 19.12.2028, bearing a fixed interest rate of 4%.

v. Liabilities from the securitisation of mortgage loans

Balance 1.1.2013	
Changes for the period 1.1 - 31.12.2013	
Acquisition of Emporiki Bank 1.2.2013	51,363
(Repurchases)/Sales	(397)
Maturities/Repayments	(37,006)
Fair value changes	55,150
Accrued interest	(593)
Balance 31.12.2013	**68,517**

On the acquisition of the Emporiki Bank, the Group recorded an obligation towards the special purpose entity, Lithos Mortgage Financing PLC (securitization of mortgage loans). This liability amounts to €68.5 million after offsetting bonds of nominal value €12.6 million held by the Bank. It is noted that the transaction was recalled in February 2014.

Additional liabilities arising from the securitisation of consumer loans, corporate loans and credit cards are not included in "Debt securities in issue and other borrowed funds" since these securities amounting to a nominal value €4.2 billion, were issued by special purpose entities, held by the Group.

vi. Subordinated debt

Balance 1.1.2013	**244,530**
Changes for the period 1.1 - 31.12.2013	
(Repurchases)/Sales	(2,364)
Maturities/Repayments	(78,443)
Accrued interest	(434)
Balance 31.12.2013	**163.289**

On 19.4.2013 the Bank announced to the holders of subordinated debt securities a tender offer for buying back in cash the existing subordinated debt securities (Upper Tier II Securities and Lower Tier II Securities) at a price equal to 55% of their nominal value.

The participation in the above offer was 47%.

A gain of €25.8 million after tax on the subordinated securities buy back was recorded in the Income Statement of the period.

vii. Convertible bond loan

Balance 1.1.2013	
Changes for the period 1.1 – 31.12.2013	
New issues	30,000
Fair value change	9,600
Balance 31.12.2013	**39,600**

In accordance with the agreement with Credit Agricole for the acquisition of Emporiki Bank, the Bank issued on 1.2.2013 a convertible bond loan amounting to €150 million, with a nominal value of €100 thousand per bond.

This security is interest free and can be converted in ordinary shares, after the exercise of the owner's relevant right, provided that four years after its issuance the following conditions are met:

- The number of the Group's branches in Greece is decreased by at least 20% compared to the existing branches on the acquisition date on 1.2.2013.
- The Group's Core Tier I capital ratio after accounting for the capitalisation amount from the Hellenic Financial Stability Fund, is not less than the minimum Core Tier I capital ratio which is in effect on the date the security is converted into ordinary shares.

The number of shares can be calculated by dividing the nominal value with the higher of a) the price at which the Hellenic Financial Stability Fund participated in the Bank's share capital increase in the context of its recapitalization and b) the weighted, based on volume of transactions, average closing price of the Bank's ordinary shares for a period of three months preceding the conversion date.

In the case of credit default of the issuer the bonds are repaid immediately for one euro per bond.

This security has been classified in liabilities since the number of ordinary shares that the bond may be converted into is variable, as it depends on the share's price.

At initial recognition, the security was measured at fair value and the difference between the value of initial recognition and the nominal value, was recorded in gains less losses on financial transactions in 2013. The fair value estimation was primarily based on the valuation of securities with similar characteristics, such as the Bank's subordinated debt and took into account the zero coupon rate as well as the repayment terms.

On 31.12.2013 a new valuation of the above security was performed and its result was classified in "Gains less losses on financial transactions".

Total of Debt securities in issue and other borrowed funds as at 31.12.2013	**1,051,511**

The above debt securities amounting to €1,051,511 include an amount of €268,575 (31.12.2012: €440,206) which was held by Bank customers and was reclassified in "Due to customers". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 31.12.2013, amounts to €782,936 (31.12.2012: €732,259).

29. Liabilities for current income tax and other taxes

	31.12.2013	31.12.2012
Current income tax	14,857	12,484
Other taxes	41,911	30,045
Total	**56,768**	**42,529**

30. Employee defined benefit obligations

The total amounts recognized in the financial statements for employee defined benefit obligations are presented in the table below:

	Balance Sheet Assets/Liabilities	
	31.12.2013	**31.12.2012**
TAP – Lump sum benefit		411
Total Assets		**411**
TAP - Lump sum benefit	4,452	
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920	70,029	48,243
Savings program guarantee	93	476
Other companies	4,126	3,463
Total liabilities	**78,700**	**52,182**

	Income Statement Expenses/(Income)	
	From 1 January to	
	31.12.2013	**31.12.2012**
TAP – Lump sum benefit	(14,654)	3,735
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 (note 7)	(10,532)	46,622
Savings program guarantee	36	49
Other companies	410	(440)
Total	**(24,740)**	**49,966**

Balance Sheet and Income Statement amounts are analyzed per fund and type of benefits as follows:

i. Bank

a. Employee idemnity due to retirement in accordance with Law 2112/1920

Since 14 February 2012, on promulgation of Law 4046/2012 and in accordance with Cabinet act 6/28.2.2012 employment contracts that mature at the age limit or when the retirement conditions have been met are considered open term employee contracts and if cancelled the provisions of Law 2112/1920 and 3198/1955 apply which provide a lump sum payment. In addition, Law 4093/2012 which became effective on 12.11.2012, amended these provisions by reducing the amount of the benefit to be paid.

Up to the publication of the above Law the Bank's employment contracts had a definite term clause.

In the balance sheet of 31.12.2012 a liability was recognized amounting to €48,243, while staff costs for the year increased by €46,622 due to the specific provision that amounted to €1,621.

The obligation as at 31.12.2013 was affected by the acquisition of Emporiki Bank on 1.2.2013.

The amounts recognized in the balance sheet are as follows:

	31.12.2013	31.12.2012
Present value of defined obligations	70,029	48,243
Fair value of planed assets	-	-
Liability/ (asset)	**70,029**	**48,243**

The amounts recognized in the income statement are as follows:

	From 1 January to	
	31.12.2013	**31.12.2012**
Current service cost	4,001	
Net interest cost resulted from net asset/liability	4,111	
Recognition of past service cost	(21,293)	46,622
Settlement/Curtailment/Termination loss/(gain)	2,649	
Total (included in staff costs)	**(10,532)**	**46,622**

In 2013, there was a gain from the calculation of employee defined obligations for the employees from Emporiki Bank taking into consideration the modification introduced by Law 4093/2012.

The movement in the present value of defined obligations is as follows:

	2013	2012
Opening balance	**48,243**	**1,621**
Liability from the acquisition of Emporiki Bank on 1.2.2013	45,555	
Current service cost	4,001	
Interest cost	4,111	
Benefits paid	(3,042)	
Settlement/Curtailment/Termination (gain)/loss	2,649	
Past service cost	(21,293)	46,622
Actuarial (gain)/loss – experience adjustments	(10,195)	
Closing balance	**70,029**	**48,243**

The movement of the obligation in the balance sheet is as follows:

	31.12.2013	31.12.2012
Opening balance	**48,243**	**1,621**
Liability from the acquisition of Emporiki Bank	45,555	
Benefits paid	(3,042)	
Amount recognized in Income Statement	(10,532)	46,622
Amount recognized in Equity	(10,195)	
Closing balance	**70,029**	**48,243**

The principal actuarial assumptions used are as follows:

	31.12.2013	31.12.2012
Discount rate	3.8%	3.8%
Future salary growth	1.0%	1.0%
Average plan duration	21.6	21.6

The table below presents the sensitivity of the liability on the increase or decrease of the discount rate and the expected wage growth rate.

	Percentage variation in liability (%)
Increase in discount rate by 0.5%	(6.3)
Decrease in discount rate by 0.5%	6.9
Increase in future salary growth rate by 0.5%	7.0
Decrease in future salary growth rate by 0.5%	(6.5)

b. Supplementary Pension Fund (TAP) of former Alpha Credit Bank Employees

The obligation to the Supplementary Pension Fund (TAP) of former Alpha Credit Bank employees, after it was absorbed by the Common Insurance Fund of Bank Employees for the supplementary pension (Article 10, Law 3620/2007) is restricted to paying a lump sum benefit to retiring employees, which is guaranteed by the Bank. On 18.11.2013 the Bank signed a new operational agreement with the Association of Personnel, whereby the amount paid by the Supplementary Pension Fund, will not exceed the difference between the amount corresponding to the overall lump sum provision, according to the statute of the Supplementary Pension Fund (TAP), and the amount of compensation that the Bank must pay, according to the labor legislation, which is in effect on the termination of employment contracts. This adjustment is not affected by a potential reduction of the compensation amount in the future.

The amounts included in the balance sheet are as follows:

	31.12.2013	31.12.2012
Present value of obligation	78,835	102,967
Fair value of plan assets	(74,383)	(103,378)
Liability/ (asset)	**4,452**	**(411)**

The amounts included in the income statement are as follows:

	From 1 January to	
	31.12.2013	**31.12.2012**
Current service cost	2,803	3,669
Net interest cost resulted from net asset/liability	(123)	(67)
General expenses	1	
Total of current service cost	**2,681**	**3,602**
Past service cost	(17,649)	
Settlement/Curtailment/Termination loss/(gain)	314	133
Total (included in staff costs)	**(14,654)**	**3,735**

The movement in the present value of defined benefit obligation is as follows:

	2013	2012
Opening balance	**102,967**	**115,823**
Current service cost	2,803	3,669
Interest cost	3,202	5,001
Employee contributions	425	474
Benefits paid	(7,849)	(14,238)
Contributions paid directly by the Bank	(1,187)	(2,161)
Settlement/Curtailment/Termination loss/(gain)	314	133
Past service cost	(17,649)	
Actuarial (gain)/loss - financial assumptions	(1,460)	3,052
Actuarial (gain)/loss - demographic assumptions	(2,516)	
Actuarial (gain)/loss – experience adjustments	(215)	(8,786)
Closing balance	**78,835**	**102,967**

The movement in the fair value of plan assets is as follows:

	2013	2012
Opening balance	**103,378**	**114,694**
Expected return	3,325	5,069
Employee contributions	425	474
Benefits paid	(7,849)	(14,238)
Expenses	(2)	(1)
Return of plan assets which is recorded directly in Equity	(24,894)	(2,620)
Closing balance	**74,383**	**103,378**

The plan assets include bonds issued by Alpha Credit Group Plc of €59.4 million, receivables from Alpha Bank of €9.5 million, deposits with Alpha Bank of €0.1 million, Alpha Bank's shares of €3.1 million, warrants Alpha Bank of €3.1 million and other receivables of €2.3 million.

The amounts recognized directly in equity during the year are analyzed as follows:

	2013	2012
Change in liability gain/(loss) due to financial and demographic assumptions	3,976	(3,052)
Change in liability gain/(loss) due to experience adjustments	215	8,786
Return on plan assets excluding amounts included in Income Statement	(24,894)	(2,620)
Closing balance	**(20,703)**	**3,114**

The movement of the liability/(asset) in the balance sheet is as follows:

	2013	2012
Opening balance	**(411)**	**1,129**
Benefits paid directly by the Bank	(1,187)	(2,161)
Amount recognized in Income Statement	(14,653)	3,735
Amount recognized in Equity	20,703	(3,114)
Closing balance	**4,452**	**(411)**

The principal actuarial assumptions used are as follows:

	31.12.2013	31.12.2012
Discount rate	3.8%	3.8%
Expected return on plan assets	2.5%	2.5%
Future salary increases	1.0%	1.0%
Average plan duration	8.3	7.7

c. Guarantee of the minimum benefit for newly insured employees (after 1993) that were hired up to 31.12.2004 and joined the new Bank's savings plan

For employees hired by the Bank and insured from 1.1.1993 until 31.12.2004 the final amount to be received upon retirement has, according to the provisions of the insurance plan, as minimum limit the benefit as defined in Law 2084/1992 and the Cabinet Act 2/39350/0022/2.3.99.

The amounts included in the balance sheet are analyzed as follows:

	31.12.2013	31.12.2012
Present value of defined obligations	93	476
Liability/ (asset)	**93**	**476**

The amounts in the income statement are analyzed as follows:

	From 1 January to	
	31.12.2013	31.12.2012
Current service cost	12	28
Net interest cost resulted from the net asset/liability	24	21
Total (included in staff costs)	**36**	**49**

The movement in the present value of defined benefit obligations is as follows:

	2013	2012
Opening balance	**476**	**427**
Current service cost	12	28
Interest cost	24	21
Actuarial (gain)/loss - financial assumptions	(142)	
Actuarial (gain)/loss - demographic assumptions	(29)	
Actuarial (gain)/loss – experience adjustments	(248)	
Closing balance	**93**	**476**

The amounts recognized directly in equity during the year are analyzed as follows:

	2013	2012
Change in the liability due to financial and demographic assumptions	171	
Change in the liability due to experience adjustments	248	
Closing balance	**419**	

The movement in the obligation is as follows:

	2013	2012
Opening balance	**476**	**427**
Amount recognized in Income Statement	36	49
Amount recognized in Equity	(419)	
Closing balance	**93**	**476**

The principal actuarial assumptions used are as follows:

	31.12.2013	31.12.2012
Discount rate	3.8%	3.8%
Expected return on plan assets	4.0%	4.0%
Future salary growth	1.0%	1.0%
Average plan duration	9.6	17.5

The changes to the TAP lump sum and saving plan's guarantee obligation from the increase and decrease of the discount rate and the expected salary increases is analyzed in the following table:

	Percentage variation in liability (%)
Increase in discount rate by 0.5%	(3.9)
Decrease in discount rate by 0.5%	4.2
Increase in future salary growth rate by 0.5%	4.2
Decrease in future salary growth rate by 0.5%	(3.9)

ii. Other companies

The employees of the Greek subsidiaries with open ended employment contracts receive a lump sum payment on retirement, which is defined by Law 2112/1920 as modified by Law 4093/2012. In the subsidiary Alpha Bank Srbija A.D., the employees receive a lump sum payment on retirement, which equals three salaries of Serbian State. The following amounts are recognized for these obligations:

	31.12.2013	31.12.2012
Liability in the Balance Sheet	**4,126**	**3,463**

	From 1 January to	
	31.12.2013	**31.12.2012**
Expense/(Income) (included in staff costs)	**410**	**(440)**

The discount rate is determined by taking into account the iBoxx Euro Corporate AA+ Index adjusted to the characteristics of the programs.

31. Other liabilities

	31.12.2013	31.12.2012
Dividents payable	604	2.887
Liabilities to third parties	122,620	125,885
Liabilities to Insurance Funds (E.T.A.T., I.K.A. – E.T.E.A.M.) (note 7)	343,908	310,928
Brokerage services	34,101	11,599
Deferred income	7,826	5,542
Accrued expenses	67,636	67,123
Liabilities from credit cards	188,649	165,297
Other	390,656	240,487
Total	**1,156,000**	**929,748**

32. Provisions

	31.12.2013	31.12.2012
Insurance provisions	138,701	99,956
Provisions to cover credit risk and other provisions	140,183	38,354
Restructuring program provisions		477
Total	**278,884**	**138,787**

a. Insurance provisions

	31.12.2013	31.12.2012
Non-life insurance		
Unearned premiums	5,388	5,761
Outstanding claim reserves	9,261	7,789
Total	**14,649**	**13,550**
Life insurance		
Mathematical reserves	95,841	62,605
Outstanding claim reserves	6,031	3,104
Total	**101,872**	**65,709**
Reserves for investments held on behalf and at risk of life insurance policy holders	**22,180**	**20,697**
Total	**138,701**	**99,956**

b. Provisions to cover credit risk and other provisions

Balance 1.1.2012	**16,587**
Changes for the period 1.1. - 31.12.2012	
Provisions to cover credit risk relating to off-balance sheet items (note 10)	11,524
Provisions used to cover credit risk relating to off-balance sheet items	(805)
Other provisions (note 9)	14,079
Other provisions from discontinued operations	208
Other provisions from companies consolidated for the first time	108
Other provisions used during the period	(3,126)
Foreign exchange differences	(221)
Balance 31.12.2012	**38,354**
Changes for the period 1.1. - 31.12.2013	
Provisions to cover credit risk relating to off-balance sheet items (note 10)	18,164
Other provisions (note 9)	527
Reversal of other provisions	(388)
Write-offs	(1,478)
Provisions to cover credit risk relating to off-balance sheet items and other provisions from companies consolidated for the first time	235,628
Reclassification to “Other assets”	(136,273)
Reclassification to “Loans and advances to customers”	(8,000)
Other provisions used during the period	(6,510)
Accumulated provisions from discontinued operations	(158)
Foreign exchange differences	317
Balance 31.12.2013	**140,183**

c. Restructuring program provisions

Balance 1.1.2012	**1,371**
Changes for the period 1.1. - 31.12.2012	
Provisions used during the period	(894)
Balance 31.12.2012	**477**
Changes for the period 1.1. - 31.12.2013	
Provisions used during the period	(477)
Balance 31.12.2013	**-**

The amounts of other provisions charged to profit and loss account are included in the account “Other Expenses” of the income statement.

The transfer from other provisions to other balance sheet positions resulted from the acquisition of Emporiki Bank and is attributed to the fact that these provisions are not related to Bank’s contingent liabilities but to impairment on receivables.

On 31.12.2013 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to €67 million and other provisions to €73.2 million out of which, €32.1 million relates to pending legal cases.

EQUITY

33. Share capital

The Bank's share capital as at 31.12.2013 is analysed as follows:

	Opening balance of shares as at 1.1.2013	Share capital increase	Shares from Warrants exercise	Balance of shares as at 31.12.2013	Paid-in capital
a. Ordinary shares					
Number of ordinary shares	534,269,648			534,269,648	160,281
Share capital increase paid in cash		1,250,000,000	213,368,583	1,463,368,583	439,011
Share capital increase through contribution of securities by the HFSF		9,138,636,364	(213,368,583)	8,925,267,781	2,677,580
Balance 31.12.2013	**534,269,648**	**10.388.636.364**		**10,922,906,012**	**3,276,872**
b. Preferrence shares					
Number of preference shares	200,000,000			200,000,000	940,000
Balance of ordinary and preference shares on 31.12.2013	**734,269,648**	**10,388,636,364**		**11,122,906,012**	**4,216,872**

On 6.6.2013 the share capital increase was completed, according to the decisions of the second iterative Extraordinary General Meeting of Shareholders of 16.4.2013, pursuant to Law 3864/2010. From this capital increase a total amount of €4,571,000,000.16 was raised and the share capital increased by a total amount of €3,116,590,909.20, out of which an amount of €375,000,000.00 was paid in cash and an amount of €2,741,590,909.20 through contribution of securities by the Hellenic Financial Stability Fund issued by the European Financial Stability Facility. They were issued 10,388,636,364 new, ordinary, registered with voting rights shares with a nominal value and offer price of €0.30 and €0.44, respectively. In the process of warrants' exercise on the shares of Hellenic Financial Stability Fund, held in December 2013, 28,800,631 voting rights were exercised by the common shareholders which corresponded to 213,368,583 ordinary shares resulting in the increase of issued shares.

Thus, on 31.12.2013 the Bank's share capital amounts to €4,216,871,803.60, divided into 11,122,906,012 shares, out of which:

a) 1,997,638,231 ordinary, registered, voting, non paper shares of nominal value of €0.30 each,

b) 8,925,267,781 ordinary, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non paper shares owned by the Hellenic Financial Stability Fund of nominal value of €0.30 each and

c) 200,000,000 preference, registered, non voting, paper and redeemable shares of nominal value of €4.70 each.

The preference shares have been issued in the context of Law 3723/2008 "Program for the enhancement of liquidity of the Greek Economy" since 21.5.2009. These shares are of indefinite duration, are subject to partial or full redemption by the Bank after the approval of the Bank of Greece and with an annual fixed non cumulative return of 10%, as long as there are profits to be distributed as specified in article 44a of Codified Law 2190/1920 and their distribution has been previously approved by the Bank's General Meeting of Ordinary Shareholders. Based on the above terms, the preference shares have been recognized in equity.

According to article 39 of Law 3844/3.5.2010, which amended Law 3723/9.12.2008, the return on preference shares has a step-up feature of 2% annually, if after five years following the issuance the preference shares have not been redeemed.

Based on the above mentioned terms of the preference shares and in accordance with a legal opinion obtained by the Bank in relation to the implications of the amendment of Law 4093/2012, which is mentioned in detail in note 32 of the annual financial statements of 31.12.2012, the above mentioned shares meet the criteria for their classification in the equity of the Bank.

34. Share premium

Opening balance 1.1.2013	**2,757,653**
Share capital increase – share premium on issuance of ordinary shares	1,454,409
Balance 31.12.2013	**4,212,062**

With the share capital increase of 6.6.2013 and the issuance of 10,388,636,364 new ordinary shares with a nominal amount of €0.30 and an offer price of €0.44, a total difference of €1,454,409 that occured between the nominal value and the shares' offer price, was credited in "Share Premium".

35. Reserves

Reserves are analysed as follows:

a. Statutory reserve

	31.12.2013	31.12.2012
Statutory reserve	531,900	500,710

According to the Bank's article of association (article 26), the Bank is required to transfer 5% of its annual profit after tax to a statutory reserve, until this reserve amounts to one third of its share capital. This reserve can only be used to offset losses according to article 44 of Codified Law 2190/1920.

For the remaining companies of the Group the statutory reserve is formed according to local regulations.

b. Available for sale securities reserve

	2013		2012	
Opening balance 1.1		**66,232**		**(126,380)**
Changes for the period 1.1 - 31.12				
Net change in fair value of available for sale securities, after income tax	202,393		245,909	
Fair value of available for sale securities transferred to profit and loss	(37,195)		(53,297)	
Total		**165,198**		**192,612**
Balance 31.12		**231,430**		**66,232**

c. Other reserves

	2013	2012
Opening balance 1.1	**(145,098)**	**(22,960)**
Change in cash flow hedge reserve after income tax	124,214	(122,138)
Balance 31.12	**(20,884)**	**(145,098)**

d. Exchange differences on translating and hedging the net investment in foreign operations

	2013	2012
Opening balance 1.1	**(154,029)**	**(131,294)**
Change in exchange differences on translating and hedging the net investment in foreign operations	(3,267)	(22,735)
Transfer of exchange differences from disposal of subsidiary to Income Statement	44,252	
Balance 31.12	**(113,044)**	**(154,029)**

e. Share of other comprehensive income of associates and joint ventures

	2013	2012
Opening balance 1.1	**500**	
Change in the share of other comprehensive income of associates and joint ventures	1,131	500
Balance 31.12	**1,631**	**500**

Total reserves (a+b+c+d+e)	**631,033**	**268,315**

36. Retained earnings

a. Due to the Bank's recorded losses for the year 2012 and after taking into account article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 29.6.2013 decided:

- not to pay to the Greek State the respective return for the year 2012 on its preference shares under article 1 paragraph 3 of Law 3723/2008 and
- not to distribute any dividends to ordinary shareholders of the Bank for 2012.

b. "Retained Earnings" as of 31.12.2013 includes expenses concerning the share capital increase, amounting to €163,828 after income tax.

c. Since in 2013, there are no distributed profits, in accordance with article 44a of Codified Law 2190/1920, the Bank's Board of Directors will not propose to the Ordinary General Meeting of the shareholder's the following:

- to pay to the Greek State the respective return for the year 2013 on its preference shares under article 1 paragraph 3 of Law 3723/2008 and
- to distribute any dividend to the ordinary shareholders of the Bank for 2013.

37. Hybrid securities

Alpha Group Jersey Ltd, a wholly owned subsidiary of the Bank, has issued the following hybrid securities:

- On 5.12.2002 an amount of €200 million innovative securities with interest step up clause, which represent Lower Tier 1 capital for the Group.

  These are perpetual securities and may be redeemed by the issuer after ten years. The issuer has the discretion not to pay a dividend on the condition that the Bank does not pay a dividend to common shareholders.

  These instruments have non cumulative interest of 3-month Euribor plus a margin of 2.65%. If the early redemption option is not exercised by the issuer, the margin is increased by 1.325 points.

  The redemption option was not exercised after the completion of the ten year period and the margin reached to 3.975% from 5.12.2012.

  The securities are listed on the Luxembourg Stock Exchange.
- On 5.12.2003 an amount of €100 million securities were issued with the same characteristics as those issued on 5.12.2002.
- On 18.2.2005 an amount of €600 million non-innovative securities without an interest step up clause, which also represent Lower Tier 1 capital for the Group since they fulfill the requirements of innovative securities with interest step up clause as described above, were issued.

Non-cumulative dividend of these securities carry annual interest at 6% for the first 5 years and thereafter interest is determined based on the formula 4x(CMS10-CMS2) with a ceiling and floor rate of 10% and 3.25% respectively. CMS10 and CMS2 represent the Euribor of interest rate swaps of 10 and 2 years, respectively.

	31.12.2013	31.12.2012
Hybrid securities		
Perpetual with 1st call option on 5.12.2012 and per quarter		98,728
Perpetual with 1st call option on 18.2.2015 and per year	35,400	59,619
Total	**35,400**	**158,347**
Securities held by Group companies	(3,700)	(10,793)
Total	**31,700**	**147,554**

On 19.4.2013 the Bank announced a tender offer to buy back in cash to the holders of Tier I Securities of the Group's subsidiary Alpha Group Jersey, at a purchase price of 35% of their notional value.

This tender offer was accepted at a rate of 70% and the programme was successfully completed. The result of buying back the hybrid securities of an amount equal to €50 million after tax was recorded directly in equity and increased the Group's Net Assets. Considering that for the securities with interest step up clause, the offer acceptance was over 90%, the Bank announced on 20.6.2013 the obligatory buy back at the same cost, exercising the Jersey's Law. The settlement of the obligatory buy back was completed on 21.10.2013.

During 2012 no dividends were distributed to the hybrid security holders due to the non existence of distributable funds for the Bank up to the end of 2011. Since the condition of insufficient distributable funds was applicable in 2012, on 18.1.2013 the Group announced the non payment on 18.2.2013 of the annual dividend on the CMS hybrid title (ISIN: DE000A0DX3M2) without interest step up clause. For the same reason, a non-distribution of the quarterly dividends for 2013, regarding the innovative hybrid title with interest step up clause (ISIN: XS0159153823) was also announced.

ADDITIONAL INFORMATION

38. Contingent liabilities and commitments

a) Legal issues

The Group, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. According to the estimations of the legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position or the operations of the Group. The Group on 31.12.2013 has recorded a provision for pending legal cases amounting to €32.1 million which is included in "Provisions" in Balance Sheet.

b) Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009, while it has obtained a tax certificate without any qualification for 2011 and 2012. The Bank's branches in London and Bulgaria have been audited by the tax authorities for 2011 and 2007 respectively. Emporiki Bank has been audited by the tax authorities for the years up to and including 2008, while it has obtained a tax certificate without any qualification for 2011 and 2012. Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations the year 2011.

Additional taxes and penalties may be imposed for the unaudited years due to the fact that some expenses may not be recognized as deductible, by the tax authorities. The Group's subsidiaries have been audited by the tax authorities up to and including the year indicated in the table below:

Name	Year
Banks	
1. Alpha Bank London Ltd (voluntary settlement of tax obligation)	2011
2. Alpha Bank Cyprus Ltd (tax audit is in progress for years from 2008 – 2011)	2007
3. Emporiki Bank Cyprus Ltd (tax audit is in progress for years from 2003 – 2011)	2002
4. Alpha Bank Romania S.A.	2006
5. Alpha Bank AD Skopje (the years 1998 – 2006 have not been audited by the tax authorities)	2009
6. Alpha Bank Srbija A.D.	2004
7. Alpha Bank Albania SH.A.	2011
Leasing Companies	
1. Alpha Leasing A.E. **	2007
2. Alpha Leasing Romania IFN S.A.	2007
3. ABC Factors A.E. **	2008
Investment Banking	
1. Alpha Finance A.E.P.E.Y. **/***	2009
2. SSIF Alpha Finance Romania S.A. (tax audit is in progress for years from 2003 – 2007)	2002
3. Alpha A.E. Ventures **/***	2009
4. Alpha A.E. Ventures Capital Management - AKES **/***	2009
5. Emporiki Ventures Capital Developed Markets Ltd	2007
6. Emporiki Ventures Capital Emerging Markets Ltd	2008
7. Emporiki Management A.E ***	2009
Asset Management	
1. Alpha Asset Management A.E.D.A.K. **/***	2009
2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)	2011
Insurance	
1. Alpha Insurance Agents A.E. **/***	2009
2. Alpha Insurance Ltd	2010
3. Alpha Insurance Brokers S.R.L.	2005
4. Alphalife A.A.E.Z. **/***	2009

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

** *These companies received tax certificate for the years 2012 and 2011, (note 3).*

*** *These companies have been audited by the tax authorities up to 2009 in accordance with Law 3888/2010 which relates to voluntary settlement for the unaudited tax years.*

Name	Year
Real Estate and Hotel	
1. Alpha Astika Akinita A.E.**	2009
2. Ionian Hotel Enterprises A.E. **	2010
3. Oceanos A.T.O.E.E. **/***	2009
4. Emporiki Development and Real Estate Management A.E. (tax audit is in progress for years from 2005 - 2008)	2004
5. Alpha Real Estate D.O.O. Beograd	2008
6. Alpha Astika Akinita D.O.O.E.L. Skopje	2007
7. Alpha Real Estate Bulgaria E.O.O.D. (commencement of operation 2007)	*
8. Chardash Trading E.O.O.D. (commencement of operation 2006)	*
9. Alpha Astika Akinita Romania S.R.L.	1998
10. Alpha Investment Property Chalandriou A.E. (commencement of operation 2012)	*
11. Alpha Investment Property Attikis A.E. (commencement of operation 2012)	*
12. Alpha Investment Property Attikis II A.E. (commencement of operation 2012)	*
13. Alpha Investment Property Amaroussion I A.E. (commencement of operation 2012)	*
14. Alpha Investment Property Amaroussion II A.E. (commencement of operation 2012)	*
15. Alpha Investment Property Elaiona A.E. (commencement of operation 2012)	*
16. AGI – RRE Participations 1 S.R.L. (commencement of operation 2010)	*
17. AGI – BRE Participations 1 E.O.O.D. (commencement of operation 2010)	2011
18. Stockfort Ltd (commencement of operation 2010)	*
19. Romfelt Real Estate SA (commencement of operation 1991)	*
20. AGI – RRE Zeus S.R.L. (commencement of operation 2012)	*
21. AGI – RRE Athena S.R.L. (commencement of operation 2012)	*
22. AGI – RRE Poseidon S.R.L. (commencement of operation 2012)	*
23. AGI – RRE Hera S.R.L. (commencement of operation 2012)	*
24. AGI - BRE Participations 2 E.O.O.D. (commencement of operation 2012)	*
25. AGI – BRE Participations 2BG E.O.O.D. (commencement of operation 2012)	*
26. AGI – BRE Participations 3 E.O.O.D. (commencement of operation 2012)	*
27. AGI – BRE Participations 4 E.O.O.D. (commencement of operation 2012)	*
28. APE Fixed Assets A.E.**/***	2009
29. SC Cordia Residence SRL	2011
30. HT-1 E.O.O.D	*
Special purpose and holding entities	
1. Alpha Credit Group Plc (voluntary settlement of tax obligation)	2011
2. Alpha Group Jersey Ltd (voluntary settlement of tax obligation)	2011
3. Alpha Group Investments Ltd (commencement of operation 2007)	*
4. Ionian Holdings A.E.**/***	2009
5. Ionian Equity Participations Ltd (commencement of operation 2006)	2007
6. Emporiki Group Finance Plc	2011
7. AGI – BRE Participations 1 Ltd (commencement of operation 2009)	*
8. AGI – RRE Participations 1 Ltd (commencement of operation 2009)	*
9. Alpha Group Ltd (commencement of operation 2012)	*
10.Katanalotika Plc (voluntary settlement of tax obligation)	2011
11.Epihiro Plc (voluntary settlement of tax obligation)	2011
12. Irida Plc (voluntary settlement of tax obligation)	2011
13. Pisti 2010 - 1 Plc (voluntary settlement of tax obligation)	2011
14. Lithos Plc	2011
15. AGI – RRE Athena Ltd (commencement of operation 2011)	*
16. AGI - RRE Poseidon Ltd (commencement of operation 2012)	*
17. AGI - RRE Hera Ltd (commencement of operation 2012)	*
18. Umera Ltd (commencement of operation 2012)	*
19. AGI – BRE Participations 2 Ltd (commencement of operation 2011)	*
20. AGI – BRE Participations 3 Ltd (commencement of operation 2011)	*
21. AGI – BRE Participations 4 Ltd (commencement of operation 2010)	*
22. AGI – RRE Apollo Ltd (commencement of operation 2010)	*
23. AGI – RRE Ares Ltd (commencement of operation 2010)	*
24. AGI – RRE Venus Ltd (commencement of operation 2012)	*
25. AGI – RRE Artemis Ltd (commencement of operation 2012)	*
26. AGI – BRE Participations 5 Ltd (commencement of operation 2012)	*

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

** *These companies received tax certificate for the years 2012 and 2011, (note 3).*

*** *These companies have been audited by the tax authorities up to 2009 in accordance with Law 3888/2010 which relates to voluntary settlement for the unaudited tax years.*

Name	Year
27. AGI-RRE Cleopatra Ltd (commencement of operation 2013)	*
28. AGI-RRE Hermes Ltd (commencement of operation 2013)	*
29. AGI-Cypre Arsinoe Ltd (commencement of operation 2013)	*
Other companies	
1. Alpha Bank London Nominees Ltd	****
2. Alpha Trustees Ltd (commencement of operation 2002)	*
3. Flagbright Ltd	****
4. Kafe Alpha A.E. **/***	2009
5. Alpha Supporting Services A.E. **/***	2009
6. Real Car Rental A.E. **/***	2009
7. Zerelda Ltd (commencement of operation 2012)	*
8. Evisak A.E. **/***	2009

Additional taxes and penalties may be imposed for unaudited years due to the fact that some expenses have not been recognised.

c) Operating leases

The Group's minimum future lease payments are:

	31.12.2013	31.12.2012
- Less than one year	51,869	41,922
- Between one and five years	145,326	117,183
- Over five years	228,186	147,478
Total	**425,381**	**306,583**

The minimum future lease revenues are:

	31.12.2013	31.12.2012
- Less than one year	10,205	8,470
- Between one and five years	28,548	24,112
- Over five years	19,148	20,960
Total	**57,901**	**53,542**

d) Off balance sheet liabilities

The Group pursuant to its normal operations, is bound by contractual commitments, that in the future may result to changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee, undrawn credit facilities and credit limits.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment of the third party bound by the agreement on behalf of the Group's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Group for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

The outstanding balances are as follows:

	31.12.2013	31.12.2012
Letters of credit	51,387	30,060
Letters of guarantee and other guarantees	5,869,824	3,847,822

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

** *These companies received tax certificate for the year 2012 and 2011, (note 3).*

*** *These companies have been audited by the tax authorities up to 2009 in accordance with Law 3888/2010 which relates to voluntary settlement for the unaudited tax years.*

****These companies are not subject to a tax audit.*

In addition, contingent liabilities for the Group arise from undrawn loan commitments and credit limits that may not be fulfilled immediately or may be partly fulfilled as long as the agreed upon requirements are fulfilled by counterparties.

The liability from limits that can not be recalled (committed) in the case where counterparties fail to meet their contractual obligations as at 31.12.2013 amounts to €375.8 million (31.12.2012: €238.5 million) and are included in the calculation of risk weighted assets.

Moreover, the Bank has guaranteed the fulfillment of the liabilities of its subsidiary Alpha Leasing Romania IFN S.A., arising from open finance lease contracts amounting to €341 thousand.

e) Assets pledged

Assets pledged, amounting to €23.1 billion as at 31.12.2013 include:

- Deposits pledged to Credit Institutions amounting to €1.2 billion which have been provided as guarantee for derivative transactions.
- Deposits pledged amounting to €0.2 billion concerning guarantees provided on behalf of the Greek State.
- Loans and advances to customers amounting to €1.7 billion out of which:
  - i. an amount of €1.1 billion has been pledged as collateral to Central Banks for liquidity purposes
  - ii. an amount of €0.6 billion has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State amounting to €0.5 billion in accordance with Law 3723/2008.
- Mortgage loans pledged of €2.9 billion.
- Securities amounting to €15.7 billion out of which:
  - i. an amount of €3.7 billion relates to the issuance of covered bonds secured by mortgage loans of €4.3 billion.
  - ii. an amount of €4.4 billion relates to Greek Government bonds and other bonds that belong to Bank's trading and investment portfolio or have come from reverse repos transactions.
  - iii. an amount of €4.2 billion relates to bonds issued as a result of the securitization of corporate, consumer loans, credit cards of the Bank and finance lease receivables of the Group.
  - iv. an amount of €3.4 billion relates to securities issued by the European Financial Stability Facility (EFSF), out of a total amount of €4.2 billion, that the Bank received by the HFSF in the context of **a)** its participation to the Bank's share capital increase that was completed on 6.6.2013 and **b)** due to the coverage of the difference between the values of assets and liabilities transferred from Cooperative Banks (note 48k).

These securities, and an additional amount of €9.8 billion that relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008 and are held by the Bank, are pledged as collateral to Central Banks for participation in main refinancing operations, to the Bank of Greece for participation in the TARGET system (Intra-Europe clearing of payments system on ongoing time), to the Athens Derivatives Exchange Clearing House and to the European Investment Bank.

- Securities issued by the European Financial Stability Facility (EFSF) of a value of €0.8 billion, are pledged as collateral for repos, out of a total amount of €4.2 billion that the Bank received by HFSF, a) in the context of its participation to the share capital increase that was completed on 6.6.2013 and b) in order to cover the gap between transferred assets and liabilities from the cooperative banks.
- An amount of nominal value €0.6 billion that have been granted as collateral in the context of sale and repurchase agreements (repo).

f) Other pledges:

On 7.5.2008 the Bank completed a Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of the American Law, which will be offered to institutional investors.

The issuer of bonds will be Alpha Group Jersey Ltd, a wholly owned subsidiary of the Bank. The Notes will be guaranteed by the Bank and will be traded in Luxembourg Stock Exchange. The program is currently inactive.

39. Group Consolidated Companies

The consolidated financial statements, apart from the parent company ALPHA BANK include the following entities:

A. SUBSIDIARIES

Name	Country of incorporation	Group's ownership interest %	
		31.12.2013	31.12.2012
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd (48p)	Cyprus	100.00	100.00
3. Emporiki Bank Cyprus Ltd	Cyprus	99.27	
4. Alpha Bank Romania S.A.	Romania	99.92	99.92
5. Alpha Bank AD Skopje	FYROM	100.00	100.00
6. Alpha Bank Srbija A.D.	Serbia	100.00	100.00
7. JSC Astra Bank (47), (48j), (48n)	Ukraine		100.00
8. Alpha Bank Albania SH.A.	Albania	100.00	100.00
Leasing Companies			
1. Alpha Leasing A.E.	Greece	100.00	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	100.00	100.00
3. ABC Factors A.E.	Greece	100.00	100.00
4. Alpha Asset Finance C.I. Ltd (48h)	Jersey		100.00
Investment Banking			
1. Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2. SSIF Alpha Finance Romania S.A.	Romania	100.00	100.00
3. Alpha A.E. Ventures	Greece	100.00	100.00
4. Alpha A.E. Ventures Capital Management - AKES	Greece	100.00	100.00
5. Emporiki Ventures Capital Developed Markets Ltd	Cyprus	100.00	
6. Emporiki Ventures Capital Emerging Markets Ltd	Cyprus	100.00	
7. Emporiki Management A.E.	Greece	100.00	
Asset Management			
1. Alpha Asset Management A.E.D.A.K.	Greece	100.00	100.00
2. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
Insurance			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Ltd	Cyprus	100.00	100.00
3. Alpha Insurance Brokers S.R.L.	Romania	100.00	100.00
4. Alphalife A.A.E.Z.	Greece	100.00	100.00
Real estate and hotel			
1. Alpha Astika Akinita A.E.	Greece	93.14	92.75
2. Ionian Hotel Enterprises A.E.	Greece	97.27	97.27
3. Oceanos A.T.O.E.E. (48a)	Greece	100.00	100.00
4. Emporiki Development and Real Estate Management A.E.	Greece	100.00	
5. Alpha Real Estate D.O.O. Beograd	Serbia	93.14	92.75
6. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	93.14	92.75
7. Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	93.14	92.75
8. Chardash Trading E.O.O.D.	Bulgaria	93.14	92.75
9. Alpha Astika Akinita Romania S.R.L.	Romania	93.14	92.75
10. Alpha Investment Property Chalandriou A.E. (48m)	Greece	100.00	100.00
11. Alpha Investment Property Attikis A.E.	Greece	100.00	100.00
12. Alpha Investment Property Attikis II A.E. (48l)	Greece	100.00	100.00
13. Alpha Investment Property Amaroussion I A.E. (48m)	Greece	100.00	100.00
14. Alpha Investment Property Amaroussion II A.E. (48m)	Greece	100.00	100.00
15. Alpha Investment Property Elaiona A.E.	Greece	100.00	100.00
16. AGI-RRE Participations 1 S.R.L.	Romania	100.00	100.00
17. AGI-BRE Participations 1 E.O.O.D.	Bulgaria	100.00	100.00
18. Stockfort Ltd	Cyprus	100.00	100.00
19. Romfelt Real Estate S.A.	Romania	95.89	95.89
20. AGI-RRE Zeus S.R.L.	Romania	100.00	100.00
21. AGI – RRE Athena S.R.L.	Romania	100.00	100.00
22. AGI – RRE Poseidon S.R.L.	Romania	100.00	100.00
23. AGI – RRE Hera S.R.L.	Romania	100.00	100.00
24. AGI-BRE Participations 2 E.O.O.D.	Bulgaria	100.00	100.00

Name	Country of incorporation	Group's ownership interest %	
		31.12.2013	31.12.2012
25. AGI-BRE Participations 2BG E.O.O.D.	Bulgaria	100.00	100.00
26. AGI-BRE Participations 3 E.O.O.D.	Bulgaria	100.00	100.00
27. AGI-BRE Participations 4 E.O.O.D.	Bulgaria	100.00	100.00
28. APE Fixed Assets A.E. (48f)	Greece	72.20	
29. SC Cordia Residence S.R.L. (48s)	Romania	100.00	
30. HT-1 E.O.O.D. (48ta)	Bulgaria	100.00	
Special purpose and holding entities			
1. Alpha Credit Group Plc	United Kingdom	100.00	100.00
2. Alpha Group Jersey Ltd	Jersey	100.00	100.00
3. Alpha Group Investments Ltd (48r)	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Ionian Equity Participations Ltd (48d)	Cyprus	100.00	100.00
6. Emporiki Group Finance Plc	United Kingdom	100.00	
7. ABL Holdings Jersey Ltd (48h), (48k)	Jersey		100.00
8. AGI – BRE Participations 1 Ltd	Cyprus	100.00	100.00
9. AGI – RRE Participations 1 Ltd	Cyprus	100.00	100.00
10. Alpha Group Ltd	Cyprus	100.00	100.00
11. Katanalotika Plc	United Kingdom		
12. Epihiro Plc	United Kingdom		
13. Irida Plc	United Kingdom		
14. Pisti 2010-1 Plc	United Kingdom		
15. Lithos Plc	United Kingdom		
16. AGI – RRE Athena Ltd	Cyprus	100.00	100.00
17. AGI – RRE Poseidon Ltd	Cyprus	100.00	100.00
18. AGI – RRE Hera Ltd	Cyprus	100.00	100.00
19 Umera Ltd	Cyprus	100.00	100.00
20.AGI-BRE Participations 2 Ltd	Cyprus	100.00	100.00
21.AGI-BRE Participations 3 Ltd	Cyprus	100.00	100.00
22.AGI-BRE Participations 4 Ltd	Cyprus	100.00	100.00
23.AGI-RRE Apollo Ltd	Cyprus	100.00	100.00
24.AGI-RRE Ares Ltd	Cyprus	100.00	100.00
25.AGI-RRE Venus Ltd (48b)	Cyprus	100.00	
26.AGI-RRE Artemis Ltd (48b)	Cyprus	100.00	
27.AGI-BRE Participations 5 Ltd (48b)	Cyprus	100.00	
28.AGI-RRE Cleopatra Ltd (48o)	Cyprus	100.00	
29.AGI-RRE Hermes Ltd (48o)	Cyprus	100.00	
30.AGI-Cypre Arsinoe Ltd (48o)	Cyprus	100.00	
Other companies			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Flagbright Ltd	United Kingdom	100.00	100.00
4. Kafe Alpha A.E.	Greece	100.00	100.00
5. Alpha Supporting Services A.E.	Greece	100.00	100.00
6. Real Car Rental A.E. (48e)	Greece	100.00	100.00
7. Zerelda Ltd	Cyprus	100.00	100.00
8. Evisak A.E.	Greece	85.71	

B. JOINT VENTURES

1. Cardlink A.E.	Greece	50.00	50.00
2. APE Fixed Assets A.E.	Greece		60.10
3. APE Commercial Property A.E.	Greece	72.20	72.20
4. APE Investment Property A.E. (48i)	Greece	72.80	67.42
5. Alpha TANEO A.K.E.S.	Greece	51.00	51.00
6. Rosequeens Properties Ltd.	Cyprus	33.33	33.33

C. ASSOCIATES

1. Evisak A.E.	Greece		27.00
2. AEDEP Thessalias and Stereas Elladas	Greece	50.00	50.00
3. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
4. Bank Information Systems SA	Greece	23.77	
5. Propindex A.E.D.A.	Greece	35.58	
6. OLGANOS A.E. (48q)	Greece	30.44	

The subsidiaries are fully consolidated, while joint ventures and associates are accounted under the equity method, in accordance with IAS 28 "Investments in associates and joint ventures" and IFRS 11 "Joint Arrangements".

Due to the acquisition of Emporiki Bank, APE Fixed Assets A.E. is now a subsidiary of the Group and is fully consolidated, while APE Investment Property A.E. still remains a joint venture of the consolidated entity and is accounted under the equity method with an increased percentage (72.80% instead of 67.42%).

Evisak A.E., a former associate is now a subsidiary of the combined entity.

Consolidated Financial Statements do not include the Commercial Bank of London Ltd which is a dormant company and Smelter Medical Systems AE, Emporiki Media Ltd, Aris Diomidis Emporiki SA, Metek SA, Prismatech Hellas S.A, which have been fully impaired and are in the process of liquidation.

The Group hedges the foreign exchange risk arising from the net investment in subsidiaries through the use of derivatives in their functional currency.

Group subsidiaries with non controlling interests

The table below presents information concerning the Group's subsidiaries with non controlling interests.

		Non controlling Interests %		Profit/(loss) attributable to non controlling interests		Other comprehensive income recognized directly in Equity for non controlling interests		Non controlling interests	
Name	Country of incorporation	31.12.2013	31.12.2012	1.1.2013 - 31.12.2013	1.1.2012 - 31.12.2012	1.1.2013 - 31.12.2013	1.1.2012 - 31.12.2012	31.12.2013	31.12.2012
APE Fixed Assets A.E.	Greece	27.80		(98)				11,178	
Evisak A.E.	Greece	14.29	-	24		(20)		494	
Ionian Hotel Enterprises A.E.	Greece	2.73	2.73	20	(110)	(2)		3,062	3,042
Alpha Astika Akinita A.E.	Greece	6.86	7.25	230	491	1	551	8,601	8,863
Emporiki Bank Cyprus Ltd	Cyprus	0.73	-	(105)				329	
Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	6.86	7.25	1	45			2	3
Chardash Trading E.O.O.D.	Bulgaria	6.86	7.25	38	(14)			22	(17)
Alpha Bank Romania S.A.	Romania	0.08	0.08	7	(1)	5	(5)	304	293
Romfelt Real Estate S.A.	Romania	4.11	4.11	(107)		3	(3)	(464)	(358)
Alpha Astika Akinita Romania S.R.L.	Romania	6.86	7.25					18	20
Alpha Real Estate D.O.O. Beograd	Serbia	6.86	7.25	42		4	(33)	80	46
Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	6.86	7.25	3	3			14	12
Total				**55**	**414**	**(9)**	**510**	**23,640**	**11,904**

The percentage of voting rights of non controlling interests in subsidiaries does not differ from their participation in the share capital.

Group assesses that, from the subsidiaries presented above, Alpha Astika Akinita and APE Fixed Assets A.E. have material non controlling interests. Condensed financial information for the mentioned subsidiaries is presented below. Their respective data is based on amounts before the elimination of intercompany transactions.

Condensed Statement of Comprehensive Income

	Alpha Astika Akinita A.E.		APE Fixed Assets A.E.	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Total income	13,478	15,901	4	5
Total expenses	(6,810)	(7,014)	(296)	(336)
Profit/(loss) for the year after income tax	**3,349**	**6,764**	**(353)**	**(331)**
Total comprehensive income for the year, after income tax	**3,359**	**13,986**	**(353)**	**(331)**

Condensed Balance Sheet

	Alpha Astika Akinita A.E.		APE Fixed Assets A.E.	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Total non-current assets	78,428	78,888	40,247	40,398
Total current assets	52,438	47,218	268	55
Total short-term liabilities	4,442	3,471	15	10
Total long-term liabilities	1,697	1,267	290	230
Total Equity	124,727	121,368	40,210	40,213

Condensed Statement of Cash Flows

	Alpha Astika Akinita A.E.		APE Fixed Assets A.E.	
	31.12.2013	**31.12.2012**	**31.12.2013**	**31.12.2012**
Total inflows/(outflows) from operating activities	1,373	1,885	211	(150)
Total inflows/(outflows) from investing activities	19,624	10,211	2	5
Total inflows/(outflows) from financing activities	(21)	(10)		-
Total inflows/(outflows) for the year	**20,976**	**12,086**	**213**	**(145)**
Cash and cash equivalents at the beginning of the year	**16,916**	**4,830**	**48**	**193**
Cash and cash equivalents at the end of the year	**37,892**	**16,916**	**261**	**48**

These subsidiaries did not pay any dividends for 2013 and 2012.

Significant restrictions

The Group has no significant restrictions regarding the use of assets or the settlement of obligations, except from those imposed by the regulatory framework in which the Bank's subsidiaries operate. Bank's subsidiaries are required by regulatory authorities to maintain a specific level of capital buffers and liquid assets, to limit their exposure to other Group companies and to comply with specific ratios. The total assets and liabilities of the Group subsidiaries with significant restrictions amount to €10,137 million (2012: €10,954 million) and €8,889 million (2012: €9,657 million) respectively.

There are no protective rights for non controlling interest, which could restrict the Group's ability to use assets or settle Group's obligations.

Consolidated structured entities

The Group consolidates five structured entities which were established to accommodate transactions related to securitized loans issued by Group companies. In all cases, the Group has concluded that it controls these companies since it has the power over their activities and has a significant exposure to their returns.

These transactions contribute mainly to obtain liquidity from the Group and for this reason the debt securities issued by these entities are held in total by Group companies, except from the mortgage securitization transaction through the company Lithos which was acquired from Emporiki Bank, where the Group holds a part of issued debt securities. Their owned debt securities are pledged to Central Banks in order to participate in main refinancing operations.

Depending on the criteria required for each securitized portfolio, the Group, without having any relevant contractual obligation, proceeds in repurchases of securitized loans in order for the entities to continue operating as instruments obtaining liquidity. In addition, the Group proceeds with new securitization of loan portfolios transferring them to those companies, in order to meet specific quantitative criteria related to the amount of debt securities. The intention of the Group is to continue this practice, except for the aforementioned transaction on securitized mortgage loans through Lithos Ltd which expired in February 2014 as referred to note 28.

The table below presents the balances of debt securities issued by securitization entities held by the Group by each securitization entity.

	Nominal value of securities held	
Name	**31.12.2013**	**31.12.2012**
Epixiro Plc	1,593,400	1,593,400
Katanalotika Plc	1,520,000	1,520,000
Pisti 2010-1 Plc	586,200	760,400
Irida Plc	474,800	474,800
Lithos Plc	12,544	

Changes of ownership interest in subsidiaries which did not result in loss of control

The Group increased its ownership interest to Alpha Astika Akinita and indirectly to its subsidiaries which are fully owned 100%, 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., Alpha Astika Akinita Romania S.R.L. by 0.39% in 2013 and 0.34% in 2012. As a result, the Group's ownership interest in these companies reached 93.14% whereas the respective percentage for 2012 was 92.75%.

In addition, during 2012, there was an increase of 0.03% in the ownership interest related to Ionian Hotel Enterprises A.E.

The effect from the changes in subsidiary participation in total equity attributed to the shareholders of the company during the year is presented in the following tables:

	1.1.2013 - 31.12.2013
	Ownership interest increases
	Group "Alpha Astika Akinita A.E."
Carrying amount of acquired non controlling interest	595
Contribution paid	(465)
Amount attributable to shareholders of the Bank	130

	1.1.2012 - 31.12.2012	
	Ownership interest increases	
	Group "Alpha Astika Akinita A.E."	Ionian Hotel Enterprises A.E.
Carrying amount of acquired non controlling interest	342	19
Contribution paid	(305)	(41)
Amount attributable to shareholders of the Bank	37	(22)

"Purchases/sales and change of ownership interests in subsidiaries" of the Consolidated Statement of Changes in Equity, also includes non controlling interests from companies which consolidated for the first time in 2012 and 2013.

Loss of control in subsidiary due to sale

On 18.7.2013, the Group signed an agreement regarding the sale of the total shares of its subsidiary, JCS Astra Bank Ukraine to the Ukrainian group Delta Bank. The sale price amounted to €82 million and the sale was completed on 19.9.2013. More information regarding the sale of JCS Astra Bank Ukraine is presented in note 47 for discontinued operations.

In addition, on 1.7.2013, Bank's subsidiary ABL Holdings Jersey Ltd, proceeded to the sale of the total shares of Alpha Asset Finance C.I Ltd. The Group's loss from the above mentioned sale amounted to €11.

On 15.10.2012, Bank's subsidiary Alpha Group Investments Ltd registered in Greece, sold 100% of its shares to AEP Lamia A.E at a total price of €60. No gain/(loss) arose for the Group from the above mentioned sale.

Exposure to non-consolidated structured entities

The Group, through its subsidiary Alpha Asset Management AEDAK, manages 23 mutual funds which meet the definition of structured entities and on each reporting date, it assesses whether it exercises any control on these entities according the provisions of IFRS 10.

The Group, as the manager of the mutual funds has the ability to direct the activities which significantly affect their rate of return through selecting the investments made by the funds, always within the framework of permitted investments as described in the regulation of each fund. As result, the Group has power over the mutual funds under management but within a clearly defined decision making framework. Moreover the Group is exposed to variable returns, through its involvement in the mutual funds as it receives fees for the disposal, redemption and management of the funds under normal market levels for similar services. The Group also holds direct investments in some of the funds under management, the level of which does not lead to a significant variability in the return compared to the respective total rate of return variability for the mutual fund. Due to these factors, the Group assesses that for all mutual funds under management, it exercises, for the benefit of unit holders, the decision making rights assigned to it acting as an agent without controlling the mutual funds.

The following table presents the figures of the mutual funds under Group's management, grouped by type of investments held. The amounts shown include the total assets of the funds as at 31.12.2013 and the income recognized in the Group's income statement for 2013 from the funds under management concerning fees for the disposal, redemption and management services.

Mutual Fund	Total Assets 31.12.2013	Commission income
Total Fixed Income Funds	301,907	2,709
Total Money Market Funds	188,700	743
Total Equity Funds	360,711	7,774
Total Balanced Funds	116,680	1,614
Total Fund of Funds	114,319	2,183
Total	**1,082,317**	**15,023**

The Group's direct investment in mutual funds under its management, has been recognized in Available for sale portfolio. The carrying amount of shares held by the Group amounts to €54.5 million and expresses the maximum exposure to losses from these investments for the Group.

It should be noted that there is no contractual obligation for the Group to provide financial support to any of the funds under management nor does it guarantee their rate of return.

In addition, the Group manages Alpha TANEO Ventures Capital Management Mutual Fund through its subsidiary Alpha A.E. Ventures Capital Management -AKES. The unit holders of this mutual fund are the Bank owning 51% and the New Economy Development Fund S.A owning 49%. Both parties mutually control the mutual fund and as a result the Group's investment in Alpha TANEO A.K.E.S is measured under the equity method. The carrying amount of the Group's investment on 31.12.2013 amounts to €4.9 million and is included under in Associates and Joint Ventures. The Group's commission income for the management of the mutual fund for 2013 amounted to €750. The maximum exposure of the Group to loss from this investment does not differ from the relevant carrying amount.

The Group also participates in other mutual and investment funds which are not managed by it, as well as in companies whose operation involves the issuance of asset-backed securities through the investment in their securities.

The following table presents the carrying amounts of the Group's investment in non-consolidated structured entities, excluding mutual funds managed by it. The maximum exposure to losses for the Group from these investments is equal to the carrying amount.

Investment securities – available for sale

	31.12.2013
Mutual/Investment funds	17,801
Asset-backed securities	18,937
Total	**36,738**

Investment securities – held for maturity

	31.12.2013
Asset-backed securities	13,178

Investment in associates and joint ventures

	31.12.2013
Mutual funds/ funds	1,061

The Group recognizes as income from investment in asset-backed securities the interest received.

During 2013, the Group invested an amount of €10.1 million in Mutual Funds/Funds and €18.9 million in asset-backed securities on 31.12.2013 in the context of Emporiki Bank's acquisition. There is no contractual obligation for financial support to these companies by the Group.

40. Operating segments

a. Analysis by operating segment

(in millions of Euro)

	1.1 - 31.12.2013						
	Retail	**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 Amortization	(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 A.E.

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

(in millions of Euro)

	1.1 - 31.12.2012						
	Retail	**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 from continuing operations	**(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 comparative period have been restated due to the retrospective application of new accounting policies (note 49).

i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad, except from South-Eastern Europe countries.

The Group, through its extended branches' network, offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards of the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division and shipping corporations operating in Greece and abroad except from South Eastern Europe countries. The Group offers working capital facilities, corporate loans, and letters of guarantee. This sector also includes the leasing products which are offered through Alpha Leasing A.E. and factoring services offered thourgh the subsidiary company ABC Factors A.E.

iii. Asset Management/Insurance

Consists of a wide range of asset management services offered through Group's private banking units and Alpha Asset Management A.E.D.A.K. In addition, it includes commissions received from the sale of a wide range of insurance products to individuals and companies through either AXA insurance, which is the corporate successor of the subsidiary Alpha Insurance A.E. or the subsidiary Alphalife A.A.E.Z.

iv. Investment Banking/Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered either by the Bank or specialized subsidiaries (Alpha Finance A.E.P.E.Y., Alpha Ventures S.A.). It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South-Eastern Europe

Consists of the Bank's branches and the Group's subsidiaries operating in South Eastern Europe.

vi. Other

This segment consists of the non-financial subsidiaries of the Group and Bank's income and expenses that are not related to its operating activity.

b. Analysis by geographical sector

(in millions of Euro)

	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	**2,577,0**	**(278.9)**	**2,979.3**
Profit/(losses) from discontinued operations		(57.1)	(57.1)
Profit/(losses) after income tax	**2,577,0**	**(336.0)**	**2,922.2**
Assets	60,825.3	12,872.0	73,697.3

(in millions of Euro)

	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

41. Financial risk management

The Group has established a systematic and solid risk management framework for a reliable measurement of risk. Considering the stability and continuity of its operations, management places high priority on the goal of implementing and continuously improving this framework, in order to minimize potential negative effects on Group's financial results.

41.1 Credit risk Management

RISK MANAGEMENT ORGANIZATION

Board of Directors

The Board of Directors supervises the overall operations of the Risk Management Unit. Regarding Risk Management, the Board of Directors is supported by the Risk Management Committee. The Risk Management Committee through monthly meetings addresses to the Board of Directors issues regarding the Group's risk-taking strategy and capital management. It is responsible for the implementation and monitoring compliance with the risk management policies.

The Group re-assesses the effectiveness of the risk management framework on a regular basis in order to ensure compliance with International best practices.

For a more comprehensive and effective identification and monitoring of all risk types, Management Committees have been established (Assets and Liabilities Committee, Operational Risk Committee and Credit Risk Committee).

Risk Management Committee

The General Manager and Group Chief Risk Officer supervise the Risk Management Unit and report on a regular basis and ad hoc to the Management Committees, the Risk Management Committee and to the Board of Directors. As far as credit risk is concerned the reporting to the above mentioned committees covers the following areas:

- The portfolio risk profile by rating grade
- The transition among rating grades (migration matrix)
- The estimation of the relevant risk parameters by rating grade, group of clients, etc.
- The trends of basic rating criteria.
- The changes in the rating process, the criteria or in each specific parameter.
- The concentration risk (by risk type, sector, country, collateral and portolio etc.)

WHOLESALE BANKING PORTFOLIO

1. Credit Risk Approval Process

The limits of the Wholesale Banking Credit Committees are determined in accordance to **Total Credit Exposure**, defined as the sum of all credit facilities of the obligor (single company or group of associated companies) which can be approved by the Bank and the Group Entities, and include the following:

- Total credit requested exposure
- Working Capital limits.
- Withdrawal limits from unclear deposits.
- Letters of Credit/Letters of Guarantee limits.
- Factoring limits.
- Credit Cards prepayment limit.
- Derivative transaction limits.
- Corporate Cards limits.
- Medium and long-term loans (current outstanding/exposure for facilities that have been fully drawn or limit amount of undrawn facilities).
- Leasing Facilities (current outstanding/exposure for leasing facilities that have been fully drawn or limit amount for undrawn/unused facilities).
- Special credit limits or loans, or any form of personal financing to the company's business owners (mortgage loans, consumer loans, shares' purchase, credit cards etc.)

Credit Approval Limits Wholesale Banking Credit Committees

Credit Committees Structure:

- General Management Credit Committee

- Wholesale Banking Credit Committees
  - Under the General Managers
  - Under the Divisions Managers
  - Under the Divisions Assistant Managers
  - Commercial Centers Credit Committee

Credit Limit Expiry/Renewal date

The credit limits' expiry/renewal date is determined by the competent Wholesale Banking Credit Committees. The basic factor for the determination of the credit limit expiry is the client's credit rating, which is not a standalone approval or rejection criterion, but the basis for determining the minimum security/collateral required and the respective pricing. As a rule, for clients that have been rated in the Low, Medium and Acceptable credit risk zones, reviews are carried out on an **annual basis**, for Watch List clients, on a **semi-annual basis** while obligors that have been rated as High Risk/Rescheduling and High

Risk/Restructuring are reviewed on a **quarterly basis**. Deviations from the above rule are not allowed, except when the request by the responsible Business Units is approved by the competent Credit Committees.

2. Credit Risk Measurement and Internal Ratings

The assessment of the obligors' creditworthiness and their rating in credit risk scales is established through rating systems.

The rating of the Bank's obligors with the use of credit risk rating systems constitutes a basic tool for:

- The decision-making process of Credit Committees for the approval/ renewal of credit limits and the implementation of the appropriate pricing policy (interest rate spreads etc.)
- The estimation of the future behavior of obligors which belong to a group with similar characteristics.
- The early recognition of potential troubled facilities (early alert mechanism) and the prompt, effective action for the minimization of the expected loss for the Bank.
- The assessment of the quality of the Bank's loan portfolio and the credit risk undertaken.

The aim of the credit risk rating systems is the estimation of the probability that the obligors will not meet their contractual obligations to the Bank.

The rating systems employed by the Bank are the Alpha Bank Rating System (ABRS) and the Moody's Risk Advisor (MRA) which incorporate different credit rating models.

All current and future clients of the Bank and the Group's Entities are assessed based on the appropriate credit risk rating model and within pre-specified time frames.

For the estimation of the probability of default of the obligors of the Bank and the Group's Entities the credit risk rating models evaluate a series of parameters, which can be grouped as follows:

- Financial Analysis: obligor's financial ability (liquidity ratios, debt to income etc.)
- Peers' Analysis: Obligor's comparative position in the market in which it operates mostly compared to its peers.
- Behavioral status and history of the obligor with the Bank and with third parties (debt in arrears, adverse transaction records, etc)
- Obligor's qualitative characteristics (solid and healthy administration, management succession, appropriate infrastructure and equipment etc.)

The credit rating models which are currently employed by the Bank are differentiated according to:

- The turnover of the company,
- The level of the total credit exposure,
- The credit facility's specific characteristics,
- The available information for the obligor's assessment. Specifically, for the financial analysis the differentiation relates to the type of the local accounting standards and the International Financial Reporting Standards.

For each of the credit rating models, different parameters may be used, each of which contributes in a specific manner to the relevant assessment.

The statistical verification of the credit risk rating models is reviewed regularly in order to ensure the maximum predictive ability according to the best international practices.

Obligors Rating Scale

Obligors are rated in the following rating scales:

AA, A+, A, A-, BB+, BB, BB-, B+, B, B-, CC+, CC, CC-, C, $C_{restructured}$, D0, D1,D2, E.

For presentation purposes of the table "Analysis of neither past due nor impaired Loans and Advances to customers", the "strong" rating includes the rating scales AA, A+, A, A- and BB+, "satisfactory" rating includes the rating scales BB, BB-, B, B-, CC+ and CC and "watch list" (higher risk) includes the rating scales CC- and lower than CC-.

3. Impairment Policy

The Bank has defined as 'significant for individual assessment' customers loans that are managed by the Wholesale Banking Unit.

The assessment for impairment is performed on a quarterly basis, as follows:

The Bank assesses whether objective evidence for individual assessment for impairment exists. In cases which have been assessed individually but no impairment allowance was estimated, these loans are assessed for impairment on a collective basis, grouped in pools based on similar credit risk characteristics. The process for identifying loans for impairment and estimating their impairment allowance consists of the following steps:

1. Identification of loans which will be individually assessed and for which events exist which constitute objective evidence that an impairment loss has occurred.
2. Impairment calculation on an individual basis for the loans identified in the previous step, as the difference between the recoverable amount and the carrying amount of the loan.
3. In cases where the impairment allowance under individual assessment was zero, these loans will be assessed for impairment on a collective basis, based on similar credit risk characteristics. For example, groups of loans are created per collateral coverage, days in arrears, credit rating etc, where the corresponding impairment factor will be applied.

The Bank performs controls in order to identify objective evidence that there is a need for impairment for the loans that are significant and for which a trigger event for impairment exists.

The individual assessment for impairment is performed by the Wholesale Banking Unit and is approved by the Wholesale Credit Division – Greece.
Significant loans are assessed individually if one of the following conditions are met:

1. Clients with loans past due over 90 days and rating D0,D1,D2 and E.
2. Clients with restructured loans and a rating of C $_{\text{restructured}}$ in the internal systems of the Bank.
3. Clients with Rating CC- and C.
4. Significant deterioration in the industry outlook in which the borrower operates.
5. Obligors that were impaired in the previous quarter's impairment exercise and do not fulfill any of the abovementioned trigger events.
6. Derogatory items (e.g. payment orders, bounced cheques, auctions, bankruptcies, overdue payments to the State, to Social Security Funds, or to employees).
7. Occurrence of unexpected, extreme events such as natural disasters, fraud, etc.
8. Interventions and actions by regulatory bodies/local authorities against the borrower (e.g. Athens Stock Exchange, Hellenic Capital Market Commission).
9. Breach of contractual terms and conditions.
10. Adverse changes in the shareholders' structure or the management of the company or serious management issues/ problems.
11. Significant adverse changes in cash flows potentially due to ceased cooperation with a key/major customer, significant reduction in demand of a main product or service, ceased cooperation with a key/major supplier or suppliers cut credit, etc.
12. Obligors that don't belong to the above categories, but belong to a Group that has been transferred to the Non Performing Loans Wholesale Division and the Wholesale Banking Credit Workout Division.

Collective Assessment for Impairment

Customers which have been assessed individually but the impairment allowance estimated was zero, are subsequently assessed for impairment on a collective basis, after they are grouped in pools based on common credit risk characteristics.
Customers with no trigger events and therefore not individually assessed, are assessed collectively in pools formed based on similar credit risk characteristics.
Indicatively, some categories in terms of credit risk characteristics are shown below:

• the estimated default probabilities or credit ratings
• the collateral coverage and type of coverage
• days in arrears etc

The pre condition that there must be a need for objective evidence in order for the loss to be recognized and effectively the impairment loss to be indicated on individual loans, may lead to a delay in the recognition of a loan's impairment, which has already occurred. Within this context and in accordance with IAS 39, it is appropriate to recognize impairment losses for those losses "which have been incurred but have not yet been reported» (Incurred But Not Reported - IBNR).
Provisions for loss events that have occurred but have not yet been reported ("IBNR provisions") are calculated on a collective basis for the wholesale portfolio. For IBNR provisioning purposes, loans are grouped based on similar credit risk characteristics. The characteristics selected are based on the estimation of future cash flows for groups of such loans showing the debtors' ability to pay all amounts due, according to the contractual terms and conditions.

4. Credit Risk Concentration Management

Concentration Risk is a specific form of credit risk and arises due to the low degree of diversification between counterparties or group of counterparties, sectors, geographic regions, or collaterals.

The Group monitors on a regular basis concentration risk through detail reporting which informs Senior management and the Board of Directors. According to the supervisory framework, the Group complies with the regulatory directives regarding large exposures, while the capital requirements for single name and sector concentration risks are estimated in the context of Pillar 2 of Basel II.

RETAIL BANKING PORTFOLIO

1. Credit Risk Approval Process

Alpha Bank Group monitors customer Total Credit Risk Exposure (For Physical and Legal Entities), which refers to the sum of all revolving limits of an obligor, all the balances of long term facilities and for the case of legal entities the total exposure of facilities given to stakeholders of client companies. Additionally, facilities for which the client is guarantor or co-debtor are also taken into account.

Process for credit risk approval for Retail Banking

Alpha Bank Group has developed and implemented a strict framework for the conduct of credit policy (legislative and supervisory / regulatory) and has also formulated and put into effect an internal system of credit principles, procedures and rules clearly applicable to the Group's lending business, in order to promote sound practices for managing credit risk.

Credit policies establish the framework for lending and guide the credit-granting activities of Retail Banking through:

- Sound lending management.
- Prudent client selection through in-depth assessment of both financial and qualitative data of the borrower
- Assessing the risk/reward relationship with a respective determination of pricing policy and collateral coverage after taking into account the level of credit risk.
- Monitoring and management of the Total Credit Risk Exposure, which is defined as the sum of all credit risks arising from all credit facilities provided by the Alpha Bank Group as a whole, to a single obligor.

The enforcement of the Credit Policy requires certain criteria to be met. These criteria play a significant role to the achievement and maintenance of a healthy portfolio and to the Bank's Capital allocation. The Group, in order to ensure that all Credit Units fully comply with the Credit Policy, has adopted and introduced a Credit Control mechanism, on a monthly basis in order to review and assess if the credit policy framework is consistently followed during the underwriting process.

More specifically:

a. PHYSICAL ENTITIES

The approval process is based on the classification of the borrowers into risk groups, which represent a certain level of the risk undertaken. The level of the risk undertaken is adapted, when deemed necessary, depending on the strategy and the credit policy of the Bank.

The credit assessment for the Physical Entities is based on the following pillars:

- Application Fraud Detection
- Willingness to pay
- Ability to pay
- Collateral risk

b. LEGAL ENTITIES

To a large extent the credit assessment of Retail Small Business loans is related to the credit assessment of Stakeholders and vise versa. Hence, the credit assessment for the Legal Entities is based on the following two factors:

- Stakeholders' credit assessment.
- Company's credit assessment.

The Stakeholders' credit assessment is based on two main pillars:

- Willingness to pay.
- Ability to pay.

The Company's credit assessment is based on the following pillars:

- Application fraud detection.
- Demographics.
- Financials.
- Behaviour.
- Credit Bureau.
- Qualitative data.
- Collateral risk.

2. Credit Risk Measurement and Internal Ratings

The fundamental parameter in assessing Retail Banking Credit Risk is the existence of Credit Rating Models that are developed and used throughout the credit cycle at a Bank level, as well as at a Group level. These models are segmenting population in homogenous risk groups (pools) and are categorized, as follows, in:

- Behaviour Models, which assess the customer's performance and predict the probability of going default within the following months.
- Application Credit Scoring Models, which assess application data – mainly demographic- that predict the probability of going default within the following months.
- Basel II Models, according to the regulatory framework,(IRB compliant models).

These models and the probabilities of default that derive from them, play a significant role in risk management and decision making throughout Alpha Bank Group. Specifically, the models are used as follows:

- In decision making of credit limit assignment/renewal.
- In impairment calculation tests.
- In predicting future performance of customers belonging to the same pool of common characteristics.
- In tracing high risk accounts in time to schedule all necessary actions so as to minimise expected losses for the Bank.
- In assessing the Bank's portfolio quality and credit risk.

The factors that are taken into account vary, according to the model's type and product category that it assesses. Indicatively, some factors are:

- Personal/ demographic data; the customer's age, profession, marital status, current address
- Loan characteristics; product that he applied for, loan term, loan amount, financing purpose

- Behavior data; payments during latest period of time, max delinquency, outstanding loan balance versus loan limit, transaction type
- Financial data; sales change, Liabilities versus sales.
- Quality data; experience, seat of business (company registry), personal property.

Models are evaluated and updated on an annual basis and are constantly reviewed, so as to ensure their predictive power at any point in time.

In addition, stress testing exercises are performed regularly, in order to assess a potential effect to the Group's financial results due to unexpected turns in customers' behavior, as well as in the macroeconomic environment, in general.

3. Impairment Policy

The procedure followed for the estimation of provisions includes the following steps:

a. Detection of loans to be collectively assessed (Retail portfolio).
b. Calculation of provisions for collectively assessed loans.
c. Detection of loans to be collectively assessed (Retail portfolio) for Incurred but not reported events.

For provision purposes under collective assessment loans are segmented based on similar credit risk characteristics. These characteristics are selected based on the future cash flows of the aforementioned segments which depict customers' ability to repay their debts according to the contractual agreements.

Loss Rate is calculated based on credit risk characteristics of the segment and portfolio in which the facility or the customer belongs to.

For the definition of the aforementioned, statistical methods are used.

Trigger Events per Portfolio

Provisions for the Retail portfolio are calculated on a collective basis given that one the following circumstances is met based on the portfolio they belong to:

- Accounts in delay up to 30 dpd with signs of unlikeness to pay.
- Accounts in delay from 30 dpd to 90 dpd (IBNR).
- Accounts in delay more than 90dpd.
- Restructured accounts.
- Partially written off accounts

Based on the above trigger events, the accounts are grouped and assessed on a collective basis according to the following indicative criteria:

- Days past Due
- Existence of collateral
- Grace Period
- Restructured Loans

Retail Banking Loans fall under the below mentioned three categories:

- Small Business and Entrepreneurs: Physical and Legal Entities with turnover up to 2,5mil EURO and Credit Limit up to 1mil EURO.
- Consumer Loans and Credit Cards
- Housing Loans

CREDIT RISK MITIGATION

1. Collaterals

The regular repayment of credit facilities is directly connected with the obligors' viability and prospects, the consistency of the companies and their shareholders, the sector in which they operate and the current market conditions, as well as other unforeseeable factors that may arise during the companies' operating cycle and influence their operations in a positive or negative way.

Collaterals are received both for Wholesale and Retail lending in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

2. Tangible Collaterals

Tangible collaterals provide the Bank with seniority right from an asset (movable or immovable) whose ownership remains with a third party.
Tangible collaterals are distinguished between mortgages and prenotation on mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks, bills of exchange) or on claims and rights.
In order to better secure credit facilities granted, all mortgage and pledged assets are covered by an insurance contract, with assignment of the relevant insurance contract to the Bank.

2.1 Mortgages – Prenotation on Mortgages
Mortgages are registered on real estate or immovable assets which can be liquidated as indicatively reported below:

- Residential Real Estate
- Commercial Real Estate
- Industrial Buildings
- Land

- Mines
- Ships and aircrafts.
- Machinery or other facilities it installed in the property

Periodic revaluation of mortgaged property

The periodic revaluation of mortgaged property must be performed as follows:

- Every two years for buildings whose construction has been accomplished and they are inhabited or intended to be inhabited, leased or intended to be leased by either the obligor or the guarantor where the value cannot be lower than €15 thousand.
- Every year for other types of liquid property such as offices, stores, department stores, hotels, building plots within the city plan, building plots fit for building that are not within the city plan.
- Yearly for other types of illiquid property such as industrial buildings, plots etc.
- Regarding retail banking credit exposures, their mortgage property is revalued according to the PropIndex.

2.2. Pledges

A pledge is a tangible collateral which provides seniority right from a transferable asset whose ownership remains with a third party.
Pledges can be registered on transferable assets or on rights that have not been excluded or banned from exchanges and are liquid as indicatively reported below.

- Raw materials, products or commodities
- Machinery (movable)
- Bill of Lading
- Bill of exchange
- Cheques
- Securities
- Deposits
- Any type of claim that can be pledged

Periodic revaluation of pledges

Depending on the right or the underlying asset on which a pledge is registered, the periodic revaluation varies from one month to one year.

3. Acceptable Value

The Bank calculates the value of the received securities/collaterals based on the potential proceeds that could arise if and when these are liquidated. This calculation refers to the acceptable value/haircut of the securities/collaterals provided to the Bank by its obligors.

For the calculation of the forced-sale value, the following need to be considered:

- The quality of the securities/assets
- Their market value
- The degree of ability to liquidate
- The time required for their liquidation
- Their liquidation cost
- The current encumbrances on the assets
- The privileged priority of third parties on the product of liquidation (e.g. Public Sector, employees, etc.)

The above have to be accounted for when determining the haircuts for each collateral/security. Haircuts, depending on their nature are expressed as a percentage of their market value, their nominal value or their weighted average value.

RESTRUCTURING - RESCHEDULING

The cases of renegotiation of the original terms of a credit agreement are separated into two basic categories, those that are due to the financial difficulty of the obligor in meeting his contractual obligations **(Restructuring)** and those which are not due to the financial difficulty of the obligor in meeting his contractual obligations **(Rescheduling)**.

1. Restructuring

1a. Restructured credit facilities are those for which measures/actions are taken when one of the following occurs:

- Significant loan overdues/delinquencies exceeding 90 days, at the date of restructuring.
- Significant deterioration of the client's financial position (income, profits, turnover etc.), with further deteriorating trends.
- Events that negatively affect the client's financial position. Indicatively these include loss of major clients, natural disasters, destruction of production line or merchandise etc.
- Repeated, small but significant loan payment delays exceeding 30 days.
- Existence of overdue delays to other Alpha Bank Group Companies (Alpha Leasing, ABC Factors).

1b. Simultaneously, one or more of the following amendments to loan agreement terms must be examined if they apply:

- Extension of credit facility/loan tenor more than 20% of initial duration/tenor, even in the case in which this is combined with an interest rate increase, as long as the new interest rate remains lower than the interest rate of similar loans (with similar tenor and risk profile) that have been granted to other obligors.
- Partial write off of loan (capital and/ or interest).
- Significant increase of grace period either for capital and/or interest which is not in line with the loan purpose.

- Reduction of interest rate in order to facilitate the company which does not take place in the framework of the regular limit review process of the obligor.
- Consecutive increases of credit limits, over three within one year, which are not justified by an improvement and/ or increase of the client's financial position.
- Renegotiation of the loan agreement terms not in line with common banking practices and the market.

Especially for Business Credit, if a lending is flagged as "restructured" then the borrower is automatically classified in Credit Risk Category C $_{restructured}$.

The borrower remains in the particular category for one year counting from the date of payment of the first significant installment and provided that the borrower's debts are serviced normally.

In any other case, the borrower is classified in the Credit Risk Category D0 (defaulted).

2. Rescheduling

Under rescheduling credit facilities are considered those for which actions are taken when no event of the section 1a materializes and their contractual terms are amended mainly due to changes in market conditions, while in parallel:

- There is no indication that borrower's ability to meet its contractual obligations has been affected.
- The borrower is servicing his debt normally (§ 1.a.i and 1.a.ii) until the time of the renegotiation of the credit facility limits.
- Renegotiation of the loan agreement terms according to the common banking practice and on market terms.

Renegotiation of credit facilities terms is not considered as restructuring in the following cases:

- Extension in the contractual term up to 20% compared to the original term, without any change in the other contractual terms.
- Extension of the facility's duration with a higher interest rate, corresponding to market rates for loans of similar Credit Risk Rating Category and duration.
- Limit increase which is justified by the increase in size and therefore the financial needs of the borrower and/ or by improvement of the customer's relationship with the Bank. In renegotiating the limits, the creditworthiness of the borrower should not have deteriorated by more than two categories of Credit Risk.

The Bank's policy is to timely identify the temporary problems that customers are facing due to the continuing turmoil in the economy, marked by the sovereign debt crisis, and offer solutions when they are still in **temporary delay,** through **rescheduling proposals** submitted from the Business Units to the relevant Committees.

The restructuring of a loan is considered an objective evidence of impairment and for this reason the Group classifies restructured loans into homogenous categories and recognises relevant impairment provisions or in the case of Wholesale Sector loans assesses them on an individual basis.

In cases that a loan restructuring or rescheduling results in significant changes in contractual terms, the Group assesses whether there is a need for the derecognition of the original loans and the recognition of new loans at fair value.

WRITE-OFFS AND WRITE-DOWNS OF BAD DEBTS

1. Write-offs

Write-offs are defined as the accounting reduction of a debt, which does not mean waiving the legal claim against the debtors and, hence, the debt may be revived.

Proposals for writing-off a part or the whole of the debts may be submitted to the competent committee on the condition that the following have been carried out:

- The relevant agreements with the clients have been terminated.
- Payment Orders have been issued against all the liable parties.
- The procedure for the registration of compulsory encumbrances has commenced.
- At least one real estate property has been auctioned, in order for the privileged claims (through the final creditors priority list) and, as a result, for the possible losses of the Bank to be finalized.
- Equal Impairment Provision at least during the quarter preceding the one of the proposal.

2. Write-downs

Write-downs are defined as the permanent accounting reduction of a debt, as a result of a legally binding decision or agreement (court judgment, contractual agreement etc.), which is no further claimable and, hence, is considered as definitively non-revivable, whereas it also entails the fact that the Bank definitively and irrevocably waives its right to claim the written-down debt, unless (in case of settlement) it is ascertained that the terms set by virtue of the aforementioned decision or agreement were violated.

DEFINITIONS:
The following definitions are applied in order to complete the following tables:

Wholesale Banking credit facilities
Wholesale banking Credit facilities are included in each of the following categories subject to the characteristics of the credit facility and the obligor, as shown in the table below:

	Portfolio	Characteristics
Obligors under the competence of Wholesale Banking	Corporate	Companies with turnover > Euro 50m. Includes financing in shipping companies, as well as, obligors under the management of the Investment Banking Division
	SME	Euro 2,5m. < Companies with turnover < Euro 50m. or companies with credit limit > Euro 1m.

The Public Sector includes:

- The Central Government (all departments or Ministries and Public Administration)
- Local Authorities
- Companies controlled and fully or partially belong to the State
- Companies connected to the State

Past due loans
A financial asset is past due if the counterparty's debt is past due more than one day.

Non-performing loans

A loan is considered as non-performing if it is past due more than 90 days or is in legal actions status.
A loan ceases to be considered as non-performing if one of the following conditions is met:

- Renegotiation of the original loan agreement terms and restructuring.
- Repayment of the amount past due over 90 days.

Performing loans
A loan is defined as performing if it is past due less than 90 days and is not in legal actions status.

Restructured loans
The cases of renegotiating the initial terms of a credit agreement due to the borrower's financial difficulties to meet his contractual obligations.

Accumulated provision for impairment
The accumulated provision for impairment, for disclosure purposes of credit risk, includes the adjustment for the contractual loans which were acquired at fair value during the acquisition of Emporiki Bank, as well as for monitoring purposes of credit risk, since the Group monitors the respective adjustment as part of the provisions. It is noted that in note 17 Loans and Advances to customers, this adjustment is deducted from the gross balance of loans before impairment.

Impaired Loans
The following cases of loans are defined as impaired:

a. Loans for which an impairment amount is calculated under individual assessment,

b. Restructured loans for which collective impairment is calculated,

c. Non-performing loans (past due more than 90 days) for which collective impairment is calculated.

Collaterals Value: The collateral's last market value available. In the case of non transferable properties collateral value is considered the lower figure between the prenotation amount and the market value. All collateral values are capped at 100% of the outstanding amount of the loan.

DUE FROM BANKS

Exposure to credit institutions relates to their own debt securities in issue and shares, loans, interbank transactions (which include positions in derivatives) and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies.

In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Group or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist.

In addition, at each reporting date an impairment test is performed as follows:

1. The respective Credit Institutions are separated to be tested for impairment.
2. Due from Banks will be evaluated individually by Credit Institution.
3. Credit institutions are reviewed for events that constitute objective evidences for impairment.
4. Impairment provisions per receivable are calculated, as the difference between the recoverable amount and the carrying amount of the claim on an individual basis for the credit institution for which there are objective evidences for impairment.

INVESTMENTS IN DEBT SECURITIES

Investments in debt securities relate to securities that are classified into loans and receivables portfolios, held to maturity and available for sale. If there is a loan relationship with the counterparty issuer at the time of classification of the security position as investment, the Corporate Credit Policy procedures apply. In each case, the classification of the position is subject for approval by the relevant Committee of the Group. These positions are subject to Group investment limits and country limits and are monitored on a daily basis.

In addition, at each reporting date an impairment test is performed as follows:

1. The respective securities are separated to be tested for impairment.
2. Securities are reviewed for events that constitute objective evidence for impairment losses.
3. Impairment provisions are calculated on a individual basis per each security, for which there are objective evidences that impairment losses exist, as: **a)** the difference between the present value of future cash flows and the carrying amount of securities that are classified into loans and receivables portfolio and held to maturity and **b)** the difference between acquisition costs and current fair value, less the impairment loss which has already been recognized in income statement for securities classified as available for sale.

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2013			31.12.2012		
	Exposure before impairment	Impairment	Net exposure to credit risk	Exposure before impairment	Impairment	Net exposure to credit risk
A. Credit risk exposure relating to balance sheet items						
Balances with Central Banks	**1,252,316**		**1,252,316**	**1,082,609**		**1,082,609**
Due from banks	**2,575,195**	**8,965**	**2,566,230**	**3,400,351**	**17,661**	**3,382,690**
Loans and advances to customers	**62,783,441**	**11,105,128**	**51,678,313**	**45,185,065**	**4,606,220**	**40,578,845**
Derivative financial assets	**797,393**		**797,393**	**736,693**		**736,693**
Securities held for trading:						
- Government bonds	6,538		6,538	18,201		18,201
- Other debt securities	464		464	514		514
Total	**7,002**		**7,002**	**18,715**		**18,715**
Available for sale securities:						
- Available for sale (Government bonds)	3,878,060		3,878,060	4,432,149		4,432,149
- Available for sale (other)	993,181	53,302	939,879	1,506,129	21,215	1,484,914
Total	**4,871,241**	**53,302**	**4,817,939**	**5,938,278**	**21,215**	**5,917,063**
Held to maturity securities:						
- Held to maturity (Government bonds)	978,755		978,755	1,012,148		1,012,148
- Held to maturity (other)	547,373	156,342	391,031	680,534	157,110	523,424
Total	**1,526,128**	**156,342**	**1,369,786**	**1,692,682**	**157,110**	**1,535,572**
Loans and receivables (HFSF)	**4,308,556**		**4,308,556**			
Total amount of balance sheet items exposed to credit risk (a)	**78,121,272**	**11,323,737**	**66,797,535**	**58,054,393**	**4,802,206**	**53,252,187**
Other balance sheet items not exposed to credit risk	7,041,153	141,421	6,899,732	5,110,306	109,075	5,001,231
Total Assets	**85,162,425**	**11,465,158**	**73,697,267**	**63,164,699**	**4,911,281**	**58,253,418**
B. Credit risk exposure relating to off balance sheet items:						
Letters of guarantee, letters of credit and other guarantees	5,921,211	66,986	5,854,225	3,877,882	12,723	3,865,159
Undrawn loan agreements and credit limits than can not be recalled (committed) [(1)]	375,798		375,798	238,514		238,514
Total amount of off balance sheet items exposed to credit risk (b)	**6,297,009**	**66,986**	**6,230,023**	**4,116,396**	**12,723**	**4,103,673**
Total credit risk exposure (a+b)	**84,418,281**	**11,390,723**	**73,027,558**	**62,170,789**	**4,814,929**	**57,355,860**

The maximum credit risk per category, in which the Group is exposed, is depicted in the “Net exposure to credit risk”.

(1) Undrawn loan agreements and credit limits that can not be recalled (committed) in cases where it becomes apparent that the counterparties will fail to meet their contractual obligations.

LOANS AND ADVANCES TO CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS BY ASSET QUALITY
(impaired or not impaired – impairment allowance – value of collateral)

	31.12.2013								
	Non Impaired Loans and Advances		Impaired Loans and Advances			Accumulated Impairment allowance			
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed	Total gross amount	Individually assessed	Collectively assessed	Total net amount	Value of collateral
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
Other (Incl. SBL)	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	11,699,521	583,153	3,832,827	223,358	16,338,859	1,902,621	63,953	14,372,285	11,024,228
SME's	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 €252.6 million concerning IBNR provisions.

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

	31.12.2012								
	Non Impaired Loans and Advances		Impaired Loans and Advances			Accumulated Impairment allowance			
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed	Total gross amount	Individually assessed	Collectively assessed	Total net amount	Value of collateral
Retail lending	**13,146,595**	**2,856,928**	**35,069**	**6,808,438**	**22,847,030**	**18,433**	**2,378,850**	**20,449,747**	**14,445,107**
Mortgage	9,159,519	2,197,312	26,241	2,614,655	13,997,727	14,156	713,468	13,270,103	12,284,376
Consumer	2,829,967	546,208	6,717	1,138,398	4,521,290	2,437	729,162	3,789,691	500,151
Credit cards	646,986	101,262	19	162,941	911,208	16	120,265	790,927	4,334
Other (Incl. SBL)	510,123	12,146	2,092	2,892,444	3,416,805	1,824	815,955	2,599,026	1,656,246
Corporate lending	**13,838,741**	**2,274,999**	**5,120,576**	**56,738**	**21,291,054**	**2,192,242**	**15,289**	**19,083,523**	**15,087,109**
Large	9,378,330	1,421,996	2,193,803	36,429	13,030,558	885,192	3,964	12,141,402	8,835,712
SME's	4,460,411	853,003	2,926,773	20,309	8,260,496	1,307,050	11,325	6,942,121	6,251,397
Public sector	**1,022,995**	**17,687**	**298**	**6,001**	**1,046,981**	**19**	**1,387**	**1,045,575**	**222,228**
Greece	848,684	17,687	298		866,669	19		866,650	192,499
Other countries	174,311			6,001	180,312		1,387	178,925	29,729
Total	**28,008,331**	**5,149,614**	**5,155,943**	**6,871,177**	**45,185,065**	**2,210,694**	**2,395,526**	**40,578,845**	**29,754,444**

The balancing figures of 31.12.2012 were restated to be comparable with figures of 31.12.2013.

AN ANALYSIS OF NEITHER PAST DUE NOR IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

	31.12.2013				
	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
Retail lending		**13,030,162**		**13,030,162**	**10,059,308**
Mortgage		9,757,811		9,757,811	9,161,826
Consumer		1,766,200		1,766,200	312,548
Credit cards		611,701		611,701	3,007
Other (Incl. SBL)		894,450		894,450	581,927
Corporate lending	**1,976,562**	**11,661,643**	**3,353,146**	**16,991,351**	**11,901,702**
Large	1,644,813	8,173,021	1,881,687	11,699,521	7,774,807
SME's	331,749	3,488,622	1,471,459	5,291,830	4,126,895
Public sector	**326,231**	**1,163,896**	**152,357**	**1,615,484**	**410,721**
Greece	326,000	1,119,445	3,292	1,448,737	382,679
Other countries	231	44,451	122,065	166,747	28,042
Total	**2,302,793**	**25,855,701**	**3,478,503**	**31,636,997**	**22,371,731**

	31.12.2012				
	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
Retail lending		**13,146,595**		**13,146,595**	**8,647,489**
Mortgage		9,159,519		9,159,519	8,016,146
Consumer		2,829,967		2,829,967	353,850
Credit cards		646,986		646,986	3,084
Other (Incl. SBL)		510,123		510,123	274,409
Corporate lending	**1,195,063**	**9,429,749**	**3,213,929**	**13,838,741**	**9,355,501**
Large	990,654	6,505,480	1,882,196	9,378,330	5,957,688
SME's	204,409	2,924,269	1,331,733	4,460,411	3,397,813
Public sector	**181,646**	**735,051**	**106,298**	**1,022,995**	**200,120**
Greece	181,250	666,489	945	848,684	175,005
Other countries	396	68,562	105,353	174,311	25,115
Total	**1,376,709**	**23,311,395**	**3,320,227**	**28,008,331**	**18,203,110**

AGEING ANALYSIS OF PAST DUE BUT NOT IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

	31.12.2013								
	Retail lending				Corporate lending		Public sector		
	Mortgage	Consumer	Credit cards	Other (Incl. SBL)	Large	SME's	Greece	Other countries	Total Past due but not impaired
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

	31.12.2012								
	Retail lending				Corporate lending		Public sector		
	Mortgage	Consumer	Credit cards	Other (Incl. SBL)	Large	SME's	Greece	Other countries	Total Past due but not impaired
1 - 29 days	793,832	266,223	60,303	6,563	496,547	349,558	14,243		1,987,269
30 - 59 days	413,152	149,723	23,876	1,201	350,298	66,423	119		1,004,792
60 - 89 days	911,411	123,276	17,026	3,121	373,674	176,156	826		1,605,490
90 - 179 days	8,790	3,172	57	71	59,886	43,797			115,773
180 - 360 days	12,952	1,480		639	79,390	59,998	2,306		156,765
> 360 days	57,175	2,334		551	62,201	157,071	193		279,525
Total	**2,197,312**	**546,208**	**101,262**	**12,146**	**1,421,996**	**853,003**	**17,687**		**5,149,614**
Value of collateral	1,997,641	62,719	985	9,210	1,202,435	737,160	17,494		4,027,644

AGEING ANALYSIS OF IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

	31.12.2013								
	Retail lending				Corporate lending		Public sector		
	Mortgage	**Consumer**	**Credit cards**	**Other (Incl. SBL)**	**Large**	**SME's**	**Greece**	**Other countries**	**Total**
Current	2,399,405	610,458	26,555	229,367	1,040,092	718,614	427		5,024,918
1 - 29 days	425,747	118,340	8,977	60,313	53,483	37,033	11		703,904
30 - 59 days	171,849	158,542	16,610	28,386	57,219	27,414			460,020
60 - 89 days	275,174	119,611	8,938	19,533	53,430	86,642			563,328
90 - 179 days	110,378	83,714	12,338	95,169	74,502	76,758			452,859
180 - 360 days	270,117	183,266	16,487	76,738	161,036	155,941	47		863,632
> 360 days	4,493,433	651,163	24,786	1,763,232	680,674	1,623,853	8,337		9,245,478
Total net amount	**8,146,103**	**1,925,094**	**114,691**	**2,272,738**	**2,120,436**	**2,726,255**	**8,822**		**17,314,139**
Value of collateral	7,778,147	883,892	17,707	2,367,925	2,743,847	3,808,682	20,731		17,620,931

	31.12.2012								
	Retail lending				Corporate lending		Public sector		
	Mortgage	**Consumer**	**Credit cards**	**Other (Incl. SBL)**	**Large**	**SME's**	**Greece**	**Other countries**	**Total**
Current	22,963	69,668	12	378,260	511,159	213,662			1,195,724
1 - 29 days	4,165	7,984		103,493	37,979	35,760			189,381
30 - 59 days	1,690	1,828		51,824	46,377	11,293			113,012
60 - 89 days	2,698	2,110		31,921	88,395	41,188			166,312
90 - 179 days	32,728	170,584	20,293	26,229	68,561	39,926		4,614	362,935
180 - 360 days	196,021	124,513	22,831	158,121	88,509	160,269			750,264
> 360 days	1,657,971	46,660	232	1,327,153	502,483	1,129,308	279		4,664,086
Total net amount	**1,918,236**	**423,347**	**43,368**	**2,077,001**	**1,343,463**	**1,631,406**	**279**	**4,614**	**7,441,714**
Value of collateral	2,270,589	83,582	265	1,372,627	1,675,589	2,116,424		4,614	7,523,690

LOAN-TO-VALUE RATIO (LTV) OF MORTGAGE LENDING

	Mortgages	
	31.12.2013	**31.12.2012**
< 50%	4,166,784	2,934,687
50% - 70%	3,520,828	2,773,678
71% - 80%	2,052,335	1,714,400
81% - 90%	1,997,853	1,743,604
91% - 100%	2,030,052	1,842,208
101% - 120%	3,042,828	1,563,944
121% - 150%	2,291,455	673,893
> 150%	1,818,310	751,313
Total exposure	**20,920,445**	**13,997,727**
Avg LTV (%)	74	69

REPOSSESSED COLLATERALS

	31.12.2013						
	Balance Sheet balances					Disposals during the year	
	Value of collaterals repossessed 31.12.2013	Of which in 2013	Accumulated impairment allowance 31.12.2013	Of which in 2013	Carrying amount of collaterals repossessed 31.12.2013	Net disposal value	Net gain /(loss) on disposal
Real estate	762,505	217,022	53,295	42,587	709,210	1,832	37
Other	4,047	971	2,443	887	1,604	1,392	167

The value of collaterals repossessed in 2013 includes real estate property amounting to €40.2 million arising from the full consolidation of APE Fixed Assets A.E. as well as an amount €98 million which concerns real estate property acquired in the context of Emporiki Bank's acquisition.

	31.12.2012						
	Balance Sheet balances					Disposals during the year	
	Value of collaterals repossessed 31.12.2012	Of which in 2012	Accumulated impairment allowance 31.12.2012	Of which in 2012	Carrying amount of collaterals repossessed 31.12.2012	Net disposal value	Net gain /(loss) on disposal
Real estate	554,292	369,809	10,800	9,973	543,492	5,372	(1,085)
Other	4,619	1,331	1,870	381	2,749	1,524	319

POLICY OF DISPOSAL OF REPOSSESSED ASSETS

The Group has assigned to a subsidiary of the Group the management of repossessed assets of Bank and Group. When a Group company acquires the legal title of property which had been given as collateral for the respective asset, due to the debtor's default, then the respective company deals with the legal, accounting and tax settlement of property in cooperation with the competent Bank's services and in parallel it performs technical tests and assesses, based on the market conditions, the ability of promoting it for sale or leasing. Based on the above assessment, a proposal is submitted to the Technical Projects of Property and Commissions Committee, which decides the sale or leasing of the assets or their own use from a Group company. Based on the decision, the asset is classified into the suitable category for reporting purposes.

BREAKDOWN OF COLLATERAL AND GUARANTEES

	31.12.2013				
	Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Retail Lending	22,142,017	139,048	210,633	22,491,698	11,943,388
Corporate Lending	12,371,534	687,893	6,295,216	19,354,643	3,862,398
Public sector	27,785	6,476	397,191	431,452	143,466
Total	**34,541,336**	**833,417**	**6,903,040**	**42,277,793**	**15,949,252**

	31.12.2012				
	Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Retail Lending	13,976,120	196,808	272,179	14,445,107	7,880,436
Corporate Lending	9,435,295	396,484	5,255,330	15,087,109	2,590,191
Public sector	12,859	3,244	206,125	222,228	1,246
Total	**23,424,274**	**596,536**	**5,733,634**	**29,754,444**	**10,471,873**

The Group has not received any collaterals it may sell or re-assign in case of non existence of liability breach by the debtor.

LOANS AND ADVANCES TO CUSTOMERS, IMPAIRED LOANS AND IMPAIRMENT ALLOWANCE BY PRODUCT LINE, INDUSTRY AND GEOGRAPHICAL REGION

	31.12.2013					
	Greece			Rest of Europe		
	Gross Amount	Impaired Amount	Accumulated impairment allowance	Gross Amount	Impaired Amount	Accumulated impairment allowance
Retail Lending	**28,737,767**	**16,584,246**	**5,393,557**	**4,668,869**	**1,823,680**	**745,044**
Mortgage	17,210,921	8,380,386	1,317,552	3,709,524	1,475,047	536,964
Consumer	4,997,895	3,393,510	1,613,639	820,706	295,363	176,986
Credit cards	1,079,682	409,319	303,211	69,285	18,013	14,471
Other (incl. SBL)	5,449,269	4,401,031	2,159,155	69,354	35,257	16,623
Corporate Lending	**22,040,249**	**7,849,722**	**4,063,550**	**5,686,012**	**1,873,953**	**872,179**
Financial institutions	54,734	9,672	3,195	76,423	16,130	13,033
Manufacturing	5,940,968	2,138,880	1,126,054	456,329	170,008	89,883
Construction and real estate	3,360,668	1,363,078	637,905	3,444,123	1,190,589	533,945
Wholesale and retail trade	5,469,152	2,444,489	1,379,958	643,922	216,707	120,229
Transportation	253,634	89,426	41,023	63,657	17,799	6,280
Shipping	1,809,911	222,906	74,460	2,616		
Hotels / Tourism	1,641,232	511,756	145,166	198,957	78,119	17,155
Services and other sectors	3,509,950	1,069,515	655,789	799,985	184,601	91,654
Public sector	**1,483,797**	**35,060**	**30,792**	**166,747**		**6**
Total	**52,261,813**	**24,469,028**	**9,487,899**	**10,521,628**	**3,697,633**	**1,617,229**

	31.12.2012					
	Greece			Rest of Europe		
	Gross Amount	Impaired Amount	Accumulated impairment allowance	Gross Amount	Impaired Amount	Accumulated impairment allowance
Retail lending	**18,455,085**	**5,947,389**	**1,923,687**	**4,391,945**	**896,118**	**473,596**
Mortgage	10,656,869	2,058,964	444,815	3,340,858	581,932	282,809
Consumer	3,619,263	873,172	572,626	902,027	271,943	158,973
Credit cards	840,363	147,792	106,565	70,845	15,168	13,716
Other (incl. SBL)	3,338,590	2,867,461	799,681	78,215	27,075	18,098
Corporate lending	**15,086,529**	**3,683,910**	**1,631,440**	**6,204,525**	**1,493,404**	**576,091**
Financial institutions	80,785	42,862	41,426	86,041	4,045	1,299
Manufacturing	4,162,570	972,750	455,755	506,939	175,333	102,947
Construction and real estate	2,071,180	608,158	230,690	3,470,583	874,162	305,692
Wholesale and retail trade	3,950,251	1,189,938	585,864	649,897	206,798	86,092
Transportation	413,619	72,443	32,509	56,959	14,461	4,557
Shipping	1,304,168	7,419	1,611	2,253		
Hotels / tourism	1,203,831	352,226	55,468	199,574	37,315	10,628
Services and other sectors	1,900,125	438,114	228,117	1,232,279	181,290	64,876
Public sector	**866,669**	**298**	**19**	**180,312**	**6,001**	**1,387**
Total	**34,408,283**	**9,631,597**	**3,555,146**	**10,776,782**	**2,395,523**	**1,051,074**

INTEREST INCOME RECOGNISED BY QUALITY OF LOANS AND ADVANCES AND PRODUCT LINE

	31.12.2013		
	Interest income on non impaired Loans and Advances	**Interest income on impaired Loans and Advances**	**Total interest income**
Retail lending	723,623	443,509	1,167,132
Corporate lending	1,470,855	255,775	1,726,630
Public sector	25,453	2,586	28,039
Total interest income	**2,219,931**	**701,870**	**2,921,801**

	31.12.2012		
	Interest income on non impaired Loans and Advances	**Interest income on impaired Loans and Advances**	**Total interest income**
Retail lending	859,728	310,793	1,170,521
Corporate lending	1,182,404	168,834	1,351,238
Public sector	44,402	53	44,455
Total interest income	**2,086,534**	**479,680**	**2,566,214**

RESTRUCTURED LOANS

RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS BY TYPE OF RESTRUCTURING MEASURE

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and interests
- Decrease in interest rate

As a rule the restructurings which are performed include a combination of the above amendments to the contractual terms. The carrying amount of restructured loans of Group amounted to €6,133,293 as at 31.12.2013 (2012: €5,198,824).

In addition, in the context of renegotiations of the terms of loans granted, the Group has participated in agreements for the exchange of debt securities with debtors' shares. On 31.12.2013, the Group included in its Available for Sale portfolio shares of fair value amounting to €10 million which were acquired from respective transactions. In none of the above cases, the Group had control or significant influence over these companies.

ANALYSIS OF RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS

	31.12.2013		
	Total amount of Loans and Advances	**Total amount of restructured Loans and Advances**	**Restructured Loans and Advances (%)**
Neither past due nor impaired	31,636,997	393,972	1.2
Past due but not impaired	2,979,783	80,770	2.7
Impaired	28,166,661	6,251,631	22.2
Total gross amount	**62,783,441**	**6,726,373**	**10.7**
Individual Impairment Allowance	(4,824,586)	(170,686)	3.5
Collective Impairment Allowance	(6,280,542)	(422,389)	6.7
Total net amount	**51,678,313**	**6,133,298**	**11.9**
Value of collateral	42,277,793	4,879,094	11.5

	31.12.2012		
	Total amount of Loans and Advances	**Total amount of restructured Loans and Advances**	**Restructured Loans and Advances (%)**
Neither past due nor impaired	28,008,331	3,903,787	13.9
Past due but not impaired	5,149,614	708,862	13.8
Impaired	12,027,120	710,215	5.9
Total gross amount	**45,185,065**	**5,322,864**	**11.8**
Individual Impairment Allowance	(2,210,694)	(72,176)	3.3
Collective Impairment Allowance	(2,395,526)	(51,855)	2.2
Total net amount	**40,578,845**	**5,198,833**	**12.8**
Value of collateral	29,754,444	3,460,171	11.6

Restructured loans which comply with the restructuring terms are kept in the category of restructured loans for a period of one year. Otherwise, they are transferred to non-performing loans. Therefore, on 31.12.2013, the restructured loans category includes loans restructured in the year. During the current year, loans of a gross amount before impairment of €6.7 billion were restructured. For these loans, an amount of €163 million was recognized as interest income during the year, while their impairment allowance as at 31.12.2013 amounted to €593 million.

RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

	31.12.2013	31.12.2012
Retail lending	**5,023,420**	**4,096,044**
Mortgage	3,502,650	2,396,292
Consumer	1,008,552	1,401,365
Credit cards	53,440	122,433
Other (incl. SBL)	458,778	175,954
Corporate lending	**1,109,446**	**1,102,789**
Large	682,376	698,065
SME's	427,070	404,724
Public sector	**432**	
Greece	432	
Other countries		
Total	**6,133,298**	**5,198,833**

RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL REGION

	31.12.2013	31.12.2012
Greece	4,992,464	3,982,720
Europe	1,140,834	1,216,113
Total	**6,133,298**	**5,198,833**

BALANCES WITH CENTRAL BANKS – DUE FROM BANKS – DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis per rating

	31.12.2013							
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Loans and receivables securities	Total
AAA	594,941				368,033	25,581		988,555
AA+ to AA-		675,602	67,280	464	28,093	15,000	4,308,556	5,094,995
A+ to A-		1,021,678	61,544		1,653	82,503		1,167,378
BBB+ to BBB-	428,829	51,741			181,151	127,828		789,549
Lower than BBB-	228,541	794,481	640,332	6,538	4,084,853	1,117,295		6,872,040
Unrated	5	31,693	28,237		207,458	157,921		425,314
Exposure before impairment	**1,252,316**	**2,575,195**	**797,393**	**7,002**	**4,871,241**	**1,526,128**	**4,308,556**	**15,337,831**

	31.12.2012						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
AAA	433,320			514	1,235,832	24,629	1,694,295
AA+ to AA-		103,204	29,613		104,098	26,526	263,441
A+ to A-		2,905,152	145,808		81,333	91,546	3,223,839
BBB+ to BBB-	395,374	115,450	16,274		401,787	157,883	1,086,768
Lower than BBB-	253,915	212,677	520,835	18,201	4,093,699	1,233,119	6,332,446
Unrated		63,868	24,163		21,529	158,979	268,539
Exposure before impairment	**1,082,609**	**3,400,351**	**736,693**	**18,715**	**5,938,278**	**1,692,682**	**12,869,328**

BALANCES WITH CENTRAL BANKS – DUE FROM BANKS – DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis of past due amounts

	31.12.2013							
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Loans and receivables securities	Total
Neither past due nor impaired	1,252,316	2,566,230	797,393	7,002	4,807,275	1,369,786	4,308,556	15,108,558
Past due but not impaired								
Impaired		8,965			63,966	156,342		229,273
Exposure before impairment	**1,252,316**	**2,575,195**	**797,393**	**7,002**	**4,871,241**	**1,526,128**	**4,308,556**	**15,337,831**
Less: Allowance for impairment losses		(8,965)			(53,302)	(156,342)		(218,609)
Net exposure	**1,252,316**	**2,566,230**	**797,393**	**7,002**	**4,817,939**	**1,369,786**	**4,308,556**	**15,119,222**

	31.12.2012						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
Neither past due nor impaired	1,082,609	3,382,690	736,693	18,715	5,917,047	1,535,572	12,673,326
Past due but not impaired							
Impaired		17,661			21,231	157,110	196,002
Exposure before impairment	**1,082,609**	**3,400,351**	**736,693**	**18,715**	**5,938,278**	**1,692,682**	**12,869,328**
Less: Allowance for impairment losses		(17,661)			(21,215)	(157,110)	(195,986)
Net exposure	**1,082,609**	**3,382,690**	**736,693**	**18,715**	**5,917,063**	**1,535,572**	**12,673,342**

The following tables present the financial instruments exposed to credit risk by sectors of the counterparties.

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2013										
	Financial Institutions and other financial services	**Manufacturing**	**Construction and real estate**	**Wholesale and retail trade**	**Public sector/ Government securities/ Derivatives**	**Transportation**	**Shipping**	**Hotels-Tourism**	**Services and other sectors**	**Retail**	**Total**
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	1,252,316										1,252,316
Due from banks	2,575,195										2,575,195
Loans and advances to customers	131,157	6,397,298	6,804,791	6,113,074	1,650,544	317,291	1,812,527	1,840,189	4,309,935	33,406,635	62,783,441
Derivative financial assets	137,912	11,093	44,856	5,281	549,100	5,202	7,878	13,200	22,489	382	797,393
Securities held for trading	464				6,538						7,002
Available for sale securities	570,798	88,318		2,476	3,878,061				331,588		4,871,241
Held to maturity securities	507,865		1,065		978,755				38,443		1,526,128
Loans and receivables securities	4,308,556										4,308,556
Total amount of balance sheet items exposed to credit risk (a)	**9,484,263**	**6,496,709**	**6,850,712**	**6,120,831**	**7,062,998**	**322,493**	**1,820,405**	**1,853,389**	**4,702,455**	**33,407,017**	**78,121,272**
Other balance sheet items not exposed to credit risk	569,800	11,735	34,676	1,531		404			6,423,007		7,041,153
Total assets	**10,054,063**	**6,508,444**	**6,885,388**	**6,122,362**	**7,062,998**	**322,897**	**1,820,405**	**1,853,389**	**11,125,462**	**33,407,017**	**85,162,425**
Credit risk exposure relating to off-balance sheet items:											
Letters of guarantee, letters of credit and other guarantees	56,793	709,637	2,332,019	574,769		57,587	80	85,266	2,105,060		5,921,211
Undrawn loan agreements and credit limits that can not be recalled (committed)									375,798		375,798
Total amount of off-balance sheet items exposed to credit risk (b)	**56,793**	**709,637**	**2,332,019**	**574,769**		**57,587**	**80**	**85,266**	**2,480,858**		**6,297,009**
Total credit risk exposure (a+b)	**9,541,056**	**7,206,346**	**9,182,731**	**6,695,600**	**7,062,998**	**380,080**	**1,820,485**	**1,938,655**	**7,183,313**	**33,407,017**	**84,418,281**

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2012										
	Financial Institutions and other financial services	**Manufacturing**	**Construction and real estate**	**Wholesale and retail trade**	**Public sector/ Derivatives**	**Transportation**	**Shipping**	**Hotels-Tourism**	**Services and other sectors**	**Retail**	**Total**
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	1,082,609										1,082,609
Due from banks	3,400,351										3,400,351
Loans and advances to customers	166,826	4,669,509	5,541,763	4,600,148	1,046,981	470,578	1,306,421	1,403,405	3,132,404	22,847,030	45,185,065
Derivative financial assets	249,790	10,193	84,796	7,499	335,552	12,721	9,340	12,148	14,654		736,693
Securities held for trading	514				18,201						18,715
Available for sale securities	1,292,040	9,762	298	201,754	4,432,149				2,275		5,938,278
Held to maturity securities	599,787		14,762	64,032	1,012,148				1,953		1,692,682
Total amount of balance sheet items exposed to credit risk (a)	**6,791,917**	**4,689,464**	**5,641,619**	**4,873,433**	**6,845,031**	**483,299**	**1,315,761**	**1,415,553**	**3,151,286**	**22,847,030**	**58,054,393**
Other balance sheet items not exposed to credit risk	95,330	14,630	66,266	34,347					4,899,733		5,110,306
Total assets	**6,887,247**	**4,704,094**	**5,707,885**	**4,907,780**	**6,845,031**	**483,299**	**1,315,761**	**1,415,553**	**8,051,019**	**22,847,030**	**63,164,699**
Credit risk exposure relating to off-balance sheet items:											
Letters of guarantee, letters of credit and other guarantees	173,840	565,539	1,720,859	594,223		116,023	81	146,518	560,799		3,877,882
Undrawn loan agreements and credit limits that can not be recalled (committed)									238,514		238,514
Total amount of off balance sheet items exposed to credit risk (b)	**173,840**	**565,539**	**1,720,859**	**594,223**		**116,023**	**81**	**146,518**	**799,313**		**4,116,396**
Total credit risk exposure (a+b)	**6,965,757**	**5,255,003**	**7,362,478**	**5,467,656**	**6,845,031**	**599,322**	**1,315,842**	**1,562,071**	**3,950,599**	**22,847,030**	**62,170,789**

The figures of prior year were restated to be comparable.

EXPOSURE IN CREDIT RISK FROM DEBT ISSUED BY THE PERIPHERAL EUROZONE COUNTRIES

Due to the considerable debt crisis noted in recent years in the Eurozone, the Group monitors credit risk from its exposure to the Greek State as well as the remaining peripheral countries.

i. Exposure to the Greek State

The table below presents the Group's total exposure in Greek Government securities:

	31.12.2013		31.12.2012	
Portfolio	**Nominal value**	**Carrying amount**	**Nominal value**	**Carrying amount**
Available for sale	3,967,200	3,355,356	4,383,271	3,570,689
Held to maturity	907,500	908,949	911,600	913,094
Trading	11,251	6,538	33,044	13,605
Total	**4,885,951**	**4,270,843**	**5,327,915**	**4,497,388**

All Greek Government securities are classified in level 1 based on the quality of inputs used for the estimation of their fair value.

In addition, the Group's exposure to Greek State from other financial instruments, excluding securities is depicted in the table below:

On balance sheet exposure

	31.12.2013	31.12.2012
	Carrying amount	**Carrying amount**
Derivative financial instruments – assets	549,100	335,552
Derivative financial instruments – liabilities	(69,764)	(153,665)

Off balance sheet exposure

	31.12.2013		31.12.2012	
	Nominal value	**Fair value**	**Nominal value**	**Fair value**
Bonds used as collaterals for refinancing operation	75,610	41,600	160,954	61,359

ii. Exposure to other peripheral Eurozone countries debt

The book value of bonds issued by the Republic of Cyprus and held by the Group as at 31.12.2013 amounts to €19.8 million against €26.4 million as at 31.12.2012. The Group, as at 31.12.2013, held no treasury bills issued by the Republic of Cyprus compared to holdings of € 20 million as at 31.12.2012.

The Group holds a bond of Cyprus Popular Bank (senior term) for which an impairment loss of €34.6 million was recorded, according to the available information regarding its recoverable amount. The book value after impairment equals to €1.6 million.

Moreover, the Group holds 42,274 trading portfolio shares of the Bank of Cyprus with a book value of €8.8 thousand.

The Bank's subsidiary Alpha Bank Cyprus Ltd, with a net asset value of €528 million as at 31.12.2013, after the diagnostic audit which was performed in 2012 by PIMCO Europe Ltd as part of evaluating the country's banking system, increased its share capital on 31.10.2013 as referred to note 48p.

The Bank's subsidiary Emporiki Bank Cyprus Ltd., with a net asset value of €42 million as at 31.12.2013, was not included in the Cypriot banks that participated in the above mentioned independent diagnostic audit since it had proceeded with a share capital increase during 2012.

As at 31.12.2013 the Group had no exposure to bonds issued by other peripheral European countries.

41.2. Market risk

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices, equity prices and commodities. Losses may also occur either from the trading portfolio or from the Assets-Liabilities management.

i. Trading portfolio

The market risk is measured by the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of one and ten days, depending on the time required to liquidate the portfolio.

1 day value at risk, 99% confidence interval (2 years historical data)

(in Euro)

	2013					2012
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total	Total
31 December	832,203	289,875	42,298	(270,037)	894,339	1,030,506
Average daily value (annual)	542,492	732,484	112,745	(398,849)	988,872	685,205
Maximum daily value (annual)*	1,178,675	863,799	62,774	(517,235)	1,588,013	1,609,563
Minimum daily value (annual)*	249,012	620,308	40,025	(292,392)	616,953	264,729

* relating to the total value at risk

The above items concern the Bank. The Group's subsidiaries and branches have limited trading positions, which are immaterial compared to the positions of the Bank. As a result, the market risk effect deriving from these positions is immaterial.

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters.

Within the scope of policy-making for financial risk management by the Asset and Liability Management Committee (ALCO), exposure limits, maximum loss (stop loss) and value at risk for various products of the trading positions have been set.

In particular the following limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions and FX options
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options
- Price risk regarding positions in shares, index Futures and options, Commodity Futures and Swaps
- Credit risk regarding interbank transactions and bonds

Positions held in these products are monitored on a daily basis and are examined for the corresponding limit percentage cover and for any limit excess.

ii. The financial risks of the banking portfolio

The financial risks of the banking portfolio derive from the structure of assets and liabilities and primarily from the portfolio of loans and deposits of the Group. The financial risks of the banking portfolio concern the exchange risk, the interest rate risk and the liquidity risk.

a. Foreing currency risk

Group companies take on the risk arising from the fluctuations in foreign exchange rates.

The General Management sets limits on the total foreign exchange position as well as on the exposure by currency.

The total position arises from the net balance sheet position and derivatives forward position as presented in the tables below:

	31.12.2013								
	USD	GBP	CHF	JPY	RON	RSD	Other F/C	Euro	Total
ASSETS									
Cash and balances with Central Banks	9,462	23,925	1,033	54	130,064	50,948	78,635	1,394,061	1,688,182
Due from banks	(846,436)	67,998	163,405	27,989	26,176	(470)	23,828	3,103,740	2,566,230
Securities held for trading					491			8,345	8,836
Derivative financial assets								797,393	797,393
Loans and advances to customers	1,816,872	357,750	2,317,147	55,824	258,126	103,850	114,651	46,654,093	51,678,313
Investment securities									
- Available for sale	84,709	57,652			243,600	76,074	103,030	4,401,869	4,966,934
- Held to maturity	1,462						54,775	1,313,549	1,369,786
- Loans and receivables								4,308,556	4,308,556
Investments in associates		108					321	49,615	50,044
Investment property					88,716	639	35,855	435,243	560,453
Property, plant and equipment		1,936			23,838	34,756	55,575	1,006,365	1,122,470
Goodwill and other intangible assets		114			613	1,515	5,390	235,282	242,914
Deferred tax assets					4,753	3,877	572	2,779,486	2,788,688
Other assets	1,212	510	1,352	1	14,924	3,167	121,192	1,400,472	1,542,830
Non-current assets held for sale					3,010	115	2,513		5,638
Total Assets	**1,067,281**	**509,993**	**2,482,937**	**83,868**	**794,311**	**274,471**	**596,337**	**67,888,069**	**73,697,267**
LIABILITIES									
Due to banks and customers	2,539,112	249,306	186,245	31,915	803,485	123,434	735,949	56,898,138	61,567,584
Derivative financial liabilities								1,373,500	1,373,500
Debt securities in issue and other borrowed funds	49,348				327			733,261	782,936
Liabilities for current income tax and other taxes		2,022			2,724	459	412	51,151	56,768
Deferred tax liabilities		71			11,407	202	309	23,171	35,160
Employee defined benefit obligations						460		78,240	78,700
Other liabilities	1,564	(703)	(5,671)	485	4,709	2,142	3,310	1,150,164	1,156,000
Provisions					60	1,570	2,509	274,745	278,884
Total liabilities	**2,590,024**	**250,696**	**180,574**	**32,400**	**822,712**	**128,267**	**742,489**	**60,582,370**	**65,329,532**
Net balance sheet position	(1,522,743)	259,297	2,302,363	51,468	(28,401)	146,204	(146,152)	7,305,699	8,367,735
Derivatives forward foreign exchange position	1,481,647	(233,893)	(2,338,787)	(50,347)	72,936	44,898	223,078	709,037	(91,431)
Total Foreign Exchange Position	**(41,096)**	**25,404**	**(36,424)**	**1,121**	**44,535**	**191,102**	**76,926**	**8,014,736**	**8,276,304**
Undrawn loan agreements and credit limits that can not be recalled (committed)	22,887				35,864	13,376		303,671	375,798

	31.12.2012								
	USD	**GBP**	**CHF**	**JPY**	**RON**	**RSD**	**Other F/C**	**Euro**	**Total**
ASSETS									
Cash and balances with Central Banks	19,908	22,326	1,360	21	124,141	47,387	63,523	1,158,582	1,437,248
Due from banks	509,554	42,215	104,929	15,907	47,477	27,981	95,041	2,539,586	3,382,690
Securities held for trading					305		4,596	15,231	20,132
Derivative financial assets								736,693	736,693
Loans and advances to customers	1,395,611	403,278	2,598,308	33,037	283,921	117,919	226,380	35,520,391	40,578,845
Investment securities									
- Available for sale	597,956	52,672			311,554	19	78,111	4,996,986	6,037,298
- Held to maturity	1,556						83,042	1,450,974	1,535,572
Investments in associates					63		(28)	74,575	74,610
Investment property					66,399	657	18,141	408,301	493,498
Property, plant and equipment		1,981			32,706	39,192	59,319	854,187	987,385
Goodwill and other intangible assets		240			981	1,869	7,480	131,187	141,757
Deferred tax assets					4,788	3,700	6,372	1,791,291	1,806,151
Other assets	7,767	581	335,414		11,069	4,088	126,932	528,884	1,014,735
Non-current assets held for sale					4,043		2,761		6,804
Total Assets	**2,532,352**	**523,293**	**3,040,011**	**48,965**	**887,447**	**242,812**	**771,670**	**50,206,868**	**58,253,418**
LIABILITIES									
Due to banks and customers	2,304,509	227,088	693,454	422,966	731,531	91,750	691,625	48,516,589	53,679,512
Derivative financial liabilities								1,518,881	1,518,881
Debt securities in issue and other borrowed funds	27,325				643			704,291	732,259
Liabilities for current income tax and other taxes		879			1,884	637	490	38,639	42,529
Deferred tax liabilities		42			6,304	207	1,131	404,336	412,020
Employee defined benefit obligations								52,182	52,182
Other liabilities	885	784	404	624	4,504	2,996	6,112	913,439	929,748
Provisions	165				1,283	2,914	1,098	133,327	138,787
Total liabilities	**2,332,884**	**228,793**	**693,858**	**423,590**	**746,149**	**98,504**	**700,456**	**52,281,684**	**57,505,918**
Net balance sheet position	199,468	294,500	2,346,153	(374,625)	141,298	144,308	71,214	(2,074,816)	747,500
Derivatives forward foreign exchange position	(206,974)	(271,721)	(2,354,235)	373,845	(52,639)	(14,315)	95,347	2,135,008	(295,684)
Total Foreign Exchange Position	**(7,506)**	**22,779**	**(8,082)**	**(780)**	**88,659**	**129,993**	**166,561**	**60,192**	**451,816**
Undrawn loan agreements and credit limits that can not be recalled (committed)	10,085				33,538	75,259		119,632	238,514

The net foreign exchange position as at 31.12.2013 presents the following sensitivity analysis:

Currency	Exchange rate variation scenario against Euro (%)	Impact on net income before tax	Impact on Equity
USD	Appreciation USD 5%	(2,163)	
	Depreciation USD 5%	1,956	
GBP	Appreciation GBP 5%	1,337	
	Depreciation GBP 5%	(1,210)	
JPY	Appreciation JPY 5%	59	
	Depreciation JPY 5%	(54)	
CHF	Appreciation CHF 5%	(1,918)	
	Depreciation CHF 5%	1,734	
RON	Appreciation RON 5%		2,343
	Depreciation RON 5%		(2,121)
MKD	Appreciation MKD 5%		902
	Depreciation MKD 5%		(817)
RSD	Appreciation RSD 5%		10,058
	Depreciation RSD 5%		(9,101)
ALL	Appreciation ALL 5%		629
	Depreciation ALL 5%		(570)

b. Interest rate risk

In the context of analysis of the Banking portfolio, Interest Rate Gap Analysis is performed. In particular, assets and liabilities are allocated into time bands (Gaps) according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments.

An interest rate gap analysis of assets and liabilities is set out in the table below.

	31.12.2013							
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	1,257,263						430,919	1,688,182
Due from Banks	2,197,711	13,168	5	1,451	114,048	239,847		2,566,230
Securities helf for trading		347				8,489		8,836
Derivative financial assets	797,393							797,393
Loans and advances to customers	24,908,927	13,561,182	3,233,860	2,088,585	5,967,356	1,498,401	420,002	51,678,313
Investment securities								
- Available for sale	634,889	931,540	1,117,701	108,193	736,003	1,378,705	59,903	4,966,934
- Held to maturity	183,431	69,866	1,030,573	17,472	65,363	3,081		1,369,786
- Loans and receivables			4,307,401				1,155	4,308,556
Investments in associates and joint ventures							50,044	50,044
Investment property							560,453	560,453
Property, plant and equipment							1,122,470	1,122,470
Goodwill and other intangible assets							242,914	242,914
Deferred tax assets							2,788,688	2,788,688
Other assets							1,542,830	1,542,830
Non-current assets held for sale							5,638	5,638
Total Assets	**29,979,614**	**14,576,103**	**9,689,540**	**2,215,701**	**6,882,770**	**3,128,523**	**7,225,016**	**73,697,267**
LIABILITIES								
Due to banks	17,324,327	45,441	63,873	10,966	1,293,692	344,425		19,082,724
Derivative financial liabilities	1,371,420	1,400			680			1,373,500
Due to customers	12,480,498	7,406,477	5,375,071	6,177,052	9,845,268	1,050,264	150,230	42,484,860
Debt securities in issue held by institutional investors and other borrowed funds	54,806	375,809	352,321					782,936
Liabilities for current income tax and other taxes							56,768	56,768
Deferred tax liabilities							35,160	35,160
Employee defined benefit obligations							78,700	78,700
Other liabilities							1,156,000	1,156,000
Provisions							278,884	278,884
Total Liabilities	**31,231,051**	**7,829,127**	**5,791,265**	**6,188,018**	**11,139,640**	**1,394,689**	**1,755,742**	**65,329,532**
EQUITY								
Share capital							4,216,872	4,216,872
Share premium							4,212,062	4,212,062
Reserves							631,033	631,033
Retained earnings							(747,572)	(747,572)
Non-controlling interests							23,640	23,640
Hybrid securities							31,700	31,700
Total Equity							**8,367,735**	**8,367,735**
Total Liabilities and Equity	**31,231,051**	**7,829,127**	**5,791,265**	**6,188,018**	**11,139,640**	**1,394,689**	**10,123,477**	**73,697,267**
OPEN EXPOSURE	**(1,251,437)**	**6,746,976**	**3,898,275**	**(3,972,317)**	**(4,256,870)**	**1,733,834**	**(2,898,461)**	**-**
CUMULATIVE EXPOSURE	**(1,251,437)**	**5,495,539**	**9,393,814**	**5,421,497**	**1,164,627**	**2,898,461**	**-**	**-**

	31.12.2012							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
ASSETS								
Cash and balances with Central Banks	956,061						481,187	1,437,248
Due from Banks	3,165,011	69,251		117	148,296	15		3,382,690
Securities helf for trading		276			4,940	14,916		20,132
Derivative financial assets	736,693							736,693
Loans and advances to customers	29,648,347	4,587,882	1,922,675	1,914,307	1,880,310	625,324		40,578,845
Investment securities								
- Available for sale	1,778,565	1,039,186	1,449,661	305,990	802,105	540,521	121,270	6,037,298
- Held to maturity	73,500	317,149	946,499	39,222	155,080	4,122		1,535,572
Investments in associates							74,610	74,610
Investment property							493,498	493,498
Property, plant and equipment							987,385	987,385
Goodwill and other intangible assets							141,757	141,757
Deferred tax assets							1,806,151	1,806,151
Other assets							1,014,735	1,014,735
Non-current assets held for sale							6,804	6,804
Total Assets	**36,358,177**	**6,013,744**	**4,318,835**	**2,259,636**	**2,990,731**	**1,184,898**	**5,127,397**	**58,253,418**
LIABILITIES								
Due to banks	24,845,192	290,154	79,817					25,215,163
Derivative financial liabilities	1,518,881							1,518,881
Due to customers	14,608,940	3,739,779	3,336,785	3,012,875	2,270,310	1,407,449	88,211	28,464,349
Debt securities in issue and other borrowed funds	127,762	411,008	7,821	195	90,384	95,089		732,259
Liabilities for current income tax and other taxes							42,529	42,529
Deferred tax liabilities							412,020	412,020
Employee defined benefit obligations							52,182	52,182
Other liabilities							929,748	929,748
Provisions							138,787	138,787
Total Liabilities	**41,100,775**	**4,440,941**	**3,424,423**	**3,013,070**	**2,360,694**	**1,502,538**	**1,663,477**	**57,505,918**
EQUITY								
Share capital							1,100,281	1,100,281
Share premium							2,757,653	2,757,653
Reserves							268,315	268,315
Retained earnings							(3,538,207)	(3,538,207)
Non-controlling interests							11,904	11,904
Hybrid securities		147,554						147,554
Total Equity		**147,554**					**599,946**	**747,500**
Total Liabilities and Equity	**41,100,775**	**4,588,495**	**3,424,423**	**3,013,070**	**2,360,694**	**1,502,538**	**2,263,423**	**58,253,418**
OPEN EXPOSURE	**(4,742,598)**	**1,425,249**	**894,412**	**(753,434)**	**630,037**	**(317,640)**	**2,863,974**	
CUMULATIVE EXPOSURE	**(4,742,598)**	**(3,317,349)**	**(2,422,937)**	**(3,176,371)**	**(2,546,334)**	**(2,863,974)**		

From the Interest Rate Gap Analysis and from the application of alternative scenarios regarding the changes in market interest rates or changes in the base interest rates of the Bank and the companies of the Group, the Group is able to calculate the immediate changes in net interest income and equity relating to available for sale securities. In the interest rate decrease scenarios the change is assessed up to a feasible point (interest rate set to zero) in accordance with the effective yield curves per currency.

Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net interest income (annual)	Sensitivity of Equity
-100	32,004	99,622
+100	132,004	(99,622)

41.3 Liquidity risk

Liquidity risk relates to the Group's ability to maintain sufficient funds to cover its planned or extraordinary obligations. A substantial portion of the Group's assets is funded by customer deposits and bonds issued by the Group. This type of funding is comprised of two categories:

a. Customer deposits for working capital purposes

Deposits for working capital purposes consist of savings accounts and sight deposits. Although these deposits may be withdrawn on demand, the number of accounts and type of depositors ensure that unexpected significant fluctuations are limited and that these deposits constitute mostly a stable deposit base.

b. Customer deposits and bonds for investment purposes

Customer deposits and bonds issued for investment purposes concern customer term deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group.

During the last years the European System of Central Banks has been used as an additional source of funding. The Group's total borrowings amounted to €17.2 billion on 31.12.2013 (2012: €23.7 billion). Based on the Liquidity Gap Analysis, the cash flows arising from balance sheet items are calculated and classified into time periods based on the time that they occurred, excluding investment portfolios. These portfolios which can immediately contribute in obtaining liquidity are classified in the first period.

	31.12.2013					
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**Total**
ASSETS						
Cash and balances with Central Banks	1,688,182					1,688,182
Due from banks	2,209,514	1,710		1,402	353,604	2,566,230
Securities held for trading	8,836					8,836
Derivative financial assets	797,393					797,393
Loans and advances to customers	2,882,636	1,892,939	2,606,841	3,713,409	40,582,488	51,678,313
Investment securities						
- Available for sale	1,430,190				3,536,744	4,966,934
- Held to maturity	2,858	10,675	931,333	12,296	412,624	1,369,786
- Loans and receivables					4,308,556	4,308,556
Investments in associates and joint ventures					50,044	50,044
Investment property					560,453	560,453
Property, plant and equipment					1,122,470	1,122,470
Goodwill and other intangible assets					242,914	242,914
Deferred tax assets					2,788,688	2,788,688
Other assets		180,814		74,735	1,287,281	1,542,830
Non current assets held for sale				239	5,399	5,638
Total Assets	**9,019,609**	**2,086,138**	**3,538,174**	**3,802,081**	**55,251,265**	**73,697,267**
LIABILITIES						
Due to banks	17,326,936	12,607	27,831	45,273	1,670,077	19,082,724
Derivative financial liabilities	1,373,500					1,373,500
Due to customers (including debt securities in issue)	8,959,704	6,332,559	5,152,812	5,697,967	16,341,818	42,484,860
Debt securities in issue held by institutional investors and other borrowed funds		104,667	3,564	119	674,586	782,936
Liabilities for current income tax and other taxes			56,768			56,768
Deferred tax liabilities					35,160	35,160
Employee defined benefit obligations					78,700	78,700
Other liabilities	481,548				674,452	1,156,000
Provisions	14,767				264,117	278,884
Total Liabilities	**28,156,455**	**6,449,833**	**5,240,975**	**5,743,359**	**19,738,910**	**65,329,532**
EQUITY						
Share capital					4,216,872	4,216,872
Share premium					4,212,062	4,212,062
Reserves					631,033	631,033
Retained earnings					(747,572)	(747,572)
Non-controlling interests					23,640	23,640
Hybrid securities					31,700	31,700
Total Equity					**8,367,735**	**8,367,735**
Total Liabilities and Equity	**28,156,455**	**6,449,833**	**5,240,975**	**5,743,359**	**28,106,645**	**73,697,267**
Open liquidity gap	**(19,136,846)**	**(4,363,695)**	**(1,702,801)**	**(1,941,278)**	**27,144,620**	**-**
Cumulative liquidity gap	**(19,136,846)**	**(23,500,541)**	**(25,203,342)**	**(27,144,620)**	**-**	**-**

Held for trading and available for sale portfolios are listed based on their liquidation potential and not according to their maturity.

	31.12.2012					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	1,437,248					1,437,248
Due from banks	1,548,582	183,747	2	1,193	1,649,166	3,382,690
Securities held for trading	19,054				1,078	20,132
Derivative financial assets	736,693					736,693
Loans and advances to customers	1,492,787	2,415,460	2,530,285	3,250,349	30,889,964	40,578,845
Investment securities						
- Available for sale	5,080,740				956,558	6,037,298
- Held to maturity	1,074,900				460,672	1,535,572
Investments in associates					74,610	74,610
Investment property					493,498	493,498
Property, plant and equipment					987,385	987,385
Goodwill and other intangible assets					141,757	141,757
Deferred tax assets					1,806,151	1,806,151
Other assets	7,688	602	22,772	172,960	810,713	1,014,735
Non current assets held for sale					6,804	6,804
Total Assets	**11,397,692**	**2,599,809**	**2,553,059**	**3,424,502**	**38,278,356**	**58,253,418**
LIABILITIES						
Due to banks	24,636,377	31,104			547,682	25,215,163
Derivative financial liabilities	1,518,881					1,518,881
Due to customers	6,875,466	3,684,734	4,538,239	3,658,713	9,707,197	28,464,349
Debt securities in issue and other borrowed funds	10,598	113,463	2,554	337,492	268,152	732,259
Liabilities for current income tax and other taxes	42,529					42,529
Deferred tax liabilities					412,020	412,020
Employee defined benefit obligations					52,182	52,182
Other liabilities	703,570	9,262	12,130	27,025	177,761	929,748
Provisions					138,787	138,787
Total Liabilities	**33,787,421**	**3,838,563**	**4,552,923**	**4,023,230**	**11,303,781**	**57,505,918**
EQUITY						
Total Equity					**747,500**	**747,500**
Total Liabilities and Equity	**33,787,421**	**3,838,563**	**4,552,923**	**4,023,230**	**12,051,281**	**58,253,418**
Open liquidity gap	**(22,389,729)**	**(1,238,754)**	**(1,999,864)**	**(598,728)**	**26,227,075**	**-**
Cumulative liquidity gap	**(22,389,729)**	**(23,628,483)**	**(25,628,347)**	**(26,227,075)**	**-**	**-**

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their maturity date. Estimated interest payments are also included. Liabilities in foreign currency have been converted into Euro. Outflows and inflows relating to derivatives are estimated according to their contractual terms.

	31.12.2013						
		Nominal inflows / (outflows)					
	Total Balance Sheet	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	TOTAL
Non-derivative liabilities							
Due to banks	**19,082,724**	(17,357,823)	(13,098)	(28,401)	(60,533)	(1,672,880)	(19,132,735)
Due to customers	**42,484,860**	(9,040,431)	(6,473,672)	(5,350,800)	(6,082,407)	(16,852,411)	(43,799,721)
Debt securities in issue held by institutional investors and other borrowed funds	**782,936**	(375)	(72,692)	(7,733)	(4,053)	(779,679)	(864,532)
Other liabilities	**1,156,000**	(481,548)				(674,452)	(1,156,000)
Derivatives held for assets fair value hedge	**53,302**						
- Outflows		(163)	(181)	(1,461)	(5,695)	(400,458)	(407,958)
- Inflows		92	154	1,129	5,052	360,759	367,186
Derivatives held for liabilities fair value hedge	**450,651**						
- Outflows		(11)	(191)	(40,788)	(22,393)	(1,065,076)	(1,128,459)
- Inflows		141	1,350	10,393	22,370	995,918	1,030,172
Derivatives held for trading	**869,547**						
- Outflows		(1,251,971)	(292,919)	(474,942)	(1,178,709)	(4,403,947)	(7,602,488)
- Inflows		1,237,421	254,461	419,853	1,043,488	4,346,144	7,301,367
Total	**64,880,020**	**(26,894,668)**	**(6,596,788)**	**(5,472,750)**	**(6,282,880)**	**(20,146,082)**	**(65,393,168)**
Off Balance sheet items							
Undrawn loan agreements and credit limits that can not be recalled (committed)		(375,798)					(375,798)
Financial guarantees		(67,719)	(46,109)	(43,786)	(155,829)	(514,554)	(827,997)
Total off Balance sheet items		**(443,517)**	**(46,109)**	**(43,786)**	**(155,829)**	**(514,554)**	**(1,203,795)**

	31.12.2012						
	Total Balance Sheet	Nominal inflows / (outflows)					TOTAL
		Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	
Non-derivative Liabilities							
Due to banks	25,215,163	(24,645,614)	(28,530)	(16,147)	(15,808)	(591,321)	(25,297,420)
Due to customers	28,464,349	(7,103,383)	(3,717,850)	(4,570,033)	(3,674,103)	(9,843,340)	(28,908,709)
Debt securities in issue held by institutional investors and other borrowed funds	732,259	(11,216)	(113,840)	(6,175)	(341,901)	(351,492)	(824,624)
Other liabilities	929,748	(703,570)	(9,262)	(12,130)	(27,025)	(177,761)	(929,748)
Derivatives held for assets fair value hedge	81,261						
- Outflows		(607)	(896)	(57,730)	(6,514)	(2,093,118)	(2,158,865)
- Inflows		469	625	81,146	16,231	2,072,163	2,170,634
Derivatives held for liabilities fair value hedge	641,251						
- Outflows		(10)	(2,945)	(43,620)	(35,226)	(1,141,391)	(1,223,192)
- Inflows		131	5,145	12,533	34,629	1,066,016	1,118,454
Derivatives held for trading	796,369						
- Outflows		(495,311)	(116,762)	(146,573)	(487,009)	(5,757,239)	(7,002,894)
- Inflows		471,712	99,560	122,337	460,496	5,165,351	6,319,456
Total	**56,860,400**	**(32,487,399)**	**(3,884,755)**	**(4,636,392)**	**(4,076,230)**	**(11,652,132)**	**(56,736,908)**
Off Balance sheet items							
Undrawn loan agreements and credit limits than can not be recalled (committed)		(238,514)					(238,514)
Financial guarantees		(28,939)	(46,476)	(30,619)	(101,845)	(373,690)	(581,569)
Total off Balance sheet items		**(267,453)**	**(46,476)**	**(30,619)**	**(101,845)**	**(373,690)**	**(820,083)**

41.4 Fair value of financial assets and liabilities

Hierarchy of financial instruments not measured at fair value

	31.12.2013				
	Level 1	Level 2	Level 3	Total Fair value	Total Carrying amount
Financial assets					
Loans and advances to customers			51,383,343	51,383,343	51,678,313
Investment securities					
- Held to maturity [(1)]	1,147,372	134,120	19,741	1,301,233	1,369,786
- Loans and receivables		4,333,574		4,333,574	4,308,556
Financial liabilities					
Due to customers			42,373,924	42,373,924	42,484,860
Debt securities in issue [(2)]		604,823	68,742	673,565	743,336

(1) *On 31.12.2013 investment securities portfolio includes an amount of €891.6 million (31.12.2012: €892 million) which relates to the security transferred to the Bank's ownership for the issuance of preference shares of the Greek State in the context of Law 3723/2008, which has been valued, based on HDAT prices.*

(2) *Debt securities in issue do not include the convertible bond loan issued by the Bank in the context of the agreement with Credit Agricole S.A. regarding the acquisition of Emporiki Bank since this security is measured at fair value.*

The above table presents the fair value of financial instruments which are measured at amortized cost and classified according to hierarchy and carrying amount.

The fair value of loans is estimated based on the interbank market yield curves by adding a liquidity premium and spread per loan category and business unit for the expected loss. The fair value of deposits is estimated based on the interbank market yield curves by deducting customer's spread depending on the type of deposit. In both above mentioned cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

The held to maturity securities and debt securities in issue whose fair value is calculated based on market prices, are classified into Level 1.

The held to maturity securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of income approach methodology using interest rates and credit spreads which are observable in the market, are classified into Level 2. The fair value of the loans and receivables securities relating to securities issued by the European Financial Stability Facility (E.F.S.F.) and were transferred to the Bank as part of its recapitalization, as well as by undertaking the deposits of Cooperative banks, was determined by discounted cash flows using relevant E.F.S.F. issues inputs.

Level 3 classification includes the fair value of securities with complex cash flows, estimated using significant unobservable inputs, for which external market makers do not provide indicative prices in the market and securities traded in a market which is considered inactive due to lack of liquidity. In the first case the fair value is quoted by the issuers of the securities and confirmed by the Group. In the second case, the expected cash flows from the securities are determined by the Group based on their estimated collectability. In addition, a bond issue whose performance depends on the performance of a basket of shares was classified in Level 3. For the valuation of the above bond issue internal assessment of covariance of shares' return and securitization of mortgage loans Lithos Mortgage Financing Plc., is required.

The fair value of other financial assets and liabilities which are valued at amortized cost does not differ materially from the respective carrying amount.

Hierarchy of financial instruments measured at fair value

	31.12.2013			
	Level 1	**Level 2**	**Level 3**	**Total Fair value**
Derivative Financial Assets	23,751	773,642		**797,393**
Securities held for trading				
- Bonds and treasury bills	7,002			**7,002**
- Shares	1,834			**1,834**
Available for sale securities				
- Bonds	4,228,135	579,137	10,667	**4,817,939**
- Shares	22,321		64,594	**86,915**
- Other variable yield securities	62,080			**62,080**
Derivative Financial Liabilities	212	1,372,706	582	**1,373,500**
Convertible bond		39,600		**39,600**

	31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total Fair value**
Derivative Financial Assets	13,392	721,819	1,482	**736,693**
Securities held for trading				
- Bonds and treasury bills	14,119	4,596		**18,715**
- Shares	1,417			**1,417**
Available for sale securities				
- Bonds	5,378,045	539,001	1,967	**5,919,013**
- Shares	20,315	14,176	47,306	**81,797**
- Other variable yield securities	36,488			**36,488**
Derivative Financial Liabilities	781	1,514,477	3,623	**1,518,881**

The tables above present the fair value of financial instruments which are measured at fair value based on the inputs used for the fair value measurement.

Secrities which are traded in an active market and exchange-traded derivatives are classified into Level 1.

For the classification of the fair value of securities to Level 2 and 3, the same as mentioned for securities measured at amortized cost, applies.

The fair value of non listed shares, as well as shares not traded in an active market is determined based on the provisions of the Group which relate to the future profitability of the issuer after taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate. Given that the above parameters are mainly non observable, the valuation of these shares is classified in Level 3.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. It is noted that the valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified into Level 3 or otherwise in Level 2.

The Group recognizes the transfer between fair value hierarchy Levels at the end of the reporting period.

During the period, securities of available for sale portfolio were transferred from Level 1 to Level 2 due to lack of an active market for the specific securities. At the balance sheet date, the fair value was determined based on non-binding prices which are provided to the market by dealers – brokers.

The table below presents the valuation methods used for the measurement of Level 3 fair value:

	31.12.2013			
	Total Fair Value	**Fair Value**	**Valuation Method**	**Significant non-observable Inputs**
Available for sale bonds	10,667	10,667	Based on issuer price	Price
Available for sale shares	64,594	64,594	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
Derivative Financial Liabilities	582	18	Discounted cash flows - Black Scholes valuation model with shares basket being the underlying instrument	Coefficient of variation and correlation coefficient between shares
		564	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid secutities' dividends

For all financial instruments measured at fair value classified in Level 3 due to the limited exposure of the Group on the specific financial instruments, a reasonable variation in non-observable inputs would not affect significantly the results of the Group.

A reconciliation for the movement of financial instruments measured at fair value in Level 3 is depicted below.

	31.12.2013		
	Assets		Lilibilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2013	**49,273**	**1,482**	**(3,623)**
Total gain or loss recognized in Income Statement	(10,989)	(429)	1,943
Total gain or loss recognized in Equity	17,937		
Purchases/ Issues	5,854		
Sales/ Repayments/ Settlements	(692)	(237)	282
Transfers in level 3 from level 1	2		
Transfers in level 3 from level 2	15,344		
Transfers from level 3 in level 2	(1,468)	(816)	816
Balance 31.12.2013	**75,261**	**-**	**(582)**
Amounts included in the Income Statement for financial instruments held at the end of the reporting period	(10,992)	(429)	1,514

During the period, the transfer to Level 3 from Level 2 of Availalble for Sale Securities regards the security issued by Cyprus Popular Bank. The other transfers to Level 3 concern shares due to lack of active market. The transfer from Level 3 to Level 2 relates to securitized bond (asset backed) for which there are active market prices.

In addition, during the period, the definition of fair value was achieved with observable inputs for positions of derivative assets and liabilities where it was transferred from Level 3 to Level 2.

	31.12.2012		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2012	**48,855**	**2,520**	**(5,733)**
Total gain or loss recognized in income statement	(30,876)	(597)	1,795
Total gain or loss recognized in Equity	24,677		
Purchases/ Issues	9,309		
Sales/ Repayments/ Settlements	(745)	(441)	315
Transfers in level 3 (from levels 1 and 2)	401		
Transfers from level 3 (to levels 1 and 2)	(2,348)		
Balance 31.12.2012	**49,273**	**1,482**	**(3,623)**
Amounts included in the Income Statement for financial instruments held at the end of the reporting period	(18,844)	(628)	1,795

41.5. Transfers of financial assets

The Group in its ordinary course of business, transfers financial assets. In cases where, despite the fact that the contractual right to receive cash flows has been transferred the risks and rewards remain with the Group, these assets continue to be recognized on the balance sheet.

On 31.12.2013, the financial assets that have not been derecognized despite the contractual transfer of their cash flows, are derived from the following two categories of transactions:

a) Securitizations of financial assets

The Bank has securitized corporate, consumer loans and credit cards while its subsidiary Alpha Leasing SA finance lease receivables, in order to absorb liquidity from the Eurosystem. In the context of these transactions, these items have been transferred to special purpose entities fully consolidated by the Group, which have proceeded with the issuance of bonds. Securitized financial assets continue to be recognized as loans and advances to customers, since the Group continues in all cases to retain the rewards and risks associated with them. This is justified by several factors which include the full consolidation of special purpose entities, the fact that the Bank owns these bonds and the entitlement to the deferred consideration from the transfer. Given that bonds are owned by the Group, no liabilities actually arises from the transfer. The book value of the securitized receivables on 31.12.2013 amounts to €3,588,715 (31.12.2012: €3,274,623).

In addition, in the context of the acquisition of Emporiki Bank, the Bank acquired a portfolio of mortgage loans that had been securitized through Lithos entity. The securitized mortgage loans are recognized as loans and advances to customers since the Bank retains the risks and rewards of the portfolio through entitlement to the deferred consideration. The carrying amounts of securitized mortgage loans and bonds issued by Lithos not owned by the Bank, amount to €99,096 and €68,517, respectively. The fair values of loans and bonds are not different from their respective carrying amounts.

b) Sale and repurchase agreements of debt securities

The Group on 31.12.2013 proceeded with the transfer of Greek Government treasury bills and bonds of other issuers with a repurchase agreement. These securities are still included in the Group's investment portfolio and the respective figures are presented in the following table:

	31.12.2013		
	Available for sale portfolio		**Loans and receivables bonds**
	Treasury bills of Greek State	**Bonds of other issuers**	**EFSF Bonds**
Carrying amount of transferred securities	515,092	108,088	814,339
Carrying amount of related liability	(514,607)	(79,886)	(777,704)
Fair value of transferred securities	515,092	108,088	820,918
Fair value of related liability	(514,607)	(79,886)	(777,704)
Net Equity	**485**	**28,202**	**43,214**

	31.12.2012
	Available for sale portfolio
	Treasury bills of Greek State
Carrying amount of asset	348,516
Carrying amount of liability	(348,454)
Fair value of asset	348,516
Fair value of liability	(348,454)
Net Equity	**62**

41.6. Offsetting financial assets - liabilities

The following tables present derivative transactions under contracts of the International Swaps and Derivatives Association (ISDA), which are signed with credit institutions as counterparties. In accordance with these contracts, the Bank is able to offset its assets and liabilities relating to a counterparty in case of a credit default.

Financial assets subject to offsetting

	31.12.2013					
				Related amounts not offset		
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	689,510		689,510	(160,000)	(23,916)	505,594

	31.12.2012					
				Related amounts not offset		
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	502.390		502.390	(418.451)	(54.568)	29.371

Financial liabilities subject to offsetting

	31.12.2013					
				Related amounts not offset		
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	1,317,108		1,317,108	(160,000)	(1,120,061)	37,047

	31.12.2012					
				Related amounts not offset		
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	1,325,849		1,325,849	(418,451)	(906,349)	1,049

Reconciliation of the net amount of financial assets and liabilities presented in the balance sheet

	31.12.2013			
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
Type of financial asset				
Derivatives	16	689,510	797,393	107,883

	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
Type of financial liability				
Derivatives	16	1,317,108	1,373,500	56,392

	31.12.2012			
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
Type of financial asset				
Derivatives	16	502,390	736,693	234,303

	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
Type of financial liability				
Derivatives	16	1,325,849	1,518,881	193,032

42. The Bank's recapitalisation framework

On 6.6.2013, the Bank completed the share capital increase procedure, pursuant to the decisions of the second iterative Extraordinary General Meeting of 16.4.2013 and the Board of Directors meeting of 30.4.2013, Based on the provisions of Law 3864/2010 amounting to € 4,571 billion, covering in this way the capital needs of the Group, as these were determined by the Bank of Greece. The increase with pre-emption rights amounting to € 457,1 million was fully covered as well as an additional amount of € 92,9 million which was covered through private placement in institutional and other private investors. An amount of € 4,021 billion was covered by the HFSF, in accordance with the Capital Assistance Plan, by direct placement ("Placing to the HFSF") with the European Banking Stability Fund bond contribution which were measured in accordance with Article 9 C.L. 2190/1920. Accordingly, the statutory minimum participation of the private sector was achieved with more than 10% of the total capitalization amounting to € 4,571 billion.

The issue price for all new ordinary shares issued was set at € 0.44 per share. For each new ordinary share acquired by private investors, they received a document entitled the right to acquire shares («Warrant»), fully negotiable, which provides the right to receive 7.41 shares which are undertaken by the Hellenic Financial Stability Fund, on a six month basis for the next 4.5 years at issue price plus an annual margin.

Along with the completion of the recapitalization, the Fund and the Bank signed the Cooperation Agreement Framework which regulated the relations between them and issues related to the Bank corporate governance and the preparation of the Restructuring Plan.

On 7.3.2014, Alpha Bank's Board of Directors decided that an Extraordinary Meeting of Shareholders will be held on 28 March 2014 and the agenda includes the share capital increase of a total amount of up to €1.2 billion, through payment in cash and cancellation of pre-emption rights. The share capital increase is intended to:

a) contribute to the creation of the conditions necessary to satisfy the provisions of Law 3723/2008 regarding the repayment of preferred shares issued by Bank and owned by the Greek State (article 1 of Law 3723/2008) and their replacement with high quality capital, a fact that will give greater flexibility to the Bank's dividend policy in the future,

b) meet requirements as defined by the results of the diagnostic assessment of the Bank of Greece,

c) improve the quality of the Bank's regulatory capital and accelerate its adaptation to the new regulatory framework of Basel III and

d) to facilitate the Bank's financing from international capital markets under the reinforced creditworthiness. The issue of new shares is expected to be achieved with the participation of international investors, as well as through a public offering to Greek investors. The Bank intends to examine the preferred participation of the existing Shareholders and holders of warrants in this process.

After the completion of the recapitalization, the dispersion of shares issued by the Bank is expected to increase significantly resulting in the enhancement of the shares' marketability and its participation in international stock market indices. Additionally, the Bank's re-privatization and consequently HFSF's repayment are expected to accelerate due to the increase in Alpha Bank share's dispersion combined with its current market price, which is trading higher than the exercise price of the warrant.

43. Capital adequacy

The Group'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.

Share capital increases are performed after Shareholders' General Meeting or Board of Directors' decisions in accordance with the articles of association or the relevant laws.

Treasury shares are allowed to be purchased based on the terms and conditions of law.

The capital adequacy is supervised by the Bank of Greece, to which reports are submitted every quarter. The minimum requirements regarding Tier I ratio and the capital adequacy ratio of the Group are stipulated by Bank of Greece Governor's Acts.

From 1.1.2008, capital adequacy calculation is determined under the new regulatory framework (Basel II), which has been incorporated in the Greek legislation by Law 3601/2007. The new regulatory framework significantly amended the measurement of credit risk and introduced capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk related to the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio compares regulatory capital with the risks assumed by the Group (risk-weighted assets). Regulatory capital includes Tier I capital (share capital, reserves and non-controlling 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 investment portfolio, the market risk of the trading portfolio and operational risk.

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

- On 1.2.2013 the transfer of the entire share capital of Emporiki Bank A.E. to the Bank by Credit Agricole S.A. was completed, following the relevant agreement signed on 16.10.2012 and the receipt of the required regulatory approvals. As of this date, the Bank controls Emporiki Bank A.E. On 21.3.2013, the Bank and Emporiki Bank signed a Merger Plan Agreement through absorption of the latter by the former. The merger process was completed on 28.6.2013, resulting in the transfer of the net assets of the acquired to the Bank.
- In 2013, the Bank proceeded with a share capital increase of €4.571 billion, thereby covering the Group's capital needs as those had been determined by the Bank of Greece. The share capital increase by preemption rights issue of €457.1 million was fully covered as well as a private placement for an additional €92.9 million which was covered by selected institutional and other individual investors. According to the Capital Strengthening Plan, the remaining amount of €4.021 billion was covered by direct subscription of the HFSF ("offer to HFSF") through contribution of bonds issued by the European Financial Stability Facility. For each new share, private sector investors also obtained a separately traded warrant which permits holders to purchase on a six month basis over the next 4.5 years, up to 9 shares obtained by the HFSF at the issue price plus an annual margin.
- The Group continues its efforts to improve its capital adequacy ratios through deleveraging its balance sheet, which led to the decrease of its risk weighted assets.

- Finally, the approval of the tender offer on 19 April 2013 for the buy-back program of securities that constitute part of the capital, improved Core Tier I Capital by €103 million before tax.

On 6.3.2014 the Bank of Greece announced the capital needs for the greek banks, taking into account the expected losses as they were defined in the Baseline Scenario of the Blackrock Solutions assessment. The capital needs of Alpha Bank amounted to €262 million and they were the lowest among the Greek systemic Banks.

	31.12.2013 (estimate)	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%**

* Capital support by HFSF amounting to €2.9 billion is included.

Elements concerning the disclosure of regulatory information for capital adequacy and risk management (Basel II, Pilar III – PD/BOG 2655/16.3.2012) will be published in the Bank's website.

Since 31.3.2013, besides the 8% capital adequacy ratio limit, new additional limits of 9% and 6% for Core Tier I ratios were set with Act 13/28.3.2013 of the Executive Committee of the Bank of Greece. The above mentioned limits should be satisfied on a standalone and on a consolidated basis. Since 31.12.2013 the new Act 36/28.12.2013 of the Executive Committee has been in effect, abrogating as deductible item, the limit of 20% of the Core Tier I Capital.

The collapse of Lehman Brothers in 2008 and the consequent financial crisis revealed certain limitations of the supervisory framework and reinforced the need to develop a more rigorous definition of capital, short- term and long-term liquidity requirements and the reduction of the leverage of credit institutions. To this direction, the Basel Committee published its final recommendations as well as the timetable for the implementation of the new capital adequacy framework – Basel III, on December 16th, 2010.

The recommendations of the Committee were incorporated into European legislation with a Regulation and a Directive that consist what is referred to as the CRD IV. The new framework has been in force since January 1st, 2014. Despite their anticipated gradual application, Alpha Bank is well positioned to follow the new standards.

The overall estimated impact on its core Tier I ratio is small and arises from negligible non-controlling interests, limited amount of goodwill and intangibles, no substantial insurance risk and the application of the standardized methodology for credit risk.

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 Rule Book for financial services and on new frameworks for deposit insurance and reforms. To this direction, special tasks have been assigned to ECB through the Council Regulation 1024/2013 which concern the precautionary supervision of credit institutions in member-countries whose currency is Euro and which permit to other member countries to establish a close cooperation with ECB.

As it was announced in October 2013, in line with the Regulation's provisions regarding the SSM, ECB will perform a comprehensive assessment of the banking system, in close cooperation with the National Competent Authorities (NCAs). ECB will complete the assessment until October 2014, prior to assuming its new supervisory tasks in November 2014.

The assessment will be comprised of the following stages: a) a supervisory risk assessment, b) an asset quality review, c) a stress test in cooperation with European Banking Authority.

The Bank, based on the available data, the simulation of extreme conditions that it has performed and the assessment of capital adequacy, considers that it has adequate reserves in order, during the upcoming Asset Quality Review of European Central Bank and stress tests, to meet the basic and adverse scenario with required minimum Core Tier I being at 8% and 5.5% respectively.

(1) For 31.12.2012, Core Tier I ratio has been calculated in accordance with the methodology of European Banking Authority (EBA Methodological Note 8/12/2011) while from 31.03.2013 onwards the calculation is in accordance with the BoG Act 13/28.3.2013 as it applies.

44. Related-party transactions

The Bank and the Group companies enter into a number of transactions with related parties in the normal course of business. These transactions are performed at arms length and are approved by the Group's committees.

a. The outstanding balances of the Group transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

	31.12.2013	31.12.2012
Assets		
Loans and advances to customers	**77,827**	**73,249**
Liabilities		
Due to customers	80,644	76,377
Debt securities in issue	1,638	4,630
Employee defined benefit obligations	607	
Total	**82,889**	**81,007**
Letters of guarantee and approved limits	**12,054**	**5,640**

	From 1 January to	
	31.12.2013	**31.12.2012**
Income		
Interest and similar income	1,522	1,764
Fee and commission income	58	33
Total	**1,580**	**1,797**
Expenses		
Interest expense and similar charges	2,733	3,275
Key management and close family members income	3,485	4,204
Other expenses	6	9
Total	**6,224**	**7,488**

b. The outstanding balances of the Group transactions with associates and joint ventures as well as the results related to these transactions are as follows:

	31.12.2013	31.12.2012
Assets		
Loans and advances to customers	150,344	147,154
Other assets	907	69
Total	**151,251**	**147,223**
Liabilities		
Due to customers	8,951	18,989

It is noted that as referred in note 19, the Group long-term loan to joint ventures was impaired in 2013.

	From 1 January to	
	31.12.2013	**31.12.2012**
Income		
Interest and similar income	5,159	4,745
Fee and commission income	10	1
Other income	825	815
Total	**5,994**	**5,561**
Expenses		
Interest expense and similar charges	283	577
General administrative expenses	5,125	5,624
Other expenses	1,704	1,411
Total	**7,112**	**7,612**

c. The Supplementary Fund of former Alpha Credit Bank's employees holds bonds of the subsidiary of the Bank Alpha Credit Group Plc of €59,366, while its receivables from Alpha Bank amount to €9,481 million and its deposits with Alpha Bank to €109. Additionally, it holds Alpha Bank's shares of €1,449.

d. The Hellenic Financial Stability Fund (HFSF) exerts significant influence on the Bank. In particular, due to its participation in the recent share capital increase according to Law 3864/2010, HFSF acquired representation in the Board of Directors and other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Group.

The outstanding balances of the Group transactions as well as the results related to these transactions are analyzed as follows:

	31.12.2013
Assets	
Due from banks	24,643
Investment securities	155,306
Total	**179,949**

	31.12.2013
Liabilities	
Due to banks	988

	From 1 January to 31.12.2013
Income	
Interest and similar income	10,171
Gains less losses on financial transactions	400
Total	**10,571**
Expenses	
Interest expense and similar charges	9
Commission expense	12,667
Total	**12,676**

An additional amount of €153 million that the Bank paid to HFSF in accordance with Law 4093/2012 has been recognized directly in equity as share capital increase expense.

45. Auditors' fees

During 2013, the total fees of "KPMG Certified Auditors A.E.", legal auditor of the Bank, are analyzed below, as stated in Article 43a of Codified Law 2190/1920 and as amended by Article 30 of Law 3756/2009.

	From 1 January to	
	31.12.2013	**31.12.2012**
Fees for statutory audit	921	572
Fees for the issuance of tax certificate	437	250
Fees for other audit related services	994	41
Fees for other non-audit services	3	93
Total	**2,355**	**956**

46. The acquisition of Emporiki Bank

On 1.2.2013 the transfer of the total share capital of Emporiki Bank S.A. to Alpha Bank by Credit Agricole S.A. was completed, based on the relevant agreement signed on 16.10.2012 and after receiving the necessary regulatory approvals. As of this date, the Bank controls Emporiki Bank S.A.

Emporiki Bank was established in 1886 and operates mainly in Greece, offering a wide range of banking products to individuals, SMEs and large companies. It is noted that the SMEs and large companies sector accounts for 60% of its business volumes. Emporiki Bank has a network of 320 branches and over 4,000 employees.

The benefits arising from the acquisition of Emporiki Bank are significant and focus mainly on:

- the creation of one of the largest financial groups in Greece,
- the enhancement of the capital base due to the recapitalization of Emporiki Bank by Credit Agricole before the transaction was settled,
- the acquisition of a loan portfolio with high coverage by provisions for impairment,
- the existence of significant synergies relating to operating cost, funding costs and revenue that are expected to be fully realizable within three years from the completion of the merger.

Under the agreement of 16.10.2012, on 1.2.2013, Credit Agricole completed the recapitalization of Emporiki Bank proceeding with a share capital increase of €585 million, whereas the price it received for the sale amounted to one euro.

In addition, on the same date, it acquired for a convertible bond with a nominal value of €150 million issued by the Bank and redeemable in Alpha Bank shares. This bond that is classified in the same ranking as the common shareholders of the Bank is interest free and can be converted in ordinary shares through the exercise of the owner's relevant right, four years after the issuance and provided that certain conditions are met. This security which is included in "Debt securities in issue held by institutional investors and other borrowed funds" was recognized at its fair value on initial recognition, while the difference between the fair value and nominal value amounting to €120 million has been classified in "Gains less losses on financial transactions".

Moreover, in the context of the agreement of 16.10.2012, the Group entered into transactions with Credit Agricole S.A. that occurred between the date of the agreement for the acquisition of Emporiki and the date when the acquisition was completed. These transactions have not been accounted for as part of the acquisition but as transactions between either Emporiki Group and Credit Agricole S.A. affecting the profit and loss and consequently the equity of the acquired company, or as transactions between Alpha Bank Group and Credit Agricole S.A. respectively affecting the Bank's profit and loss. The transactions mainly concerned the substitution of Credit Agricole by the Bank in derivative contracts as well as compensations received for the following:

- an amount of €2.6 million for capital concentration tax that resulted from the share capital increase of Emporiki by Credit Agricole S.A,
- an amount of €2.2 million for the early redemption of hybrid securities and subordinated debt issued by the subsidiaries of Emporiki in Albania, Bulgaria and Romania,
- an amount of €7.3 million for undertaking the financing of Emporiki Cyprus from Emporiki Bank and
- an amount of €10.7 million for the loss from the sale of the subsidiaries in Albania, Bulgaria and Romania to Credit Agricole S.A.

The above amounts net of relevant expenses were recognized in the current period's income statement.

The table below presents Emporiki Group's assets and liabilities which were recognized in the Group's financial statements on the acquisition date.

(in thousands of Euro)

	Fair value
Net assets	
Assets	
Cash and balances with Central Banks	645,215
Due from banks	1,299,886
Securities held for trading	193
Derivative financial assets	205,214
Loans and advances to customers	14,977,920
Investment securities	
- Available for sale	394,709
- Held to maturity	
Investments in associates	936
Property, plant and equipment	202,901
Goodwill and other intangible assets	70,108
Deferred tax assets	652,966
Other assets	675,638
Total Assets	**19,125,686**
Liabilities	
Due to banks	1,711,097
Derivative financial liabilities	166,280
Due to customers (including debt securities in issue)	13,007,768
Debt securities in issue held by institutional investors and other borrowed funds	446,498
Liabilities for current income tax and other taxes	8,138
Deferred tax liabilities	240
Employee defined benefit obligations	45,794
Other liabilities and provisions	455,269
Total Liabilities	**15,841,084**
Net Assets	**3,284,602**
Proceeds	
Non-controlling interests	1,550
Negative goodwill	**3,283,052**

The fair value of Emporiki Group's assets and liabilities was finalized during the last quarter of 2013. The amount which had been recognized as goodwill in the consolidated financial statements as at 31.3.2013 was amended due to adjustments made on the provisional fair values recognized in the financial statements of that date.

The table below presents the adjustment of the provisional amounts that were published for the Emporiki Group in the 31.3.2013 financial statements.

The resulting adjustments were recognized retroactively as if the accounting presentation of the merger had been completed on the acquisition date. Income statement amounts related to balance sheet figures whose valuation was finalized on 31.12.2013 were adjusted respectively (note 49).

(in thousands of Euro)

Negative goodwill on financial statements as at 31.3.2013		**2,632,255**
Recognition of new assets and liabilities:		
Recognition of core deposits intangible asset		46,100
Recognition of deferred tax assets		652,320
Recognition of liability for operating leases		(25,168)
Adjustment of provisional fair value:		
Loans and advances to customers		14,134
Property, plant and equipment		(15,119)
Other assets		11,441
Debt securities in issue held by institutional investors and other borrowed funds		(27,343)
Due to customers		(10,709)
Other liabilities and provisions		5,141
Negative goodwill on financial statements as at 31.12.2013		**3,283,052**

Additionally, an amount of €124 million was reclassified from “Investment property” to “Other assets”.

The negative goodwill of €3,283,052 is recognized in a separate caption in the Consolidated Income Statement and represents the aforementioned significant benefits arising from this transaction combined with the very low price paid. This amount is not subject to income tax for the consolidated financial statements and was not subject to any taxation during the legal merger of Alpha Bank and Emporiki Bank.

The non-controlling interests of Emporiki Group were valued at their proportional participation in the recognized net assets of the respective companies.

The gross amount of Emporiki Group’s loans and advances before impairment amounted to €19.8 billion. Regarding non-recoverable loans, it is noted that the Group assesses the loans in the context of its applied impairment policy and that the overall policy on credit risk is included in note 41.1.

The table below depicts the total income, expenses and the profits before and after tax of Emporiki Group arising after the acquisition date and until 30.6.2013 that were included in the Consolidated Income Statement as well as the respective amounts that would have resulted for the Group if the acquisition had occured on 1.1.2013. On 28.6.2013, according to law, the merger of the Bank and Emporiki Bank through absorption of the latter by the former was completed, according to the Summary of Merger Agreement on 21.3.2013. Due to the legal finalization of the legal merger, the separate presentation of Emporiki Group results after 30.6.2013 is not feasible.

	Results of Emporiki Group	**Consolidated results with acquisition date 1.1.2013**
	1.2 - 30.6.2013	**1.1 - 31.12.2013**
Total income	3,514,367*	5,641,814
Total expenses	(164,960)	(3,422,178)
Profit before income tax	**3,349,407**	**2,219,636**
Profit after income tax	**3,347,896**	**2,920,641**

* This amount includes also the negative goodwill amounting to €3.3 billion.

47. Discontinued operations

On 18.7.2013, the Bank signed a contract to sell the total number of shares in its subsidiary JSC Astra Bank to the Delta Bank Ukrainian Group for an amount of €82 million. The transaction was completed on 19.9.2013.

Ukraine represented a separate geographical area of operations that is part of the Group's South-Eastern Europe sector for reporting purposes per operational segment. Since the Group's investment in JSC Astra Bank, sole company through which the Group operates in Ukraine, has been classified as held for sale, operations related to JSC Astra Bank are classified as "discontinued operations".

The results and cash flows arising from JSC Astra Bank are presented as "amounts from discontinued operations", in the Income Statement, Statement of Comprehensive Income and Statement of Cash Flows, with the respective restatement of the comparative period 1.1.2012 to 31.12.2012. In the following table, the amounts presented in the Income Statement, including the result from the sale, and in the Statement of Comprehensive Income are analyzed.

(in thousands of Euro)

	From 1 January to	
	31.12.2013	**31.12.2012**
Interest and similar income	16,020	24,645
Interest expense and similar charges	(5,432)	(6,179)
Net interest income	10,588	18,466
Fee and commission income	865	1,715
Commission expense	(144)	(269)
Net fee and commission income	721	1,446
Dividend income		
Gains less losses on financial transactions	122	512
Other income	27	239
	149	751
Total income	**11,458**	**20,663**
Staff costs	(4,867)	(6,954)
General administrative expenses	(3,833)	(5,887)
Depreciation and amortization expenses	(696)	(1,214)
Other expenses		(208)
Total expenses	**(9,396)**	**(14,263)**
Impairment losses and provisions to cover credit risk	(819)	(1,750)
Profit/(loss) before income tax	**1,243**	**4,650**
Income tax	(137)	1,270
Profit/(loss) after income tax	**1,106**	**5,920**
Sale result after income tax	(58,223)	-
Profit/(loss) from discontinued operations after income tax	**(57,117)**	**5,920**
Other comprehensive income recognized directly in Equity:		
Amounts that may be reclassified in the Income Statement		
Available for sale portfolio reserve	3,094	(3,164)
Exchange differences on translating and hedging the net investment in foreign operations	44,252	(2,234)
Income tax	(309)	334
Amounts that may be reclassified in the Income Statement from discontinued operations	**47,037**	**(5,064)**

48. Corporate events

a. On 15.1.2013 the Bank participated in the share capital increase of its subsidiary, Oceanos A.T.O.E.E., by contributing €1 million.

b. On 21.1.2013, the Bank's subsidiary, Alpha Group Investments Ltd, acquired the total number of shares of Samorelia Ltd., Anfhisia Ltd., Marantelo Ltd. established in Cyprus, at a cost of € 5.4 thousand, which were then renamed to AGI-RRE Venus Ltd., AGI-RRE Artemis Ltd. and AGI-BRE Participations 5 Ltd. respectively.

c. On 1.2.2013 the acquisition of the total number of Emporiki Bank's shares was completed.

d. On 29.3.2013 the Bank participated in the share capital increase of its subsidiary, Ionian Equity Participations Ltd, by contributing €6.9 million.

e. On 15.5.2013 the Group's subsidiary Real Car Rental A.E. completed a share capital increase of €680 thousand.

f. On 13.6.2013 the Bank participated in the share capital increase of its subsidiary, A.P.E. Fixed Assets A.E., by contributing €0.2 million.

g. On 28.6.2013 the merger of the Bank with and by absorption of Emporiki Bank A.E. was completed, according to the law.

h. On 1.7.2013 the Group's subsidiary ABL Holdings Jersey Ltd. disposed the total number of shares of Alpha Asset Finance C.I. Limited.

i. On 2.7.2013 the Bank participated proportionally in the share capital increase of the joint venture APE Investment Property A.E. by contributing €10.9 million.

j. On 18.7.2013 the Bank signed a contract to sell the total number of shares of its subsidiary JSC Astra Bank to the Delta Bank Ukrainian Group for €82 million.

k. On 29.7.2013 the liquidation of Group's subsidiary ABL Holdings Jersey Ltd. was completed.

l. On 29.7.2013 the Group's subsidiary AEP Attikis II completed a share capital increase of €5.2 million.

m. On 1.8.2013 the Group's subsidiaries AEP Amarousion I, AEP Amarousion II and AEP Chalandriou completed a share capital increase of €4.5 million, €1.9 million and €2.6 million respectively.

n. On 19.9.2013 the sale of the total number of shares of the Bank's subsidiary JSC Astra Bank was completed.

o. On 8.10.2013 the Bank's subsidiary, Alpha Group Investments Ltd, acquired the total number of shares of Comuba Ltd., Pakatra Ltd., Lafagior Ltd. all registered in Cyprus, for the amount of €5.4 thousand, which were then renamed to AGI – Cypre Arsinoe Ltd, AGI-RRE Cleopatra Ltd and AGI- RRE Hermes Ltd respectively.

p. On 31.10.2013 the Bank's subsidiary, Alpha Bank Cyprus Ltd. completed a share capital increase of €129 million by issuing ordinary shares amounting to €65 million and convertible securities amounting to €64 million. The share capital increase was fully subscribed by the Bank.

q. On 16.12.2013 the Bank acquired the 30.44% of Olganos Akiniton Ltd, at a cost of € 30.4 thousand.

r. On 18.12.2013 the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd., by contributing €14.2 million.

s. On 6.12.2013, the Group's subsidiary, AGI – PRE ARES Ltd, acquired the total number of shares of SC Cordia Residence Srl Ltd., established in Romania, at a cost of € 100 thousand. The Group, through the acquisition of the above mentioned company, acquired investment property in Romania of fair value of €5.8 million, against the respective book value of loan which was granted to the acquired company.

t. On 8.12.2013, the Bank acquired the total deposits of Cooperative Banks of Evia, Dodecanese and Macedonia, after the completion of the competition process according to article 63D of Law 3601/2007. The Bank, according to the respective decisions of BoG and transfer contracts that were signed with each Cooperative Bank, undertook:

a) all contractual relationships, regarding the opening of savings bank account, sight account or/and other similar accounts, among the Cooperative and third parties until its liquidation,
b) third parties' claims towards the Cooperative which derive from time deposit contracts of capital and accrued interest payment,
c) due to banks,
d) liabilities (i.e. refund of advances by participating at the capital increase) towards investors due to their participation to the cooperative capital increase of the Cooperative and
e) all the rights and liabilities of Cooperative towards Hellenic Deposit and Investment Guarantee Fund (HDIGF).

The difference of value among the transferred liabilities and transferred assets, as referred to the respective decisions of BoG, amounts to € 426.94 million, according to the temporary valuation of BoG on 8.12.2013. The final valuation will be held after the submission of the relative valuation report according to paragraph 4 of article 63D of Law 3601/2007. A part of the difference has already been deposited to the Bank by the Hellenic Financial Stability Fund, via transfer of bonds issued by the European Financial Stability Facility.

The Bank paid a price amounted to € 9.09 million, for all the three Cooperatives, which represent the benefit derived from the acquired deposit base and it was classified as intangible asset.

u. On 18.12.2013, the Group's subsidiary, AGI-BRE Participations 3 Ltd acquired the total number of shares of HT-1 E.O.O.D., established in Bulgaria, at a cost of €3.1 million. The Group, through the acquisition of the above mentioned company, acquired investment property in Bulgaria of fair value of €3.5 million, against the respective book value of loan which was granted to the acquired company.

49. Restatement of financial statements

a. In accordance with IFRS 11 and the amendment of IAS 28, joint ventures are now mandatorily accounted for under the equity method. As a result of the retrospective application of the above mentioned amendment from 1.1.2012, certain amounts in the financial statements that relate to the comparative period have been restated so that the Group's participation percentage in the joint ventures will not be recorded through the proportional consolidation method in the respective financial statement captions. In the balance sheet, the participation in the joint venture is accounted for under the equity method and included in "Investments in associates and joint ventures" while in the income statement and the statement of comprehensive income the proportion of profit/(loss) from joint ventures is presented cumulatively in a separate line along with the proportion of profit/(loss) from associates.

b. The main impact from the amendment of IAS 19 is the removal of the option to defer actuarial gains and losses. Actuarial gains and losses are recognized directly in equity and are not reclassified in profit or loss. The retrospective adoption of the amendment resulted in the recognition of actuarial losses, which were not recorded as of 31.12.2011 and in retained earnings of 1.1.2012. Moreover, losses of 2012 were reduced due to the non recognition of the portion of the actuarial losses and the change in the method for interest cost calculation. Specifically, interest cost is determined by applying the rate used to discount post-employment benefit obligation, on the net defined benefit liability (asset).

c. In addition, basic and diluted earnings/(losses) per share have been adjusted in order to illustrate the impact from the share capital increase in price lower than the theoretical price (note 12)

d. The finalization of valuation at fair value of the assets and liabilities of Emporiki Group at the acquisition date, was held the 4th quarter of 2013. This fact, led to the retrospective accounting recognition of the merger as if it was completed at the acquisition date (note 46). As a result, the Interim Financial Statements 2013 were restated and are presented at the below tables.

In addition, the restated consolidated income statement and statement of comprehensive income for the period up to 31.12.2012 and the restated consolidated balance sheet as at 31.12.2012 after the amendment in the accounting for joint ventures, the application of the amended IAS 19, the recognition of JSC Astra Bank as a discontinued operation, as well as the adjustment of basic and diluted earnings/(losses) per share, are depicted below. It is noted that the Group does not present restated statement of financial position at the beginning of comparable period due to the fact that the effect of the above restrospective applications from 1.1.2012 is not considered material.

Consolidated Income Statement

(in thousands of Euro)

	From 1 January to 31.12.2012					
	Published Amounts	**Restatements due to change of accounting policy of valuation of joint ventures**	**Restatements due to IAS 19**	**Restated**	**Discontinued operations**	**Continuing operations**
Interest and similar income	3,324,887	3,216		3,328,103	24,645	3,303,458
Interest expense and similar charges	(1,927,575)	1,220		(1,926,355)	(6,179)	(1,920,176)
Net interest income	1,397,312	4,436		1,401,748	18,466	1,383,282
Fee and commission income	324,281	383		324,664	1,715	322,949
Commission expense	(51,531)			(51,531)	(269)	(51,262)
Net fee and commission income	272,750	383		273,133	1,446	271,687
Dividend income	998			998		998
Gains less losses on financial transactions	(232,335)	(9)		(232,344)	512	(232,856)
Other income	67,325	(5,749)		61,576	239	61,337
	(164,012)	(5,758)		(169,770)	751	(170,521)
Total income	**1,506,050**	**(939)**		**1,505,111**	**20,663**	**1,484,448**
Staff costs	(546,770)	1,887	5,230	(539,653)	(6,954)	(532,699)
General administrative expenses	(463,073)	2,196		(460,877)	(5,887)	(454,990)
Depreciation and amortization expenses	(97,860)	3,012		(94,848)	(1,214)	(93,634)
Other expenses	(70,977)			(70,977)	(208)	(70,769)
Total expenses	**(1,178,680)**	**7,095**	**5,230**	**(1,166,355)**	**(14,263)**	**(1,152,092)**
Impairment losses and provisions to cover credit risk	(1,668,856)	563		(1,668,293)	(1,750)	(1,666,543)
Share of profit/(loss) of associates and joint ventures	(3,377)	(7,016)		(10,393)		(10,393)
Profit/(Loss) before income tax	**(1,344,863)**	**(297)**	**5,230**	**(1,339,930)**	**4,650**	**(1,344,580)**
Tax income	258,993	297	(1,047)	258,243	1,270	256,973
Profit/(Loss) after income tax	**(1,085,870)**	**-**	**4,183**	**(1,081,687)**	**5,920**	**(1,087,607)**
Profit/(Loss) attributable to:						
Equity owners of the Bank	**(1,086,284)**	**-**	**4,183**	**(1,082,101)**		**(1,088,021)**
Non-controlling interests	414			414		414
Earnings/(losses) per share:						
Basic and diluted (€ per share)	(2.03)			(1.12)	0.01	(1.13)

Consolidated Balance Sheet

(in thousands of Euro)

	31.12.2012			
	Published Amounts	Restatements due to change of accounting policy of valuation of joint ventures	Restatements due to IAS 19	Restated
Assets				
Cash and balances with Central Banks	1,437,260	(12)		1,437,248
Due from banks	3,382,784	(94)		3,382,690
Securities held for trading	20,132			20,132
Derivative financial assets	736,693			736,693
Loans and advances to customers	40,495,343	83,502		40,578,845
Investment securities				
- Available for sale	6,038,676	(1,378)		6,037,298
- Held to maturity	1,535,572			1,535,572
Investments in associates and joint ventures	39,405	35,205		74,610
Investment property	517,776	(24,278)		493,498
Property, plant and equipment	1,155,190	(167,805)		987,385
Goodwill and other intangible assets	142,617	(860)		141,757
Deferred tax assets	1,799,893	(19)	6,277	1,806,151
Other assets	1,049,180	(2,808)	(31,637)	1,014,735
	58,350,521	(78,547)	(25,360)	58,246,614
Non-current assets held for sale	6,804			6,804
Total Assets	**58,357,325**	**(78,547)**	**(25,360)**	**58,253,418**
Liabilities				
Due to banks	25,217,125	(1,962)		25,215,163
Derivative financial liabilities	1,518,881			1,518,881
Due to customers (including debt securities in issue)	28,451,478	12,871		28,464,349
Debt securities in issue held by institutional investors and other borrowed funds	778,909	(46,650)		732,259
Liabilities for current income tax and other taxes	42,617	(88)		42,529
Deferred tax liabilities	413,504	(1,484)		412,020
Employee defined benefit obligations	52,525	(94)	(249)	52,182
Other liabitlities	970,888	(41,140)		929,748
Provisions	138,787			138,787
Total liabilities	**57,584,714**	**(78,547)**	**(249)**	**57,505,918**
Equity				
Equity attributable to equity owners of the Bank				
Share capital	1,100,281			1,100,281
Share premium	2,757,653			2,757,653
Reserves	268,315			268,315
Retained earnings	(3,513,096)		(25,111)	(3,538,207)
	613,153		**(25,111)**	**588,042**
Non-contolling interests	**11,904**			**11,904**
Hybrid securities	**147,554**			**147,554**
Total Equity	**772,611**		**(25,111)**	**747,500**
Total Liabilities and Equity	**58,357,325**	**(78,547)**	**(25,360)**	**58,253,418**

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	From 1 January to 31.12.2012				
	Published Amounts	**Restatements due to IAS 19**	**Restated**	**Discontinued operations**	**Continuing operations**
Profit/(loss), after income tax, recognized in the Income Statement	**(1,085,870)**	**4,183**	**(1,081,687)**	**5,920**	**(1,087,607)**
Other comprehensive income recognized directly in Equity:					
Amounts that may be reclassified in the Income Statement					
Change in available for sale securities reserve	236,189		236,189	(3,164)	239,353
Change in cash flow hedge reserve	(152,674)		(152,674)		(152,674)
Exchange differences on translating and hedging the net investment in foreign operations	(23,237)		(23,237)	(2,234)	(21,003)
Change in the share of other comprehensive income of associates and joint ventures	500		500		500
Income tax	(12,029)		(12,029)	334	(12,363)
	48,749	**4,183**	**48,749**	**(5,064)**	**53,813**
Amounts that will not be reclassified in the Income Statement					
Change in actuarial gains/(losses) of defined benefit obligations		2,584	2,584		2,584
Income tax		(517)	(517)		(517)
		2,067	**2,067**		**2,067**
Total other comprehensive income recognized directly in Equity, after income tax	**48,749**	**2,067**	**50,816**	**(5,064)**	**55,880**
Total comprehensive income for the period, after income tax	**(1,037,121)**	**6,250**	**(1,030,871)**	**856**	**(1,031,727)**
Total comprehensive income for the period attributable to:					
Equity owners of the Bank	**(1,038,045)**	**6,250**	**(1,031,795)**	**856**	**(1,032,651)**
Non-controlling interests	924		924		924

Consolidated Income Statement

(in thousands of Euro)

	From 1 January to 31.3.2013				
	Published Amounts	**Emporiki Group acquisition**	**Restated**	**Discontinued operations**	**Continuing operations**
Interest and similar income	832,224		832,224	6,032	826,192
Interest expense and similar charges	(511,666)	1,257	(510,409)	(1,939)	(508,470)
Net interest income	320,558	1,257	321,815	4,093	317,722
Fee and commission income	91,660		91,660	301	91,359
Commission expense	(15,450)		(15,450)	(40)	(15,410)
Net fee and commission income	76,210		76,210	261	75,949
Dividend income	12		12		12
Gains less losses on financial transactions	191,970		191,970	41	191,929
Other income	13,280		13,280	2	13,278
	205,262		205,262	43	205,219
Total income	**602,030**	**1,257**	**603,287**	**4,397**	**598,890**
Staff costs	(163,303)		(163,303)	(1,889)	(161,414)
General administrative expenses	(129,284)		(129,284)	(1,492)	(127,792)
Depreciation and amortization expenses	(29,351)		(29,351)	(283)	(29,068)
Other expenses	(66)		(66)		(66)
Total expenses	**(322,004)**		**(322,004)**	**(3,664)**	**(318,340)**
Impairment losses and provisions to cover credit risk	(505,282)		(505,282)	(367)	(504,915)
Negative goodwill of Emporiki Bank acquisition	2,632,255	650,797	3,283,052		3,283,052
Share of profit/(loss) of associates and joint ventures	(3,119)		(3,119)		(3,119)
Profit/(Loss) before income tax	**2,403,880**	**652,054**	**3,055,934**	**366**	**3,055,568**
Income tax	472,692	(327)	472,365	(56)	472,421
Profit/(Loss) after income tax	**2,876,572**	**651,727**	**3,528,299**	**310**	**3,527,989**
Profit/(Loss) attributable to:					
Equity owners of the Bank	**2,876,471**	**651,727**	**3,528,198**	**310**	**3,527,888**
Non-controlling interests	101		101		101
Basic and diluted earnings/(losses) per share (€ per share)	5.38		6.60	0.001	6.60

(in thousands of Euro)

	From 1 January to 30.6.2013			From 1 April to 30.6.2013		
	Published Amounts	**Emporiki Group acquisition**	**Restated**	**Published Amounts**	**Emporiki Group acquisition**	**Restated**
Interest and similar income	1,735,239		1,735,239	909,047		909,047
Interest expense and similar charges	(1,005,943)	5,060	(1,000,883)	(496,216)	3,803	(492,413)
Net interest income	729,296	5,060	734,356	412,831	3,803	416,634
Fee and commission income	201,071		201,071	109,712		109,712
Commission expense	(32,762)		(32,762)	(17,352)		(17,352)
Net fee and commission income	168,309		168,309	92,360		92,360
Dividend income	896		896	884		884
Gains less losses on financial transactions	249,709		249,709	57,780		57,780
Other income	41,149		41,149	27,871		27,871
	291,754		291,754	86,535		86,535
Total income	**1,189,359**	**5,060**	**1,194,419**	**591,726**	**3,803**	**595,529**
Staff costs	(343,622)		(343,622)	(182,208)		(182,208)
General administrative expenses	(259,213)		(259,213)	(131,421)		(131,421)
Depreciation and amortization expenses	(45,230)		(45,230)	(16,162)		(16,162)
Other expenses	739		739	805		805
Total expenses	**(647,326)**		**(647,326)**	**(328,986)**		**(328,986)**
Impairment losses and provisions to cover credit risk	(984,059)		(984,059)	(479,144)		(479,144)
Negative goodwill of Emporiki Bank acquisition	2,630,787	652,265	3,283,052			
Share of profit/(loss) of associates and joint ventures	(10,597)		(10,597)	(7,478)		(7,478)
Profit/(Loss) before income tax	**2,178,164**	**657,325**	**2,835,489**	**(223,882)**	**3,803**	**(220,079)**
Income tax	579,300	(1,316)	577,984	106,552	(989)	105,563
Profit/(Loss) after income tax from continuing operations	**2,757,464**	**656,009**	**3,413,473**	**(117,330)**	**2,814**	**(114,516)**
Profit/(Loss) after income tax from discontinued operations	(24,889)		(24,889)	(25,199)		(25,199)
Profit/(Loss) after income tax	**2,732,575**	**656,009**	**3,388,584**	**(142,529)**	**2,814**	**(139,715)**
Profit/(Loss) attributable to:						
Equity owners of the Bank						
- from continuing operations	2,757,378	656,009	3,413,387	(117,315)	2,814	(114,501)
- from discontinued operations	(24,889)		(24,889)	(25,199)		(25,199)
	2,732,489	**656,009**	**3,388,498**	**(142,514)**	**2,814**	**(139,700)**
Non controlling interests						
- from continuing operations	86		86	(15)		(15)
Basic and diluted earnings/(losses) per share (€ per share)	1.20		1.48	(0.04)		(0.04)
- from continuing operations	1.21		1.49	(0.03)		(0.03)
- from discontinued operations	(0.01)		(0.01)	(0.01)		(0.01)

(in thousands of Euro)

	From 1 January to 30.9.2013			From 1 July to 30.9.2013		
	Published Amounts	**Emporiki Group acquisition**	**Restated**	**Published Amounts**	**Emporiki Group acquisition**	**Restated**
Interest and similar income	2,628,097		2,628,097	892,858		892,858
Interest expense and similar charges	(1,458,165)	11,774	(1,446,391)	(452,222)	6,714	(445,508)
Net interest income	1,169,932	11,774	1,181,706	440,636	6,714	447,350
Fee and commission income	311,355		311,355	110,284		110,284
Commission expense	(47,714)		(47,714)	(14,952)		(14,952)
Net fee and commission income	263,641		263,641	95,332		95,332
Dividend income	1,025		1,025	129		129
Gains less losses on financial transactions	254,921		254,921	5,212		5,212
Other income	55,470		55,470	14,321		14,321
	311,416		311,416	19,662		19,662
Total income	**1,744,989**	**11,774**	**1,756,763**	**555,630**	**6,714**	**562,344**
Staff costs	(519,521)		(519,521)	(175,899)		(175,899)
General administrative expenses	(392,759)		(392,759)	(133,546)		(133,546)
Depreciation and amortization expenses	(68,149)		(68,149)	(22,919)		(22,919)
Other expenses	(3,583)		(3,583)	(4,322)		(4,322)
Total expenses	**(984,012)**		**(984,012)**	**(336,686)**		**(336,686)**
Impairment losses and provisions to cover credit risk	(1,474,062)		(1,474,062)	(490,003)		(490,003)
Negative goodwill of Emporiki Bank acquisition	2,630,787	652,265	3,283,052			
Share of profit/(loss) of associates and joint ventures	(11,626)		(11,626)	(1,029)		(1,029)
Profit/(Loss) before income tax	**1,906,076**	**664,039**	**2,570,115**	**(272,088)**	**6,714**	**(265,374)**
Income tax	622,672	(3,061)	619,611	43,372	(1,745)	41,627
Profit/(Loss) after income tax from continuing operations	**2,528,748**	**660,978**	**3,189,726**	**(228,716)**	**4,969**	**(223,747)**
Profit/(Loss) after income tax from discontinued operations	(57,117)		(57,117)	(32,228)		(32,228)
Profit/(Loss) after income tax	**2,471,631**	**660,978**	**3,132,609**	**(260,944)**	**4,969**	**(255,975)**
Profit/(Loss) attributable to:						
Equity owners of the Bank						
- from continuing operations	2,528,649	660,978	3,189,627	(228,729)	4,969	(223,760)
- from discontinued operations	(57,117)		(57,117)	(32,228)		(32,228)
	2,471,532	**660,978**	**3,132,510**	**(260,957)**	**4,969**	**(255,988)**
Non controlling interests						
- from continuing operations	99		99	13		13
Basic and diluted earnings/(losses) per share (€ per share)	0.48		0.60	(0.02)		(0.02)
- from continuing operations	0.49		0.61	(0.02)		(0.02)
- from discontinued operations	(0.01)		(0.01)	(0.003)		(0.003)

Consolidated Statement of Comprehensive Income

(in thousands of Euro)

	From 1 January to 31.3.2013				
	Published Amounts	**Emporiki Group acquisition**	**Restated**	**Discontinued operations**	**Continuing operations**
Profit / (loss), after income tax, recognized in the Income Statement	**2,876,572**	**651,727**	**3,528,299**	**310**	**3,527,989**
Other comprehensive income recognized directly in Equity:					
Amounts that may be reclassified in the Income Statement					
Change in available for sale securities' reserve	(23,620)		(23,620)	2,718	(26,338)
Change in cash flow hedge reserve	38,838		38,838		38,838
Exchange differences on translating and hedging the net investment in foreign operations	4,086		4,086	2,964	1,122
Change in the share of other comprehensive income of associates and joint ventures	140		140		140
Income tax	2,646		2,646	(272)	2,918
	22,090	**-**	**22,090**	**5,410**	**16,680**
Total amounts that will not be reclassified in the Income Statement from continuing operations					
Change in actuarial gains/(losses) of defined benefit obligations					
Income tax					
Effect of change in income tax rate	1,882		1,882		1,882
	1,882	**-**	**1,882**	**-**	**1,882**
Total of other comprehensive income recognized directly in Equity, after income tax	**23,972**	**-**	**23,972**	**5,410**	**18,562**
Total comprehensive income for the period, after income tax	**2,900,544**	**651,727**	**3,552,271**	**5,720**	**3,546,551**
Total comprehensive income for the period attributable to:					
Equity owners of the Bank	**2,900,436**	**651,727**	**3,552,163**	**5,720**	**3,546,443**
Non controlling interests	108		108		108

(in thousands of Euro)

	From 1 January to 30.6.2013			From 1 April to 30.6.2013		
	Published Amounts	Emporiki Group acquisition	Restated	Published Amounts	Emporiki Group acquisition	Restated
Profit / (loss), after income tax, recognized in the Income Statement	**2,732,575**	**656,009**	**3,388,584**	**(142,529)**	**2,814**	**(139,715)**
Other comprehensive income recognized directly in Equity:						
Amounts that may be reclassified in the Income Statement						
Change in available for sale securities' reserve	68,787		68,787	95,125		95,125
Change in cash flow hedge reserve	104,530		104,530	65,692		65,692
Exchange differences on translating and hedging the net investment in foreign operations	(3,225)		(3,225)	(4,347)		(4,347)
Change in the share of other comprehensive income of associates and joint ventures	225		225	85		85
Income tax	(38,587)		(38,587)	(41,505)		(41,505)
Amounts that may be reclassified in the Income Statement from continuing operations after income tax	**131,730**	**-**	**131,730**	**115,050**	**-**	**115,050**
Amounts that may be reclassified in the Income Statement from discontinued operations	14,172		14,172	8,762		8,762
	145,902	**-**	**145,902**	**123,812**	**-**	**123,812**
Total amounts that will not be reclassified in the Income Statement from continuing operations						
Change in actuarial gains/(losses) of defined benefit obligations						
Income tax						
Effect of change in income tax rate	1,882		1,882			
	1,882	**-**	**1,882**	**-**	**-**	**-**
Total of other comprehensive income recognized directly in Equity, after income tax	**147,784**	**-**	**147,784**	**123,812**	**-**	**123,812**
Total comprehensive income for the period, after income tax	**2,880,359**	**656,009**	**3,536,368**	**(18,717)**	**2,814**	**(15,903)**
Total comprehensive income for the period attributable to:						
Equity owners of the Bank						
- from continuing operations	2,890,984	656,009	3,546,993	(2,264)	2,814	550
- from discontinued operations	(10,717)		(10,717)	(16,437)		(16,437)
	2,880,267	**656,009**	**3,536,276**	**(18,701)**	**2,814**	**(15,887)**
Non controlling interests						
- from continuing operations	92		92	(16)		(16)

(in thousands of Euro)

	From 1 January to 30.9.2013			From 1 October to 30.9.2013		
	Published Amounts	**Emporiki Group acquisition**	**Restated**	**Published Amounts**	**Emporiki Group acquisition**	**Restated**
Profit / (loss), after income tax, recognized in the Income Statement	**2,471,631**	**660,978**	**3,132,609**	**(260,944)**	**4,969**	**(255,975)**
Other comprehensive income recognized directly in Equity:						
Amounts that may be reclassified in the Income Statement						
Change in available for sale securities' reserve	155,245		155,245	86,458		86,458
Change in cash flow hedge reserve	134,816		134,816	30,286		30,286
Exchange differences on translating and hedging the net investment in foreign operations	(3,342)		(3,342)	(117)		(117)
Change in the share of other comprehensive income of associates and joint ventures	225		225			
Income tax	(67,894)		(67,894)	(29,307)		(29,307)
Amounts that may be reclassified in the Income Statement from continuing operations after income tax	**219,050**	**-**	**219,050**	**87,320**	**-**	**87,320**
Amounts that may be reclassified in the Income Statement from discontinued operations	47,037		47,037	32,865		32,865
	266,087	**-**	**266,087**	**120,185**	**-**	**120,185**
Total amounts that will not be reclassified in the Income Statement from continuing operations						
Change in actuarial gains/(losses) of defined benefit obligations						
Income tax						
Effect of change in income tax rate	1,882		1,882			
	1,882	**-**	**1,882**	**-**	**-**	**-**
Total of other comprehensive income recognized directly in Equity, after income tax	**267,969**	**-**	**267,969**	**120,185**	**-**	**120,185**
Total comprehensive income for the period, after income tax	**2,739,600**	**660,978**	**3,400,578**	**(140,759)**	**4,969**	**(135,790)**
Total comprehensive income for the period attributable to:						
Equity owners of the Bank						
- from continuing operations	2,749,578	660,978	3,410,556	(141,406)	4,969	(136,437)
- from discontinued operations	(10,080)		(10,080)	637		637
	2,739,498	**660,978**	**3,400,476**	**(140,769)**	**4,969**	**(135,800)**
Non controlling interests						
- from continuing operations	102		102	10		10

50. Events after the balance sheet date

a. On 21.1.2014 the Bank's subsidiary Alpha Group Investment Ltd acquired the total number of shares of AGI-SRE Ariadne Ltd registered in Cyprus, for the amount of €1.8 thousand.

b. On 3.2.2014, the Bank's subsidiary Alpha Asset Management A.E.D.A.K. announced the undertaking of management duties for Hermes Dynamic Domestic Equity, Hermes International Bond (Euro) and Hermes Money Market mutual funds after the agreement with Amundi Hellas A.E.D.AK. and the relevant decision of the Hellenic Capital Market Commission. The total assets of the aforementioned mutual funds amount to € 98 million as at 31.12.2013.

c. On 6.3.2014, Bank of Greece announced the capital needs for each bank as those were determined according to the Baseline Scenario of Black Rock Solutions' study. The EU wide stress-test which will be carried out by EBA in 2014 is expected to be performed under the same method. According to the Baseline Scenario, the Bank's capital needs amounted to €262 million and they are considered as the best result of the independent diagnostic study which concerned the loan portfolio of Greek systemic banks.

d. On 7.3.2014, the Bank's Board of Directors decided that an Extraordinary Meeting of Shareholders will be held on 28 March 2014 and the agenda includes the share capital increase of a total amount up to €1.2 billion, through payment in cash and cancellation of pre-emption rights (note 42).

Athens, 19 March 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	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	VASILEIOS E. PSALTIS I.D. NO. AI 666591	MARIANNA D. ANTONIOU I.D. NO. X 694507

Independent Auditors' Report

(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of ALPHA BANK A.E. (the "Bank") which comprise the balance sheet as of 31 December 2013 and the 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 Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 company'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 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 financial statements give a true and fair view of the 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.

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

Bank Financial Statements as at 31.12.2013

Income Statement

(in thousands of Euro)

		From 1 January to	
	Note	31.12.2013	31.12.2012*
Interest and similar income	2	2,676,549	2,806,242
Interest expense and similar charges	2	(1,516,787)	(1,780,274)
Net interest income	2	1,159,762	1,025,968
Fee and commission income		321,848	253,843
Commission expense		(47,656)	(41,633)
Net fee and commission income	3	274,192	212,210
Dividend income	4	664	494
Gains less losses on financial transactions	5	(18,704)	(444,990)
Other income	6	23,433	12,372
		5,393	(432,124)
Total income		**1,439,347**	**806,054**
Staff costs	7	(417,991)	(402,886)
General administrative expenses	8	(436,484)	(352,522)
Depreciation and amortization expenses	20, 21, 22	(48,357)	(60,270)
Other expenses	9	(46,941)	(26,680)
Total expenses		**(949,773)**	**(842,358)**
Impairment losses and provisions to cover credit risk	10	(1,609,775)	(1,374,711)
Negative goodwill from the acquisition of Emporiki Bank	43	3,295,718	
Profit/(loss) before income tax		**2,175,517**	**(1,411,015)**
Income tax	11	681,504	278,081
Profit/(loss) after income tax		**2,857,021**	**(1,132,934)**
Earnings/(Losses) per share:			
Basic and diluted (€ per share)	12	0.43	(1.17)

* ***Certain figures of the Income Statement as at 31.12.2012 have been restated due to the retrospective application of new accounting policy (note 45).***

The attached notes (pages 192 to 316) form an integral part of the financial statements

Balance Sheet

(in thousands of Euro)

	Note	31.12.2013	31.12.2012*
ASSETS			
Cash and balances with Central Banks	13	1,006,294	770,193
Due from banks	14	5,036,860	6,623,503
Securities held for trading	15	7,001	14,119
Derivative financial assets	16	807,911	740,614
Loans and advances to customers	17	44,236,465	32,796,574
Investment securities			
- Available for sale	18a	4,449,576	6,171,283
- Held to maturity	18b	1,017,694	1,082,215
- Loans and receivables	18c	4,308,556	
Investments in subsidiaries, associates and joint ventures	19	2,070,735	2,150,455
Investment property	20	28,205	31,683
Property, plant and equipment	21	754,299	596,994
Goodwill and other intangible assets	22	196,067	93,429
Deferred tax assets	23	2,740,649	1,786,612
Other assets	24	1,442,735	915,685
Total Assets		**68,103,047**	**53,773,359**
LIABILITIES			
Due to banks	25	19,355,329	25,825,551
Derivative financial liabilities	16	1,374,261	1,529,730
Due to customers	26	37,504,689	23,191,009
Debt securities in issue and other borrowed funds	27	1,295,445	2,317,252
Liabilities of current income tax and other taxes	28	32,781	22,774
Deferred tax liabilities	23		372,468
Employee defined benefit obligations	29	74,574	48,719
Other liabilities	30	1,059,717	866,049
Provisions	31	258,945	30,173
Total Liabilities		**60,955,741**	**54,203,725**
EQUITY			
Share Capital	32	4,216,872	1,100,281
Share premium	33	4,212,062	2,757,653
Reserves	34	517,559	213,097
Retained earnings	35	(1,799,187)	(4,501,397)
Total Equity		**7,147,306**	**(430,366)**
Total Liabilities and Equity		**68,103,047**	**53,773,359**

** Certain figures of the Balance Sheet as at 31.12.2012 have been restated due to the retrospective application of new accounting policy (note 45).*

The attached notes (pages 192 to 316) form an integral part of the financial statements

Statement of Comprehensive Income

(in thousands of Euro)

		From 1 January to	
	Note	31.12.2013	31.12.2012*
Profit / (loss), after income tax, recognized in the Income Statement		**2,857,021**	**(1,132,934)**
Other comprehensive income recognized directly in Equity:	11		
Amounts that may be reclassified in the Income Statement			
Change in available for sale securities reserve		246,689	314,249
Change in cash flow hedge reserve		145,078	(140,082)
Exchange differences on translating foreign operations			3
Income tax		(87,305)	(34,843)
		304,462	**139,327**
Amounts that will not be reclassified in the Income Statement			
Actuarial gains/(losses) of defined benefit obligations		(10,089)	3,114
Income tax		4,524	(623)
		(5,565)	**2,491**
Total of other comprehensive income recognized directly in Equity, after income tax	**11**	**298,897**	**141,818**
Total comprehensive income for the period, after income tax		**3,155,918**	**(991,116)**

* ***Certain figures of the Comprehensive Income as at 31.12.2012 have been restated due to the retrospective application of new accounting policy (note 45).***

Statement of Changes in Equity

(in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2012		**1,100,281**	**2,757,653**	**73,770**	**(3,338,760)**	**592,944**
Impact from the retrospective application of new accounting policies, after income tax					(32,044)	(32,044)
Restated balance 1.1.2012		**1,100,281**	**2,757,653**	**73,770**	**(3,370,804)**	**560,900**
Changes for the period 1.1 - 31.12.2012						
Loss for the year, after income tax					(1,132,934)	(1,132,934)
Other comprehensive income recognized directly in Equity, after income tax	11			139,327	2,491	141,818
Total comprehensive income for the year, after income tax		-	-	**139,327**	**(1,130,443)**	**(991,116)**
Other					(150)	(150)
Balance 31.12.2012		**1,100,281**	**2,757,653**	**213,097**	**(4,501,397)**	**(430,366)**

(in thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2013		**1,100,281**	**2,757,653**	**213,097**	**(4,501,397)**	**(430,366)**
Changes for the period 1.1 - 31.12.2013						
Profit for the year, after income tax					2,857,021	2,857,021
Other comprehensive income recognized directly in Equity, after income tax	11			304,462	(5,565)	298,897
Total comprehensive income for the period, after income tax		-	-	**304,462**	**2,851,456**	**3,155,918**
Share capital increase through issuance of ordinary shares to Hellenic Financial Stability Fund	32, 33	2,741,591	1,279,409			4,021,000
Share capital increase paid in cash	32, 33	375,000	175,000			550,000
Share capital increase expenses, after income tax					(163,828)	(163,828)
Other					14,582	14,582
Balance 31.12.2013		**4,216,872**	**4,212,062**	**517,559**	**(1,799,187)**	**7,147,306**

The attached notes (pages 192 to 316) form an integral part of the financial statements

Statement of Cash Flows

(in thousands of Euro)

		From 1 January to	
	Note	31.12.2013	31.12.2012*
Cash flows from operating activities			
Profit/(loss) before income tax		2,175,517	(1,411,015)
Adjustments for:			
Depreciation/ impairment of fixed assets	20, 21	53,282	48,061
Amortization of intangible assets	22	14,523	21,269
Impairment losses from loans, provisions and defined benefit obligations		1,655,717	1,443,831
Impairment of investments		277,790	
Negative goodwill from the acquisition of former Emporiki Bank	43	(3,295,718)	
Fair value adjustments recognized in the Income Statement		(16,166)	
(Gains)/losses from investing activities		(160,659)	365,738
(Gains)/losses from financing activities		14,546	142,172
Other adjustments		1,907	21,074
		720,739	**631,130**
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		46,974	655,520
Securities held for trading and derivative financial assets		97,003	(107,226)
Loans and advances to customers		826,455	1,168,647
Other assets		101,051	(239,402)
Net increase /(decrease) in liabilities relating to operating activities:			
Due to banks		(5,781,913)	3,039,296
Derivative financial liabilities		(178,954)	(194,505)
Due to customers		168,339	(1,472,496)
Other liabilities		(95,724)	11,490
Net cash flows from operating activities before taxes		**(4,096,030)**	**3,492,454**
Income taxes and other taxes paid		(885)	(7,882)
Net cash flows from operating activities		**(4,096,915)**	**3,484,572**
Cash flows from investing activities			
Investments in subsidiaries, associates and joint ventures		(11,079)	(119,141)
Transformation of Albania branch to subsidiary			(6,988)
Acquisition of former Emporiki Bank		324,962	
Dividends received		664	494
Purchases of fixed and intangible assets		(70,990)	(47,594)
Disposals of fixed and intangible assets		3,319	3,844
Net (increase)/decrease in investment securities		2,314,289	(1,325,231)
Net cash flows from investing activities		**2,561,165**	**(1,494,616)**
Cash flows from financing activities			
Share capital increase		550,000	
Share capital increase expenses		(68,386)	
Dividends paid to ordinary and preference shareholders		(2,283)	(2,840)
Liabilities from the securitization of consumer loans			(910,614)
Proceeds of debt securities in issue and other borrowed funds		150,000	
Repayments of debt securities in issue and other borrowed funds		(358,945)	(836,968)
Net cash flows from financing activities		**270,386**	**(1,750,422)**
Effect of exchange rate fluctuations on cash and cash equivalents		1,215	1,457
Net increase/(decrease) in cash flows		**(1,264,149)**	**240,991**
Cash and cash equivalents at the beginning of the year	13	**2,013,148**	**1,772,157**
Cash and cash equivalents at the end of the year	13	**748,999**	**2,013,148**

* ***Certain figures of the Statement of Cash Flows as at 31.12.2012 have been restated due to the retrospective application of new accounting policy (note 45).***

Notes to the Financial Statements

GENERAL INFORMATION

At present the Bank operates under the brand name of ALPHA BANK A.E. and with the sign of ALPHA BANK. The Bank's registered office is 40 Stadiou Street, Athens and it is listed as a societe anonyme with registration number 6066/06/B/86/05 and in the General Commercial Register with registration number 223701000. The Bank's duration is until 2100 which can be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, community,foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 22.6.2010 expires in 2014.

The Board of Directors as at 31.12.2013 consists of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non Executive Independent Member)

Minas G. Tanes ***

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO) ***

Artemis Ch. Theodoridis

George K. Aronis

NON-EXECUTIVE MEMBERS

Paul G. Karakostas *

Ioanna E. Papadopoulou **

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis */**

Paul A. Apostolidis

Thanos M. Veremis

Evangelos J. Kaloussis */***

Ioannis K. Lyras **

NON-EXECUTIVE MEMBER

(in accordance with the requirements of Law 3723/2008)

Sarantis – Evangelos G. Lolos

* *Member of Audit Committee*

** *Member of the Remuneration Committee*

*** *Member of the Risk Management Committee*

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3864/2010)
Nikolaos G. Koutsos */**/*** (replaced by Mrs Panagiota S. Iplixian on 30.1.2014)

SECRETARY
Hector P. Verykios (replaced by Mr Georgios P. Triantafyllidis on 2.1.2014)

The Ordinary General Meeting of Shareholders, held on 29.6.2013, has appointed as auditors for the semi annual and annual financial statements for the year 2013 the following:

Principal Auditors:	Marios T. Kyriacou
	Harry G. Sirounis
Substitute Auditors:	Michael A. Kokkinos
	John A. Achilas

of KPMG Certified Auditors A.E.

The Bank's share is listed in the Athens Stock Exchange since 1925 and is constantly ranked among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, and FTSE Med 100.

Apart from the Greek listing, the share of the Bank is listed in the London Stock Exchange in the form of international certificates (GDRs) and it is traded over the counter in New York (ADRs).

As a result of the Bank's share capital increase which took place in May 2013, according to the recapitalization framework for the Greek banks, the share capital of the Bank amounted to 10,922,906,012 ordinary, registered shares of nominal value of €0.30 each and 200,000,000 preference shares of nominal value €4.70 each. 1,997,638,231 ordinary shares of the Bank are traded in the Athens Exchange while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 8,925,267,781 ordinary, registered, voting, paperless shares or percentage equal to 81.7% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

In addition, on the Athens Exchange there are 1,204,702,851 warrants that are traded each one incorporating the right of its holder to purchase 7,408683070 new shares owned by the HFSF.

During the year 2013 the average daily volume per session was €5,928,313.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: Caa1
- Fitch Ratings: B-
- Standard & Poor's: CCC

The financial statements have been approved by the Board of Directors on 19 March 2014.

* *Member of Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

These financial statements relate to the fiscal year 1.1 – 31.12.2013 and they have been prepared:

a) in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and

b) on the historical cost basis except for the following assets and liabilities which were measured at fair value:

- Securities held for trading
- Derivative financial instruments
- Available-for-sale securities
- The convertible bond issued by the Bank which is included in "Debt securities in issue and other borrowed funds".

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The accounting policies for the preparation of the financial statements have been consistently applied by the Bank to the years 2012 and 2013, after taking into account the re-estimation of the useful life of property, plant and equipment, investment property and software of the Bank which took place during this reporting period, determining the useful life of the main of the above assets as follows:

- Offices: 35 years
- Branches: 30 years
- Houses-storages: 40 years
- Equipment and vehicles: 5 to 15 years
- Software: 15 years

In addition, the accounting policies applied by the Bank took into account the following new standards, amendments of standards and Interpretation 20 which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2013:

- **Amendment of International Financial Reporting Standard 1** "Government loans" (Regulation 183/4.3.2013)

  On 13.3.2012 the International Accounting Standards Board issued an amendment of IFRS 1 according to which, a first-time adopter shall not apply retrospectively the requirements in IFRS 9 (or IAS 39) and IAS 20 regarding government loans existing at the date of transition to IFRSs and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with IFRS requirements, it shall use its previous GAAP carrying amount of the loan in the opening IFRS statement of financial position. However, as an exception, an entity may apply the requirements in IFRS 9 (or IAS 39) and IAS 20 retrospectively to any government loan originated before the date of transition to IFRSs, provided that the information needed to do so had been obtained at the time of initially accounting for that loan.

  The above amendment does not apply to the financial statements of the Bank.

- **Amendment of International Financial Reporting Standard 7** "Disclosures – Offsetting Financial Assets and Financial Liabilities" (Regulation 1256/13.12.2012)

  On 16.12.2011 the International Accounting Standards Board issued an amendment of IFRS 7 relating to offsetting financial assets and liabilities. The amendment requires additional disclosures not only for the recognised financial instruments that can be offset in accordance with the provisions of IAS 32, but also for the instruments that are subject to an enforceable master netting agreement or a similar agreement irrespective of whether the netting criteria of IAS 32 are met.

  The adoption of the above amendment had as a result additional disclosures which are presented in note 38.6.

- **International Financial Reporting Standard 10** "Consolidated Financial Statements" (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board issued IFRS 10 "Consolidated Financial Statements". The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. The major change brought by IFRS 10 is the new definition of the principle of control. Control is the basis for determining which entities are consolidated, regardless of the type of entity. IFRS 10 supersedes the requirements relating to consolidated financial statements in IAS 27 "Consolidated and Separate Financial

Statements" and also supersedes SIC 12 "Consolidation – Special Purpose Entities".

According to the new control definition, an investor controls an investee when it is exposed, or has rights, to variable returns from his involvement with the investee and has the ability to affect those returns through his power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

1. power over the investee,
2. exposure, or rights, to variable returns from his involvement with the investee, and
3. ability to use his power over the investee to affect the amount of the investor's returns.

Power arises from existing rights that give the investor the current ability to direct the *relevant activities*, i.e. the activities that significantly affect the investee's returns. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. Although only one investor can control an investee, more than one party can share in the returns of an investee. Control must be reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control.

IFRS 10 sets out requirements on how to apply the control principle in various circumstances, i.e. when voting or similar rights give an investor power, when voting rights are not the dominant factor in deciding who controls the investee, in circumstances involving agency relationships or when the investor has control over specified assets of an investee.

IFRS 10 also includes the accounting principles for the preparation and presentation of consolidated financial statements which are substantially the same as the ones that currently apply according to IAS 27 "Consolidated and Separate Financial Statements", which is amended accordingly.

The adoption of the above standard by the Bank had no impact on its financial statements.

- **International Financial Reporting Standard 11** "Joint Arrangements" (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board issued IFRS 11 «Joint Arrangements» which establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. *Joint control* is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the *relevant activities* require the unanimous consent of the parties sharing control. There are two types of joint arrangements according to IFRS 11, i.e. *joint operations* and *joint ventures.* The classification depends upon the rights and obligations of the parties to the arrangement. Specifically, in *joint operations*, the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement, while in *joint ventures*, they have rights to the net assets of the arrangement.

  The parties that have joint control of a joint operation recognise in their consolidated and separate financial statements the assets and the liabilities as well as income or expenses that they own or are entitled to from the joint operation. The same accounting principles apply for parties to joint operations that do not have joint control but have rights to the assets and obligations for the liabilities relating to the joint operation. The parties that have joint control of a joint venture recognise their interest as an investment using the equity method in accordance with IAS 28 "Investments in associates and joint ventures". The alternative of proportionally consolidating joint ventures is no longer provided. A party to a joint venture that does not have joint control of the joint venture accounts for its interest in accordance with IAS 39 (or IFRS 9 if applied), unless it has significant influence over the joint venture, in which case it shall account for it using the equity method.

  IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities – Non Monetary Contributions by Venturers".

  The adoption of the above standard by the Bank had no impact on its financial statements.

- **International Financial Reporting Standard 12** "Disclosure of Interests in Other Entities" (Regulation 1254/11.12.2012)

  On 12 May 2011, the International Accounting Standards Board issued IFRS 12 which establishes the information that the reporting entity must disclose concerning its interests in other entities. An interest in another entity refers to contractual or non-contractual involvement that exposes an entity to variability of returns from the performance of another entity. IFRS 12 lists the disclosures required depending on the nature of the interest to other entities, i.e. a) subsidiaries, b) joint arrangements, c) associates and d) unconsolidated structured entities.

Structured entities are those that have been designed so that voting or similar rights are not a dominant factor in deciding who controls the entity (i.e. the relevant activities are directed by means of contractual arrangements).

IFRS 12 does not apply to separate financial statements to which IAS 27 “Separate financial statements” applies. However, an entity with interests in unconsolidated structured entities that only prepares separate financial statements will include the IFRS 12 disclosure requirements concerning unconsolidated structured entities in those financial statements.

The adoption of the above standard by the Bank had no impact on its financial statements.

- **Amendment of International Financial Reporting Standard 10** “Consolidated Financial Statements”, of **International Financial Reporting Standard 11** “Joint Arrangements” and of **International Financial Reporting Standard 12** “Disclosure of Interests in Other Entities”: Transition Guidance (Regulation 313/4.4.2013)

On 28.06.2012, the International Accounting Standards Board issued an amendment to the transition requirements of the above standards. The amendment clarifies that the “date of initial application” is the beginning of the annual reporting period in which IFRS 10 is applied for the first time. In the case that the consolidation conclusion reached at the date of initial application is different when compared with applying IAS 27 and SIC 12, only the immediately preceding comparative period needs to be adjusted retrospectively. The presentation of adjusted comparatives for earlier periods is permitted but not required. A similar exception regarding the presentation of adjusted comparatives is also provided in the transition requirements of IFRS 11 and 12. Also, the disclosures relating to non consolidated structured entities are not required for any period before the first annual period for which IFRS 12 is applied.

The adoption of the above amendments by the Bank had no impact on its financial statements.

- **Amendment of International Accounting Standard 27** “Separate Financial Statements” (Regulation 1254/11.12.2012)

On 12 May 2011, the International Accounting Standards Board amended and retitled IAS 27. The amended IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The amended standard does not substantially change the respective accounting requirements that are currently applicable under IAS 27 “Consolidated and Separate Financial Statements” and preserves the option to account for the above investments either at cost or in accordance with IAS 39 (or IFRS 9 if applied).

The adoption of the above amendment by the Bank had no impact on its financial statements.

- **Amendment of International Accounting Standard 28** “Investments in Associates and Joint Ventures” (Regulation 1254/11.12.2012)

On 12 May 2011, the International Accounting Standards Board amended and retitled IAS 28 to “Investments in Associates and Joint Ventures”. IAS 28 prescribes now the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. All entities that have joint control of, or significant influence over, an investee shall account for the joint venture or associate using the equity method, except for venture capital organizations, mutual funds, unit trusts or similar entities including investment linked insurance funds, which may elect to measure investments in associates and joint ventures at fair value through profit or loss in accordance with IAS 39 (or IFRS 9).

Apart from making the equity method compulsory for joint ventures, the amended IAS 28 has not substantially changed the accounting for associates and the application of the equity method.

The adoption of the above amendment by the Bank had no impact on its financial statements.

It is noted that according to the Regulation 1254/11.12.2012 and 313/4.4.2013, under which the above new standards and amendments were adopted, their effective date is, by the latest, the annual period beginning on or after 1.1.2014. The Bank, however, decided to adopt them on 1.1.2013, consistently with the effective date defined by the International Accounting Standards Board.

- **International Financial Reporting Standard 13** “Fair Value Measurement”(Regulation 1255/11.12.2012)

  On 12.5.2011, the International Accounting Standards Board issued IFRS 13 which:

  i. Defines fair value
  ii. Sets out a single framework for measuring fair value and
  iii. Specifies disclosures about fair value measurements.

  The adoption of the above standard had as a result additional disclosures which are presented in notes 20, 24 and 38.4.

- **Amendment of International Accounting Standard 1** “Presentation of Items of Other Comprehensive Income” (Regulation 475/5.6.2012)

  On 16.6.2011, the International Accounting Standards Board issued an amendment of IAS 1, which although had no financial impact, it resulted in modifications in the presentation of the Statement of Comprehensive Income. In particular, items of other comprehensive income shall be grouped in those that will not be reclassified subsequently to profit or loss and in those that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax is also presented separately for each of the above groups.

- **Amendment of International Accounting Standard 19** “Employee Benefits” (Regulation 475/5.6.2012)

  The International Accounting Standards Board issued on 16.6.2011 the revised IAS 19. The main impact from the adoption of the above amendment is the abolition of the option to defer actuarial gains and losses (corridor approach). Actuarial gains and losses shall be recognized in other comprehensive income and they are not reclassified in profit or loss in a subsequent period. In addition, according to the revised standard, interest on the net defined benefit liability (asset), which is recognised in profit or loss, shall be determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset). The difference between the total return on plan assets and its part that has been included in the interest on the net defined benefit liability (asset) is recognised in other comprehensive income and it is not reclassified in profit or loss in a subsequent period. The application of the revised IAS 19 is retrospective and the impact from its adoption is presented in note 45.

- **Improvements to International Accounting Standards** (Regulation 301/27.3.2013)

  As part of the annual improvements project, the International Accounting Standards Board issued, on 17 May 2012, non urgent but necessary amendments to various standards.

  The adoption of the above amendments by the Bank had no impact on its financial statements.

- **Interpretation 20** “Stripping costs in the production phase of a surface mine” (Regulation 1255/11.12.2012)

  On 19.10.2011, the International Accounting Standards Board issued IFRIC 20 which clarifies issues relating to the recognition of production stripping costs as an asset as well as to its initial and subsequent measurement.

  The above Interpretation does not apply to the activities of the Bank.

  Except for the standards mentioned above, the European Union has adopted the following amendments of standards which are effective for annual periods beginning after 1.1.2013 and which have not been early adopted by the Bank.

- **Amendment of International Financial Reporting Standard 10** “Consolidated Financial Statements”, of **International Financial Reporting Standard 12** “Disclosure of Interests in Other Entities” and **of International Accounting Standard 27** “Separate Financial Statements”: Investment Entities (Regulation 1174/20.11.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 31.10.2012, the International Accounting Standards Board issued the above amendment which defines “investment entities” and introduces an exception to consolidating particular subsidiaries for investment entities. An investment entity shall not consolidate its subsidiaries or apply IFRS 3 when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at fair value through profit or loss in accordance with IFRS 9. The above does not apply to subsidiaries that are not held for the purpose of obtaining returns from the investment, but for providing services that relate to the investment activities of the parent. However, a parent of an investment entity, that is not itself an investment entity, shall consolidate all entities that it controls, including those controlled through an investment entity subsidiary.

The Bank is evaluating the impact from the adoption of the above amendment on its financial statements.

- **Amendment of International Accounting Standard 32** "Offsetting Financial Assets and Financial Liabilities" (Regulation 1256/13.12.2012)

  Effective for annual periods beginning on or after 1.1.2014

  On 16.12.2011, the International Accounting Standards Board issued the amendment of IAS 32 regarding offsetting of financial assets and financial liabilities. The amendment of IAS 32 relates to the addition of application guidance concerning the right to offset.

  The Bank is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment of International Accounting Standard 36** "Recoverable amount disclosures for non-financial assets" (Regulation 1374/19.12.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 29.5.2013, the International Accounting Standards Board issued an amendment of IAS 36 with which it removed the requirement, introduced following the issuance of IFRS 13, to disclose the recoverable amount of each cash generating unit to which a material amount of the carrying amount of goodwill or intangible assets with indefinite useful life has been allocated, regardless of whether an impairment loss had been recognized. Furthermore, the above amendment added the following disclosure requirements:

  - the recoverable amount of the asset (or cash-generating unit) for which an impairment loss has been recognized or reversed during the period,
  - if the recoverable amount is fair value less costs of disposal, the level of the fair value hierarchy,
  - for fair value measurements categorized within level 2 and level 3 of the fair value hierarchy, a description of the valuation techniques and the key assumptions used for their determination, as well as the discount rate used if fair value less costs of disposal was calculated using a present value technique.

  The Bank is examining the impact from the adoption of the above amendment on its financial statements.

- **Amendment of International Accounting Standard 39** "Novation of derivatives and continuation of hedge accounting" (Regulation 1375/19.12.2013)

  Effective for annual periods beginning on or after 1.1.2014

  On 27.6.2013, the International Accounting Standards Board issued an amendment of IAS 39 which provides an exception to the requirement to discontinue hedge accounting when the hedging instrument expires or is sold, terminated or exercised. The exception is provided when the over-the-counter (OTC) derivative designated in a hedging relationship is novated to a central counterparty and at the same time the novation meets all the following conditions:

  - it arises as a consequence of laws or regulations,
  - it achieves the replacement of the previous counterparty with a central one which becomes the new counterparty to each of the parties and finally,
  - no changes are expected to the contract's initial terms other than changes directly attributable to the change in the counterparty (changes in the collateral requirements, rights to offset receivables and payables balances and charges levied).

  The Bank examines the impact from the adoption of the above amendment on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards and amendments of standards which have not yet been adopted by the European Union and they have not been early applied by the Bank.

- **International Financial Reporting Standard 9** "Financial Instruments"

  On 12.11.2009, IFRS 9: "Financial Instruments" was issued by the International Accounting Standards Board. The new standard was issued as part of the first phase of the project for the replacement of IAS 39; therefore, the scope of the first phase is the classification and measurement of financial assets. According to the new standard, financial instruments should be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

  I. The entity's business model for managing the financial assets and
  II. The contractual cash flow characteristics of the financial assets.

  In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, if the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative should not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

  In addition, on 28.10.2010, the International Accounting Standards Board issued the revised requirements regarding the classification and measurement of financial liabilities. According to the new requirements, which were included in IFRS 9, in the case of financial liabilities that are initially designated at fair value through profit or loss, the change in the fair value of the liability should be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which should be recognised directly in other comprehensive income.

  Finally, on 19.11.2013 the International Accounting Standards Board issued the new requirements for hedge accounting. The new requirements are more aligned with the entity's risk management. The main changes in relation to the current requirements of IAS 39 are summarized below:
  - more items become eligible for participating in a hedging relationship either as hedging instruments or as hedged items,
  - the requirement for hedge effectiveness tests to be within the range of 80%-125% is removed. Hedge effectiveness test is performed progressively only and under certain circumstances a qualitative assessment is considered adequate,
  - in case that a hedging relationship ceases to be effective but the objective of risk management regarding the hedging relationship remains the same, the entity shall rebalance the hedging relationship in order to satisfy the hedge effectiveness criteria.

  It is noted that the new requirements for hedge accounting do not include those that relate to macro hedging, since they have not been finalized yet. In addition, except for the new requirements for hedge accounting, the text issued on 19.11.2013:

  - allows entities to apply the aforementioned requirements of IFRS 9 regarding the accounting for financial liabilities initially designated at fair value through profit and loss, before adopting the remaining IFRS 9 requirements,
  - removes the mandatory effective date of 1.1.2015 for the application of the standard (this date had been determined in the amended text of IFRS 9 issued on 16.12.2011). No new mandatory effective date is determined.

  Except for the aforementioned modifications, the issuance of IFRS 9 has resulted in the amendment of other standards and mainly of IFRS 7 where new disclosures were added.

  It should be noted that for the completion of IFRS 9, the finalization of the texts relating to impairment methodology is pending.

  The Bank is evaluating the impact from the adoption of IFRS 9 on its financial statements.

- **International Financial Reporting Standard 14** "Regulatory deferral accounts"

  Effective for annual periods beginning on or after 1.1.2016

  On 30.01.2014 the International Accounting Standards Board issued IFRS 14. The new standard addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services.

  The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.

The above standard does not apply to the financial statements of the Bank.

- **Amendment of International Accounting Standard 19** "Defined benefit Plans: Employee Contributions**"**

  Effective for annual periods beginning on or after 1.7.2014

  On 21.11.2013 the International Accounting Standards Board amended the requirements of IAS 19 for the accounting of employee contributions that are linked to service but are independent of the number of years of service. Examples of contributions that are independent of the number of years of service include those that are a fixed percentage of the employee's salary, a fixed amount throughout the service period or dependent on the employee's age. In accordance with this amendment, the entity is permitted to recognise such contributions either as a reduction of service cost in the period in which the related service is rendered (as if a short term employee benefit is recognised) or to continue to attribute them to periods of service.

  The Bank is examining the impact from the adoption of the above amendment on its financial statements.

- **Improvements to International Accounting Standards**

  Effective for annual periods beginning on or after 1.7.2014

  As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2013, non- urgent but necessary amendments to various standards.

  The Bank is evaluating the impact from the adoption of the above amendments on its financial statements.

- **IFRIC Interpretation 21** "Levies"

  Effective for annual periods beginning on or after 1.1.2014

  On 20.05.2013, the International Accounting Standards Board issued IFRIC 21 which addresses the accounting treatment of levies imposed by governments. According to IFRIC 21, a liability to pay a levy shall be recognized in the financial statements when the obligating event, that triggers the payment of the levy, occurs. The obligating event that triggers the payment of the levy is defined as the activity of the entity that triggers the liability in accordance with the relevant legislation.

  The Bank is examining the impact from the adoption of the above interpretation on its financial statements.

1.2 Operating Segments

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of resourses between the Bank's operating segments and the assessment of their performance.

Based on the above, as well as the Bank's administrative structure and activities, the following operating segments have been determined:

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- South Eastern Europe
- Other

Since the Bank operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:

- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 37.

1.3 Transactions in foreign currency and translation of foreign operations

a. Transactions in foreign currency

The financial statements are presented in Euro, which is the functional currency and the currency of the Bank's country of incorporation.

Items included in the financial statements of each of the foreign branches are measured at the functional currency which is the currency of the country of incorporation in which the branch operates or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value.

The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

b. Translation of foreign operations

The results and financial position of all foreign branches that have a functional currency that is different from the presentation currency of the Bank's financial statements are translated as follows:

i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.

ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange differences from the above translation and those arising from other monetary items designated as a part of the net investment in a foreign entity are recorded in equity. These translation differences are reclassified to the income statement when a foreign branch is sold.

1.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consists of:

a. Cash on hand
b. Non-restricted placements with Central Banks and
c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances due from banks are amounts that mature within three months of the balance sheet date.

1.5 Classification and measurement of financial instruments

Initial recognition

The Bank recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Upon initial recognition the Bank measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Subsequent measurement of financial assets

The Bank classifies its financial assets as:

- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

For each of the above categories the following apply:

a) Loans and receivables

Non derivative financial assets, with fixed or determinable payments, that are not quoted in an active market and for which the Bank does not expect not to recover substantially its investment, other than because of credit deterioration of the issuer, can be classified as loans and receivables. The Bank has classified the following as loans and receivables:

i. loans to customers,
ii. amounts paid to acquire a portion or the total of series of bonds that are not quoted in an active market,
iii. all receivables from customers, banks etc.,
iv. bonds with fixed or determinable payments that are not quoted in an active market.

This category is measured at amortized cost using the effective interest rate method and is periodically tested for impairment based on the procedures described in note 1.13.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date.

b) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold until maturity can be classified as Held to maturity investments.

The Bank has classified bonds and other debt securities in this category.

Held to maturity investments are measured at amortized cost using the effective interest rate method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the recoverable amount, and the difference is recognised in profit and loss.

c) Financial assets at fair value through profit or loss

Financial assets included in this category are:

i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

   The Bank has included in this category bonds, treasury bills and a limited number of shares.

ii. Financial assets the Bank designated, at initial recognition, as at fair value through profit and loss.

This classification is used in the following circumstances:

- When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
- When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortized cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through the profit or loss).
- When a financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Bank had not designated, at initial recognition, any financial assets as at fair value through profit and loss.

d) Available-for-sale investments

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

The Bank has included in this category bonds, treasury bills, debt securities, shares and mutual fund units.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. For investments in shares, in particular, a significant and prolonged decline in their fair value below their acquisition cost is considered as an objective evidence of impairment. The Bank considers as “significant” a decrease of over 20% compared to the cost of the investment. Respectively, “prolonged” is a decrease in the fair value below amortised cost for a continuous period exceeding one year. The above criteria are assessed in conjunction to the general market conditions.

In case of impairment, the cumulative loss already recognised in equity is reclassified in profit and loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss, if it can objectively be related to an event occurring after the impairment loss was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit and loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.6 apply.

Reclassification of financial assets

Reclassification of non-derivative financial assets is permitted as follows:

i. Reclassification out of the “held-for-trading” category to the “loans and receivables” category, “investments held to maturity” category or “available-for-sale” category is permitted only when there are rare circumstances and the financial assets are no longer held for sale in the foreseeable future.

ii. Reclassification out of the “held-for-trading” category to either “loans and receivables”, or “available-for-sale” is permitted, even when there are no rare circumstances, only if the financial assets meet the definition of loans and receivables and there is the intention to hold them for the foreseeable future or until maturity.

iii. Reclassification out of the “available-for-sale” category to the “loans and receivables” category is permitted for financial assets that would have met the definition of loans and receivables and the entity has the intent to hold the financial asset for the foreseeable future or until maturity.

iv. Reclassification out of the “available-for-sale” category to the “held to maturity” category is permitted for financial assets that meet the relevant characteristics and the entity has the intent and ability to hold that financial asset until maturity.

v. Reclassification out of the “held-to-maturity” category to the “available-for-sale” category occurs when the entity has no longer the intention or the ability to hold these instruments until maturity.

It is noted that in case of a sale or reclassification of a significant amount of held-to-maturity investments, the remaining investments in this category are mandatorily transferred to the available-for-sale category. This would prohibit the classification of any securities as held-for-maturity for the current and the following two financial years. Exceptions apply in cases of sales and reclassifications of investments that:

i. are so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;

ii. occur after the Bank has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or

iii. are attributable to an isolated, nonrecurring event that is beyond the Bank's control.

Derecognition of financial assets

The Bank derecognizes financial assets when:

- the cash flows from the financial assets expire,
- the contractual right to receive the cash flows of the financial assets is transferred and at the same time both risks and rewards of ownership are transferred,
- loans or investments in securities are no longer recoverable and consequently are written off.

In case of transactions, where despite the transfer of the contractual right to recover the cash flows from financial assets both the risk and rewards remain with the Bank, no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Bank in such transactions are analysed further in notes 1.20 and 1.21.

In case of transactions whereby the Bank neither retains or transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Bank's continuing involvement. If the Bank does not retain control of the assets then they are derecognised, and in their position the Bank recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

Subsequent measurement of financial liabilities

The Bank classifies financial liabilities in the following categories for measurement purposes:

a) Financial liabilities measured at fair value through profit or loss

i. This category includes financial liabilities held for trading, that is:
   - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
   - derivatives not used for hedging purposes. Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measurement according to the principles set out in note 1.6.

ii. this category also includes financial liabilities which are designated by the Bank as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).

In the context of the acquisition of Emporiki Bank, the Bank issued a bond which was classified in the above mentioned category.

b) Financial liabilities carried at amortized cost

The liabilities classified in this category are measured at amortized cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Bank and other loan liabilities are classified in this category.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.6.

c) Liabilities arising from financial guarantees and commitments to provide loans at a below market interest rate

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment.

The financial guarantee contracts and the commitments to provide loans at a below market interest rate are initially recognized at fair value, and measured subsequently at the higher of:

- the amount of the provision (determined in accordance with IAS 37) when an outflow of resources is considered probable and a reliable estimate of this outflow is possible,

- the amount initially recognised less cumulative amortization.

Derecognition of financial liabilities

The Bank derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expire.

In cases that a financial liability is exchanged with another one with substantially different terms, the exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new one. The same applies in cases of a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor). The terms are considered substantially different if the discounted present value of the cash flows under the new terms (including any fees paid net of any fees received), discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability.

In cases of derecognition, the difference between the carrying amount of the financial liability (or part of the financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only in cases when the Bank has both the legal right and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

1.6 Derivative financial instruments and hedge accounting

Derivative financial instruments

Derivatives are financial instruments that upon inception have a minimal or zero value that subsequently changes in accordance with a particular underlying instrument (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In the cases when derivatives are embedded in other financial instruments, such as bonds, loans, deposits, borrowed funds etc. and the host contract is not itself carried at fair value through profit or loss, then they are accounted for as separate derivatives when the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. These embedded derivatives are measured at fair value and are recognized as derivative assets or liabilities.

In the cases where derivatives are embedded in financial instruments that are measured at fair value through profit or loss, the changes in the fair value of the derivative are included in the fair value change of the combined instrument and recognized in gains less losses on financial transactions.

The Bank uses derivatives as a means of exercising asset-liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Bank uses derivatives for trading purposes to exploit short-term market fluctuations, within the Bank risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions.

When the Bank uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction. The effectiveness of the hedge is monitored on inception and on an ongoing basis at each balance sheet date.

We emphasize the following:

a. Synthetic Swaps

The Bank, in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY or other currency with a simultaneous forward purchase of the related currency to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, which is included in deposits' interest expense, foreign exchange differences and other gains less losses on financial transactions.

b. FX Swaps

These types of swaps are entered into primarily to hedge the exposures arising from customer loans and deposits.

As there is no documentation to support hedge accounting they are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest and foreign exchange differences, in order to match with the interest element and foreign exchange differences resulting from the deposits and loans, and as other gains less losses on financial transactions.

Hedge accounting

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied.

Documentation of the hedging relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedging relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and is repeated at each reporting date.

a. Fair value hedges

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged.

Changes in the fair value of both the hedging instrument and the hedged item, in respect of the specific risk being hedged, are recognized in the income statement.

When the hedging relationship no longer exists, the hedged items continue to be measured based on the classification and valuation principles set out in note 1.5. Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used up to the point that the hedging relationship ceases to be effective, is amortized to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Bank uses interest rate swaps (IRS's, caps) to hedge risks relating to borrowings, bonds and loans. It also uses foreign exchange derivatives to hedge the foreign exchange risk of investments in subsidiaries.

b. Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective portion is recognized in profit or loss. The accounting treatment of the hedged item does not change.

When the hedging relationship is discontinued, the amount recognized in equity remains there separately until the cash flows or the future transaction occur. When the cash flows or the future transaction occur the following apply:

- If the result is the recognition of a financial asset or a financial liability, the amount is reclassified to profit or loss in the same periods during which the hedged forecast cash flows affect profit or loss.
- If the result is the recognition of a non-financial asset or a non-financial liability or a firm commitment for which fair value hedge accounting is applied, the amount recognized in equity either is reclassified to profit or loss in the same periods during which the asset or the liability affect profit or loss or adjusts the carrying amount of the asset or the liability.

If the expected cash flows or the transaction are no longer expected to occur, the amount is reclassified to profit or loss.

The Bank applies cash flow hedge accounting for specific groups of term deposits as well as for the currency risk of specific assets. The amount that has been recognized in equity, as a result of revoked cash flow hedging relationships for term deposits, is linearly amortized in the periods during which the hedged cash flows from the aforementioned term deposits affect profit or loss.

c. Hedges of net investment in a foreign operation

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

1.7 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The Bank measures the fair value of assets and liabilities traded in active markets based on available quoted market prices. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. Especially, for the measurement of securities, the Bank uses a particular range of prices, within the bid-ask spread, in order to characterize the prices as prices of an active market.

The fair value of financial instruments that are not traded in an active market is determined by the use of valuation techniques, appropriate in the circumstances, and for which sufficient data to measure fair value are available, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If observable inputs are not available, other model inputs are used which are based on estimations and assumptions such as the determination of expected future cash flows, discount rates, probability of counterparty default and prepayments. In all cases, the Bank uses the assumptions that 'market participants' would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Assets and liabilities which are measured at fair value or for which - fair value is disclosed-, are categorized according to the inputs used to measure their fair value as follows:

- Level 1 inputs: quoted market prices (unadjusted) in active markets,
- Level 2 inputs: directly or indirectly observable inputs,
- Level 3 inputs: unobservable inputs used by the Bank, to the extent that relevant observable inputs are not available.

In particular, the Bank applies the following:

Financial instruments

For financial instruments the best evidence of fair value at initial recognition is the transaction price, unless the fair value can be derived by other observable market transactions relating to the same instrument, or by a valuation technique using only observable inputs. In these cases, if the fair value differs from the transaction price, the difference is recognized in the statement of comprehensive income. In all other cases, fair value is adjusted to defer the difference with the transaction price. After initial recognition, the deferred difference is recognized as a gain or loss only to the extent that it arises from a change in a factor that market participants would take into account when pricing the instrument.

When measuring fair value, the Bank takes into consideration the effect of credit risk. Specifically, for derivative contracts, the Bank estimates the credit risk of both counterparties (bilateral credit valuation adjustments).
The Bank measures fair value for all assets and liabilities separately. Regarding derivative exposures, however, that the Bank manages as a group on a counterparty basis and for which it provides information to the key management personnel, the fair value measurement for credit risk is performed based on the net risk exposure per counterparty. Credit valuation adjustments arising from the aforementioned process are allocated to either assets or liabilities, depending on whether the net exposure to the counterparty is long or short respectively.

Furthermore, the fair value of deposit accounts with a demand feature (such as saving deposits) is no less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

The principal inputs to the valuation techniques used by the Bank are:

- Bond prices - quoted prices available for government bonds and certain corporate securities.
- Credit spreads - these are derived from active market prices, prices of credit default swaps or other credit based instruments, such as debt. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Interest rates - these are principally benchmark interest rates such as the LIBOR, OIS and other quoted interest rates in the swap, bond and futures markets. Values between and beyond available data points are obtained by interpolation and extrapolation.
- Foreign currency exchange rates - observable markets both for spot and forward contracts and futures.
- Equity and equity index prices - quoted prices are generally readily available for equity shares listed on stock exchanges and for major indices on such shares.
- Price volatilities and correlations - Volatility and correlation values are obtained from pricing services or derived from option prices.
- Unlisted equities - financial information specific to the company or industry sector comparables.
- Mutual Funds- for open-ended investments funds listed on a stock exchange the published daily quotations of their net asset values (NAVs).

Non financial assets and liabilities

The most important category of non financial assets for which fair value is estimated is real estate property.

The process, mainly, followed for the determination of the fair value is summarized below:

- Assignment to the engineer- valuer
- Case study- Setting of additional data
- Autopsy - Inspection
- Data processing - Calculations
- Preparation of the valuation report

To derive the fair value of the real estate property, the valuer chooses among the three following valuation techniques:

- Market approach (or sales comparison approach), which measures the fair value by comparing the property to other identical ones for which information on transactions is available.
- Income approach, which capitalizes future cash flows arising from the property using an appropriate discount rate.
- Cost approach, which reflects the amount that would be required currently to replace the asset with another asset with similar specifications, after taking into account the required adjustment for impairment.

Examples of inputs used to determine the fair value of properties and which are analysed to the individual valuations, are the following:

- Commercial property: price per square meter, rent growth per annum, long-term vacancy rate, discount rate, expense rate of return, lease term, rate of non leased properties/units for rent.
- Residential property: Net return, reversionary yield, net rental per square meter, rate of continually non leased properties/units, expected rent value per square meter, discount rate, expense rate of return, lease term etc.
- General assumptions such as the age of the building, residual useful life, square meter per building etc. are also included in the analysis of the individual valuation assessments.

It is noted that the fair value measurement of a property takes into account a market's participant ability to generate economic benefits by using the asset in it's highest and best use or by selling it to another market participant that would use the asset in it's highest and best use.

1.8 Investments in subsidiaries, associates and joint ventures

This caption includes Bank's investments in subsidiaries, associates and joint ventures.

Investments in subsidiaries, associates and joint ventures are carried at cost, plus any expenses directly attributable to their acquisition less impairment losses.

Dividends received by the Bank from the above investments are recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Bank has invested in.

1.9 Property, plant and equipment

This caption includes: land, buildings used by the branches or for administrative purposes, additions and improvements of leased property and equipment.

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit.

Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: up to 40 years.
- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 5 to 15 years.

Land is not depreciated but it tested for impairment.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

1.10 Investment property

The Bank includes in this category buildings or portions of buildings together with their respective portion of land that are held to earn rental income.

Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit.

All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method are the same as those applied to property, plant and equipment.

In case of a change in the Bank's intention regarding the use of property, reclassifications to or from the "Investment Property" category occur. In particular, property is reclassified to "Property, plant and equipment" if the Bank's intention is to use the asset in its own business operations, whereas in case the Bank decides to sell the property, it is reclassified to the "Assets held-for-sale" category, provided that all conditions mentioned in paragraph 1.16 are met. Conversely, property not classified as "Investment Property" is transferred to this category in case a decision for its lease is made.

1.11 Goodwill and other intangible assets

The Bank has included in this caption:

a) Intangible assets which are recognized from business combinations in accordance with IFRS 3 or which were individually acquired. The intangible assets are carried at cost less accumulated amortization and impairment losses.

The useful life of the deposit base resulting from the purchase price allocation from the acquisition of Emporiki Bank was determined to 6 years.

The price paid for the acquisition of the deposits of the Cooperative Banks Western Macedonia, Evia and Dodecanese was recognized as an intangible asset, as it reflects the expected economic benefits that the Bank attributes to the acquired deposit base. The amortization period was determined to 2 years.

b) Software, which is measured at cost less accumulated amortization and impairment losses. The cost of separately acquired software comprises of its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. The cost of internally generated software comprises of expenditure incurred during the development phase, including employee benefits arising from the generation of the software. Amortization is charged over the estimated useful life of the software, which the Bank has estimated to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred. Software that is considered to be an integral part of hardware (hardware cannot operate without the use of the specific software) is classified in property, plant and equipment.

c) Brand names and banking rights which are measured at cost less accumulated amortization and impairment losses. Amortization is charged over the estimated useful life, which the Bank has estimated to 5 years.

Intangible assets are amortised using the straight line method, excluding those with indefinite useful life, which are not amortized. All intangible assets are tested for impairment.

No residual value is estimated for intangible assets.

1.12 Leases

The Bank enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Bank is the lessor

i. Finance leases:

For finance leases where the Bank is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments and the aggregate amount of lease payments is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.13.

ii. Operating leases:

When the Bank is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

b) When the Bank is the lessee

i. Finance leases:

For finance leases, where the Bank is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or, if this is not available, the Bank's borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Bank is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

ii. Operating leases:

For operating leases the Bank as a lessee does not recognize the leased asset but charges in general administrative expenses the lease payments on an accrual basis.

1.13 Impairment losses on loans and advances

The Bank assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

a. The criteria of assessment on an individual or collective basis

The Bank assesses for impairment on an individual basis the business loans of the wholesale sector. For business loans of the retail sector and as well as for consumer and mortgage loans, impairment test is performed, as a rule, on a collective basis, regardless of their amount or limit.

The Bank has determined the criteria that consist trigger events for the assessment of impairment.

Loans which are individually assessed for impairment and found not impaired are included in groups, based on similar credit risk characteristics, and assessed for impairment collectively.

The Bank groups the portfolio into homogenous populations, based on common risk characteristics, and has a strong historical statistical basis, in which it performs an analysis with which it captures and defines impairment testing, by segment population.

In addition, the Bank recognizes impairment for loss events that have been incurred but not reported (IBNR). The calculation of the impairment loss in these cases takes into account the period between the occurance of a specific event and the date it becomes known (Loss Identification Period).

A detailed analysis of the loans that belong to the wholesale sector, of the trigger events for impairment as well as of the characteristics used for the determination of the groups for the collective assessment is included in note 38.1.

b. Methodology in determining future cash flows from impaired loans

The Bank has accumulated a significant amount of historical data, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

Based on the above, the amount of the recoverable amount of each loan is determined after taking into account the time value of money. The cash flows are discounted at the loans' original effective interest rate.

An impairment loss is recognized to the extent that the recoverable amount of the loan is less than its carrying amount.

c. Interest income recognition

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

d. Impairment recognition – Write–offs

Amounts of impaired loans are recognized on allowance accounts until the Bank decides to write them off.

In particular, the Bank proceeds to the write off of loans when it is estimated that loans are uncollectable and all legal actions for their collection have been completed.

e. Recoveries

If in a subsequent period, after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in impairment losses and provisions to cover credit risk.

1.14 Impairment losses on non-financial assets

The Bank assess as at each balance sheet date non-financial assets for impairment, particularly property, plant and equipment, investment property, goodwill and other intangible assets as well as its investment in subsidiaries, associates and joint ventures.

In assessing whether there is an indication that an asset may be impaired both external and internal sources of information are considered, of which the following are indicatively mentioned:

- The asset's market value has declined significantly, more than would be expected as a result of the passage of time or normal use.
- Significant changes with an adverse effect have taken place during the period or will take place in the near future, in the technological, economic or legal environment in which the entity operates or in the market to which the asset is dedicated.
- Significant unfavorable changes in foreign exchange rates.
- Market interest rates or other rates of return of investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use.
- The carrying amount of the net assets of the entity is more that its market capitalization.
- Evidence is available of obsolescence or physical damage of an asset.

In addition, collection of dividens from subsidiaries, associates and joint ventures is considered as a possible impairment indicator when investments are tested for impairment at each reporting date.

An impairment loss is recognized in profit or loss when the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the amount received from the sale of an asset (less the cost of disposal) in an orderly transaction between market participants.

Value in use is the present value of the future cash flows expected to be derived from an asset or cash –generating unit through their use and not from their disposal.

For the valuation of property, plant and equipment, value in use incorporates the value of the asset as well as all the improvements which render the asset perfectly suitable for its use by the Bank.

1.15 Income tax

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income tax, both current and deferred, is recognized in profit or loss except when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

1.16 Non-current assets held for sale

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

The above classification is used if the asset is available for immediate sale in its present condition and its sale is highly probable. The sale is considered highly probable when it has been decided by Management, an active programme to locate a buyer has been initiated, the asset is actively marketed for sale, at a price which is reasonable in relation to its current fair value, and the sale is expected to be completed within one year. Non-current assets that are acquired exclusively with a view to their subsequent disposal are classified as held for sale at the acquisition date when the one-year requirement is met and it is highly probable that the remaining criteria will be met within a short period following the acquisition (usually within three months).

Non-current assets held for sale mainly consist of assets acquired through the enforcement of security over customer loans and advances.

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting standard.

Assets held for sale are initially recognised and subsequently remeasured at each balance sheet date at the lower of their carrying amount and fair value less cost to sell.

Any loss arising from the above measurement is recorded in profit or loss and can be reversed in the future. When the loss relates to a disposal group it is allocated to assets within the disposal group with the exception of specific assets that are not within the scope of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Assets in this category are not depreciated.

Gains or losses from the sale of these assets are recognized in the income statement.

Non-current assets that are acquired through enforcement procedures but are not available for immediate sale or are not expected to be sold within a year are included in Other Assets and are measured at the lower of cost (or carrying amount) and fair value. Non-current assets held for sale, that the Bank subsequently decides either to use or to lease, are reclassified to the categories of property, plant and equipment or investment property respectively. During their reclassification, they are measured at the lower of their recoverable amount and their carrying amount before they were classified as held for sale, adjusted for any depreciation, amortization or revaluation that would have been recognized had the assets not been classified as held for sale.

1.17 Employee benefits

The Bank has both defined benefit and defined contribution plans.

A defined contribution plan is where the Bank pays fixed contributions into a separate entity and the Bank has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the Bank.

The defined benefit obligation is calculated, separately for each plan, based on an actuarial valuation performed by independent actuaries using the projected unit credit method.

The net liability recognized in the financial statements is the present value of the defined benefit obligation (which is the expected future payments required to settle the obligation resulting from employee service in the current and prior periods) less the fair value of plan assets. The amount determined by the above comparison may be negative, an asset. The amount of the asset recognised in the financial statements cannot exceed the total of the present value of any economic benefits available to the Bank in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there is no deep market in corporate bonds.

Interest on the net defined benefit liability (asset), which is recognised in profit or loss, is determined by multiplying the net defined benefit liability (asset) by the discount rate used to discount post-employment benefit obligation, as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset).

Service cost, which is also recognised in profit or loss, consists of:

- Current service cost, which is the increase in the present value of the defined benefit obligation resulting from employee service in the current period;
- Past service cost, which is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting from the introduction or withdrawal of, or changes to, a defined benefit plan or a curtailment (a significant reduction by the entity in the number of employees covered by a plan) and
- Any gain or loss on settlement.

Before determining past service cost or a gain or loss on settlement, the Bank remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions, reflecting the benefits offered under the plan before that plan amendment, curtailment or settlement.

Past service cost, in particular, is directly recognized to profit or loss at the earliest of the following dates:

- When the plan amendment or curtailment occurs; and
- When the Bank recognizes related restructuring costs (according to IAS 37) or termination benefits.

Likewise, the Bank recognises a gain or loss on the settlement when the settlement occurs.

Remeasurements of the net defined benefit liability (asset) which comprise:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- any change in the effect of the limitation in the asset recognition, excluding amounts included in net interest on the net defined benefit liability (asset),

are recognized directly in other comprehensive income and are not reclassified in profit or loss in a subsequent period.

Finally, when the Bank decides to terminate the employment before retirement or the employee accepts the Bank's offer of benefits in exchange for termination of employment, the liability and the relative expense for termination benefits are recognized at the earlier of the following dates:

a. when the Bank can no longer withdraw the offer of those benefits; and
b. when the Bank recognizes restructuring costs which involve the payment of termination benefits.

1.18 Share options granted to employees

The granting of share options to the employees, their exact number, the price and the exercise date are decided by the Board of Directors in accordance with Shareholders' Meeting approvals and after taking into account the current legal framework.

The fair value calculated at grant date is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Bank and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

1.19 Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision is equal to the present value of the expenditures expected to settle the obligation.

Amounts paid for the settlement of an obligation are set against the original provisions for these obligations. Provisions are reviewed at the end of each reporting period. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. Additionally, provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The amount recognized for the reimbursement does exceed the amount of the provision. The expense recognized in profit or loss relating to the provision is presented net of the amount of the reimbursement.

The Bank does not recognize in the statement of financial position contingent liabilities which relate to:

- possible obligations resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank, or
- present obligations resulting from past events and:
    - it is not probable that an outflow of resources will be required, or
    - the amount of liability cannot be measured reliably.

The Bank provides disclosures for contingent liabilities taking into consideration their materiality.

1.20 Sale and repurchase agreements and securities lending

The Bank enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized as investments.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the category that they have been classified in and are presented as investments.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed by the Bank under securities lending agreements are not recognized in the balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

1.21 Securitization

The Bank securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the Bank considers the contractual terms and the economic substance of transactions, in order to decide whether the Bank should proceed with the derecognition of the securitized assets, as referred in note 1.5.

1.22 Equity

Distinction between debt and equity

Financial instruments issued by the Bank to obtain funding are classified as equity when, based on the substance of the transaction, the Bank does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when the Bank is required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

Share premium

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Bank.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

Retained earnings

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders' General Meeting.

1.23 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest rate method. Interest on impaired financial assets is determined on their balance after impairment using the effective interest rate.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

As at the reporting date no borrowing costs have been capitalised.

1.24 Fee and commission income

Fee and commission income is recognized in the income statement on an accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit and loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

1.25 Gains less losses on financial transactions

Gains less losses on financial transactions include the fair value changes of financial assets, gains or losses on their disposal and the exchange differences arising from the translation of financial instruments denominated in foreign currencies. Impairment losses on bonds, shares and other securities of variable return are also included in gains less losses on financial transactions.

Differences that may arise between the carrying amount of financial liabilities settled or transferred and the consideration paid are also recognised in gains less losses on financial transactions.

1.26 Discontinued operations

A discontinued operation is a component of the Bank that either has been disposed of, or has been classified as held for sale and represents:

- a major line of the Bank's business; or
- a geographical area of operations.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation is presented separately (as a separate line in equity).

The post tax profit or loss from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations.

The comparative financial statements are restated only for the income statement and the cash flow statement.

1.27 Related parties definition

According to IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements. For the Bank, in particular, related parties are considered:

a) An entity that constitutes for the Bank:

i) a subsidiary,

ii) a joint venture,

iii) an associate and

iv) a Post-Employment Benefit Plan, in this case the Supplementary Fund of former Alpha Credit Bank's employees.

b) A person or an entity that have control, or joint control, or significant influence over the Bank.

This category includes Hellenic Financial Stability Fund and its subsidiaries, because in the context of the L.3864/2010, the HFSF participates in the Board of Directors and in significant committees of the Bank and as a result is considered to have significant influence over it.

c) A person and his close family members, if that person is a member of the key management personnel.

The Bank considers as key management personnel all the members of the Bank's Board of Directors and of the Bank's Executive Committee while as their close family members it considers their children and spouses or domestic partners and their dependants and the dependants of their spouses or domestic partners.

Moreover, the Bank discloses all transactions and outstanding balances with entities which are controlled or jointly controlled by the above mentioned persons. This disclosure concerns participations of the above persons in entities that exceed 20%.

1.28 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

1.29 Estimates, decision making criteria and significant sources of uncertainty

The Bank, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

Fair value of assets and liabilities

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions eg. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

Impairment losses of financial assets

The Bank, when performing impairment tests on loans and advances to customers, makes estimates regarding the amount and timing of future cash flows. Given that these estimates are affected by a number of factors such as the financial position of the borrower, the net realizable value of any collateral or the historical loss ratios per portfolio, actual results may differ from those estimated. Similar estimates are used in the assessment of impairment losses of securities classified as available for sale or held to maturity.

Impairment losses of non – financial assets

The Bank, at each balance sheet date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in subsidiaries, associates and joint ventures. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and the value in use.

Income Tax

The Bank recognizes the amounts of current and deferred income tax based on estimates concerning the amount of taxable profits, based on which the amounts of tax expected to be paid or recovered in the current and future periods are determined. Estimates are affected by factors such as the practical implementation of the relevant legislation, the expectations regarding the existence of future taxable profit etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised, may result in tax payments other than those recognized in the financial statements of the Bank.

Employee defined benefit obligations

Defined benefit obligations are estimated based on actuarial valuations that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.

Provisions and contingent liabilities

The Bank recognises provisions when it estimates that it has a present legal or constructive obligation that can be estimated reliably, and it is almost certain that an outflow of economic benefits will be required to settle the obligation. In contrast, when it is probable that an outflow of resources will be required, or when the amount of liability cannot be measured reliably, the Bank does not recognise a provision but it provides disclosures for contingent liabilities, taking into consideration their materiality. The estimation for the probability of the outflow as well as for the amount of the liability are affected by factors which are not controlled by the Bank, such as court decisions, the practical implementation of the relevant legislation and the probability of default of the counterparty, for those cases which are related to the exposure to off-balance sheet items.

The estimates and judgments applied by the Bank in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.

1.29.1 Going concern principle

The Bank for the preparation of the financial statements as at 31.12.2013, was based on the going concern principle.

During the last three years the Bank's operations have been adversely affected by the crisis of the Greek Public debt, which resulted in the application of a program for the exchange of Greek Government bonds and of loans guaranteed by the Hellenic Republic (PSI) with terms unfavorable to their holders and by the prolonged recession of the Greek economy, which led to an increase in the impairment losses on loans and advances to customers. In 2012 the Bank of Greece determined the capital needs of the Group to € 4.571 billion, taking into account the impact from the participation in the bond exchange program (PSI) and the results of the diagnostic study of the consulting firm BlackRock Solutions. In the second quarter of 2013, the Bank successfully implemented a share capital increase of € 4.571 billion, according to the framework that was set in the Law 3864/2010 and the Cabinet Decision 38/2012, with which the capital needs of the Group, as were determined by the Bank of Greece, were fully covered.

As set out in the Memorandum of Economic and Financial Policies of May 2013, the Bank of Greece conducted a new stress test, based on the data as at 30.6.2013, in order to update the capital needs of the banks. The results of the stress test were announced in March 2014. The exercise showed that the Group has the lowest capital needs among systemic Greek banks, of a marginal amount of € 262 million.

The Bank has already announced that it will cover the aforementioned capital needs through a guaranteed share capital increase up to the amount of € 1.2 billion. Consequently, it is estimated that there are no significant uncertainties affecting the application of the going concern principle.

1.29.2 Estimation of the Bank's exposure to the Hellenic Republic

The actions taken for the restructuring of the Greek debt, ie the completion of the bond exchange program (PSI) and of the bond buy-back program, the significant increase of it's weighted average duration and the fact that its interest rate has become extremely low, are factors that improve the prospects of the debt repayment. Additionally, a positive indication of the reestablishment of the Greek access to the capital markets is the decrease of the 10-year Greek government bonds yield in levels below 7%.

Based on the above, the Bank estimates that no impairment is required for the Greek government securities held by the Bank as at 31.12.13. The Bank's exposure to loans related to the Hellenic Republic is presented in note 38.1 for credit risk. The aforementioned loans are tested for impairment according to the policy for credit risk management described in this note.

The main sources of uncertainty regarding the estimations for the recoverability of the total exposure of the Bank to the Hellenic Republic relate to the development of the macroeconomic environment in Greece and the eurozone, as well as to the implementation progress of the program for the support of the Greek economy, to the achievement of the goals set as a prerequisite for the smooth disbursement of the related funds and to the verification of the assumptions on which the program has been based. In this context, the above will be re-estimated at each reporting date, taking also into account the market conditions.

1.29.3 Recoverability of deferred tax assets

The Bank recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized.

The main categories of deferred tax assets which have been recognized by the Bank relate to the tax losses carried forward, to the losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to the deductible temporary differences arising from loans' impairment. Total deferred tax assets amount to € 2.74 billion, as described in note 23, and include recoverable tax assets that were recognized on the assets and liabilities arising due to the acquisition of Emporiki Bank.

Deferred tax assets on tax losses carried forward relate to the years 2012 and 2013. Tax losses can be offset against taxable profits within five years from their formation. The Bank recognized the aforementioned assets since, according to the estimated future taxable profits of the Bank, for the coming years until the expiry of the right to set-off tax losses, these are recoverable even after the deduction of the temporary differences that are expected to occur within these years. The estimation of future taxable profits for the assessment of the recoverability of tax losses took into account:

- the existence of significant tax profits in the last decade, with the exception of the years from 2012, because of the unexpected major recession of the Greek economy and the loss from the PSI and
- the positive impact on the profitability of the Bank from the synergies due to the integration of Emporiki Bank, while it was based on forecasts for the development of the accounting results, as these are reflected in the revised restructuring plan that is going to be submitted to the Directorate-General for Competition, which has been based on an adverse scenario regarding the progress of the Greek economy and in which the acquisition of Emporiki Bank has been taken into account.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law

4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the “debit difference” is deductible for tax purposes, gradually in equal installments, within 30 years, a fact which, according to the Bank’s estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans’ impairment, there are no time constraints concerning their recovery, as it also applies to the other deferred tax assets categories. The Bank assessed their recoverability based on estimates for future taxable profits, as these are estimated to be formed on the basis of the revised restructuring plan mentioned above, after extending the period of estimation for a limited number of years and after taking into account the expected improvement in the conditions which affect the credit risk and the need for the recognition of impairment losses on loans and advances. However, considering that the estimates for the recoverability of the temporary differences arising from loan’s impairment have to be limited to a period for which the estimates can be considered reliable, the Bank did not recognize deferred tax assets amounting to € 422 million for temporary differences arising from the impairment/valuation of loans derived from the acquisition of Emporiki Bank.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Bank’s business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date the Bank reassesses its estimation regarding the recoverability of the deferred tax assets or the recognition of the non-recognised deferred tax in connection to the development of the factors that affect them.

INCOME STATEMENT

2. Net interest income

	From 1 January to	
	31.12.2013	31.12.2012
Interest and similar income		
Due from banks	27,414	69,209
Loans and advances to customers	1,906,621	1,760,936
Securitized loans	243,989	296,410
Securities held for trading	1,032	4,098
Available for sale securities	247,476	298,441
Held to maturity securities	21,047	64,219
Loan portfolio securities	13,957	
Derivative financial instruments	201,697	297,616
Other	13,316	15,313
Total	**2,676,549**	**2,806,242**
Interest expense and similar charges		
Due to banks	(259,027)	(560,852)
Due to customers	(720,565)	(554,285)
Debt securities in issue and other borrowed funds	(202,961)	(229,625)
Derivative financial instruments	(246,790)	(355,934)
Other	(87,444)	(79,578)
Total	**(1,516,787)**	**(1,780,274)**
Net interest income	**1,159,762**	**1,025,968**

3. Net fee and commission income

	From 1 January to	
	31.12.2013	31.12.2012
Net fee and commission income		
Loans	102,807	69,496
Letters of guarantee	58,857	45,907
Imports-Exports	9,609	7,783
Credit cards	37,560	35,361
Fund transfers	37,751	32,173
Mutual funds	13,574	9,629
Advisory fees and securities transaction fees	1,855	1,162
Foreign exchange trades	9,080	7,852
Issuance of securities of Law 3723/2008	(4,007)	(3,437)
Other	7,106	6,284
Total	**274,192**	**212,210**

4. Dividend income

	From 1 January to	
	31.12.2013	31.12.2012
Available for sale securities	664	494
Total	**664**	**494**

5. Gains less losses on financial transactions

	From 1 January to	
	31.12.2013	**31.12.2012**
Foreign exchange differences	19,526	18,944
Securities held for trading		
- Bonds	5,837	60,449
Investment securities: (note 18)		
- Bonds	169,002	(414,600)
- Shares	(10,419)	(25,718)
- Other securities	2,963	(16,602)
Loans and receivables		
Investments	(279,493)	1,442
Derivative financial instruments	(38,225)	(9,844)
Valuation of the convertible bond loan held by Credit Agricole	110,400	
Other financial instruments	1,705	(59,061)
Total	**(18,704)**	**(444,990)**

6. Other income

	From 1 January to	
	31.12.2013	**31.12.2012**
Rental income	2,456	1,795
Sale of fixed assets	193	205
Insurance indemnities	623	140
Secondment of personnel to Group companies	2,376	2,109
Preparation of business plans and financial studies	1,223	2,216
Other	16,562	5,907
Total	**23,433**	**12,372**

7. Staff costs

	From 1 January to	
	31.12.2013	**31.12.2012**
Wages and salaries	313,521	250,617
Social Security contributions	94,477	67,524
Common Insurance Fund of Bank Employees	11,534	12,246
Employee defined benefit obligation (note 29)	(14,618)	3,783
Bank's employee indemnity provision due to retirement in accordance with Law 2112/1920 (note 29)	(10,532)	46,622
Other	23,609	22,094
Total	**417,991**	**402,886**

The merger costs of Emporiki Bank which amounted to €1 million are also included in the above figures.

The total number of employees of the Bank as at 31.12.2013 were 11,268 (31.12.2012: 7,553) out of which 10,452 (31.12.2012: 6,712) were employed in Greece and 816 (31.12.2012: 841) were employed abroad.

Defined contribution plans

All the employees of the Bank in Greece are insured for their main pension by the Social Insurance Fund (IKA). Also for the Bank's employees, the following applies:

a. The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is T.A.P.I.L.T.A.T., a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if the fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and has accounted for it as such.

b. Employees of former Ioniki and Popular Bank of Greece and former Emporiki Bank are insured for the lump sum benefit in the Bank Employee and Companies Common Benefit Plan (T.A.Y.T.E.K.O.) which is a defined contribution plan with contributions paid only by employees.

c. All employees of the Bank receive medical benefits from the Bank Employee and Companies Common Benefit Plan (T.A.Y.T.E.K.O.). This plan has been accounted for as a defined contribution plan. This fund has joined the National Organization of Health Care (E.O.P.Y.Y.) since 12.11.2012 in accordance with circular 47284/14.11.2012 of the National Organization of Health Care and pursuant to the implementation of Law 4093/2012 paragraph IB.1, paragraph 1b.

d. Employees of former Alpha Credit Bank, which were insured, for supplementary pension in T.A.P. (the Insurance Fund of employees of Alpha Credit Bank), since 1.1.2008, they are insured for supplementary pension in E.T.A.T according to article 10, Law 3620/2007. The Bank pays to E.T.A.T. a fixed contribution percentage over employee salaries in addition to the annual installment that relates to the total cost of joining E.T.A.T. which amounts to €543 million, which was calculated with the reference date being 31.12.2006, in accordance with a special economic study as stipulated by Law 3371/2005. The outstanding balance including accrued interests amounts to €254 million as at 31.12.2013, which equals to the last four interest bearing installments of €67.3 each.

The implementation of Law 3371/2005 for Emporiki Bank was done in accordance with Law 3455/2006. According to this law, the pensioners and insured members of Emporiki Bank, who were insured for supplementary pension in T.E.A.P.E.T.E. were absorbed by I.K.A-E.T.E.A.M. and E.T.A.T on 31.12.2004. In accordance with a special economic study as stipulated by Law 3371/2005, Emporiki Bank paid a total amount of specific contribution of €786.6 million for the pensioners to the insurance funds I.K.A-E.T.E.A.M and E.T.A.T. in ten annual interest bearing installments. The outstanding amount including an accrued interest amounts to €90 million as at 31.12.2013, which equals to the last interest bearing installment which is paid in January 2014.

In addition, in accordance with the amendments of Law 3455/2006 for the active insured members, who were hired before 31.12.2004 in Emporiki Bank, increased social contributions are paid for the supplementary pension compared to the respective contributions which are stipulated by the Law of E.T.E.A.M. The payment of increased contributions was regulated by the IKA decision F-20203/19189/931/7.11.2006.

In accordance with Law 4052/2012, a new public sector legal entity was established under the name of Common Supplementary Insurance Fund (E.T.E.A.), that commenced its operations on 1.7.2012 and in which E.T.E.A.M. was incorporated on the same date. In this respect, employees of former Emporiki Bank S.A., who were insured in T.E.A.P.E.T.E. are now insured by E.T.E.A. and receive supplementary pension from E.T.E.A. upon their retirement from the Main Pension Fund.

On 1.3.2013, E.T.A.T. was absorbed by E.T.E.A for the supplementary insurance obligation. In particular, all the employees of Alpha Bank who were insured in T.A.P., as well as pensioners who were insured in T.A.P. upon their retirement from E.T.E.A. After 1.3.2013, the objective of E.T.A.T is the payment of:

a) Pre-pensioning contributions (main and supplementary pension until the retirement from Main Pension Fund and E.T.E.A.) to the insured members of T.E.A.P.E.T.E. and T.A.P. who were insured until 31.12.1992.

b) The difference between the amount of pensions which arose from the calculation of supplementary pension in accordance with the provisions of Article of Association of E.T.E.A. (former E.T.E.A.M) and T.E.A.P.E.T.E. for the insured members of T.E.A.P.E.T.E. who were insured until 31.12.1992.

e. The Bank, in cooperation with AXA Insurance, has created a new group savings plan for its employees that were hired and insured for the first time on 1.1.1993 and onwards. The plan's effective date is January 1, 2011 and its aim is to provide a lump sum monetary benefit to retiring employees. The plan assets consist of investments from the fixed monthly contributions of the Bank and its employees in low risk mutual funds. For employees hired by the Bank and insured after 1.1.2005 this is a defined contribution plan since the benefit arises solely from the accumulated savings capital up to their departure date.

Defined benefit plans

An analysis of liabilities arising from defined benefit plans is set out in note 29.

8. General administrative expenses

	From 1 January to	
	31.12.2013	**31.12.2012**
Rent for buildings	33,175	26,941
Rent and maintenance of EDP equipment	17,721	21,162
EDP expenses	28,733	28,037
Marketing and advertisement expenses	18,379	17,367
Telecommunications and postage	19,079	18,055
Third party fees	86,181	54,067
Consultants fees	6,266	6,907
Contribution to the Deposit guarantee fund - Investment fund and Solvency Fund	33,512	10,459
Insurance	9,092	9,395
Consumables	3,811	3,063
Electricity	9,738	7,078
Taxes (VAT, real estate etc)	71,265	56,507
Building and equipment maintenance	8,787	5,122
Cleaning fees	2,481	3,165
Security	8,131	8,056
Transportation	3,198	2,342
Services from collection agencies	8,265	10,587
Other	68,670	64,212
Total	**436,484**	**352,522**

The above figures include costs/expenses relating to the merger of Emporiki Bank amounting to €17.5 million.

9. Other expenses

	From 1 January to	
	31.12.2013	**31.12.2012**
Losses from write-offs/impairments on fixed assets	30,669	14,017
Impairment losses of other assets	15,998	
Other provisions (note 31)	274	12,663
Total	**46,941**	**26,680**

Impairment on fixed assets as at 31.12.2013 includes an amount of € 24.1 million which concerns the recognition of an impairment loss on the value of investment property, property, plant and equipment and property obtained through auctions, as well as an amount of €6.5 million concerning costs incurred by the merger with Emporiki Bank.

Impairment losses of other assets mainly concern tax receivables.

10. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.12.2013	**31.12.2012**
Impairment losses on loans and advances to customers (note 17)	1,488,676	1,370,850
Provisions to cover credit risk relating to off balance sheet items	145,249	11,000
Recoveries	(24,150)	(7,139)
Total	**1,609,775**	**1,374,711**

11. Income tax

According to article 14 of Law 3943/2011 “Tackling tax evasion, staffing of the tax auditing department and other provisions under the responsibility of the Ministry of Finance” a 20% tax rate is effective for legal entities for the periods commencing from 1.1.2011 and thereon. For profit distribution, withholding tax of 25% is imposed.

In accordance with article 9 of Law 4110/23.1.2013 “Income tax regulations, regulations on issues under the responsibility of the Ministry of Finance and other provisions”, the tax rate for legal entities increased from 20% to 26% for profits arising from 1.1.2013 and onwards. For profit distribution which will be approved from 1.1.2014 and onwards, the withholding tax rate is reduced to 10%.

In accordance with article 48 of Law 4172/23.7.2013 “Income tax, emergency implementation measures of Law 4046/2012, Law 4093/2012 and Law 4127/2013 and other provisions”, dividends paid either by local or foreign companies of the same Group, are relieved both from income tax and withholding tax, provided that the parent company’s participation, if the share capital of the subsidiaries is 10% is retained for at least 2 years and the legal entity distributing the dividend is not based in a non-cooperating country. The above are applicable from 1.1.2014.

In accordance with article 72 of the same Law, the amount included in non-distributed or capitalized reserves of legal entities as presented on the last balance sheet issued before 1.1.2014, and deriving from non-taxable profits as defined by Law 2238/1994, in case of distribution or capitalization until 31.12.2013, are subject to taxation at a rate of 15% which extinguishes the tax liability of the entity and its shareholders. From 1.1.2014 onwards, the above mentioned reserves are compulsory offset at the end of each tax year against losses incurred by any cause in the last 5 years until they are exhausted. But, in case of distribution or capitalization they are subject to taxation on a self assesement basis at a rate of 19%. Since 1.1.2015, the non taxable reserves cannot be established.

In accordance with article 82 paragraph 5 of Law 2238/94, for fiscal year 2011 and thereafter, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (AE), are obliged to issue an Annual Tax Certificate on the compliance of tax provisions on tax issues. This tax certificate is submitted to the entity subject to an audit within 10 days from the submission of the corporate income tax return, as well as, to the Ministry of Finance, electronically, no later than ten days following the date of the approval of the financial statements from the Ordinary General Assembly of the Shareholders.

After eighteen months from the issuance of tax unqualified certificate and on the precondition that no tax offences have been identified by the Ministry of Finance audits, the tax audit of the year is considered finalized.

For fiscal year 2012 the Bank has obtained the relevant tax certificate without any qualifications on the tax issues covered, whereas for the year 2013 the tax audit is in progress and no material findings are expected.

The income tax expense is analyzed as follows:

	From 1 January to	
	31.12.2013	**31.12.2012**
Current		1,876
Deferred	(681,504)	(279,957)
Total	**(681,504)**	**(278,081)**

Deferred tax recognized in the income statement is attributable to temporary differences, the effects of which are analyzed as follows:

	From 1 January to	
	31.12.2013	**31.12.2012**
Debit difference of Law 4046/2012	(205,364)	(811,773)
Revaluation/impairment of assets	(32,826)	(2,620)
Write-offs and fixed assets depreciation	28,575	1,104
Valuation/impairment of loans	(537,546)	60,455
Suspension of interest accruals	234,551	114,632
Employee defined benefit obligations	(5,027)	803
Valuation of derivatives	(20,939)	8,776
Effective interest rate	(1,439)	(797)
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	873	(297)
Valuation of investments due to hedging	(1,018)	288
Tax losses carried forward	(142,815)	(105,258)
Valuation/Impairment of bonds and other securities	(5,183)	462,078
Other temporary differences	6,654	(7,348)
Total	**(681,504)**	**(279,957)**

The above amounts include the effect from the change in the income tax rate from 20% to 26%.

For the result arising from the Bank's participation in the Greek Bond exchange program under PSI during fiscal year 2012, a deferred tax has been calculated which is included as "Debit difference of Law 4046/2012".

A reconciliation between the effective and nominal tax rate is provided below:

	From 1 January to			
	31.12.2013		**31.12.2012**	
	%		**%**	
Profit/(loss) before income tax		**2,175,517**		**(1,411,015)**
Income tax (nominal tax rate)	26	565,634	20	(282,203)
Increase/(decrease) due to:				
Non taxable income	(0.12)	(2,686)	0,03	(459)
Non deductible expenses	1.17	25,433	(0,24)	3,435
Impairment losses from participations	(2.54)	(55,299)		
Negative goodwill from the acquisition of Emporiki Bank not subject to tax	(31.38)	(682,629)		
Effect of changes of tax rates used for deferred tax	(18.90)	(411,118)		
Tax losses carried forward	(5.11)	(111,238)		
Other temporary differences	(0.44)	(9,601)	(0,08)	1,146
Income tax (effective tax rate)	**(31.32)**	**(681,504)**	**19.71**	**(278,081)**

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	31.12.2013			31.12.2012		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Change in available for sale securities reserve	246,689	(64,815)	181,874	314,249	(62,861)	251,388
Change in cash flow hedge reserve	145,078	(37,720)	107,358	(140,082)	28,018	(112,064)
Tax rate adjustments (Law 4110/2013)		15,230	15,230			
Exchange differences on translating foreign operations				3		3
Amounts that will not be reclassified to the Income Statement						
Actuarial gains/(losses) of defined benefit obligations	(10,089)	2,623	(7,466)	3,114	(623)	2,491
Tax rate adjustments (Law 4110/2013)		1,901	1,901			
Total	**381,678**	**(82,781)**	**298,897**	**177,284**	**(35,466)**	**141,818**

In 2013, "Retained Earnings" include a deferred tax asset amounting to €57,561, arising from the share capital issue costs which were recorded on the same account and relate to the share capital increase which was completed during the reporting period.

12. Earnings/(losses) per share

a. Basic

Basic earnings/(losses) per share are calculated by dividing the profit/(losses) after income tax attributable to ordinary equity owners of the Bank, by the weighted average number of outstanding ordinary shares, after deducting the weighted average number of treasury shares held by the Bank, during the period.

For the calculation of basic earnings/(losses) per share, profit or loss for the period is adjusted with the deduction of the after-tax amount of the dividends of those preference shares that have been classified in equity. The after-tax amount of preference dividends that is deducted is:

i. The after-tax amount of any dividends of preference shares on non-cumulative dividend preference shares declared for distribution during the period.

ii. The after-tax amount of the preference dividends for cumulative dividend preference shares required for the period, whether or not the dividends have been declared.

The Bank has issued non-cumulative dividend preference shares, according to Law 3723/2008.

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Bank does not have dilutive potential ordinary shares and additionally, based on the preference shares' terms of issuance and the convertible bond loan with Credit Agricole S.A., basic and dilutive earnings/(losses) per share should not differ.

	From 1 January to	
	31.12.2013	**31.12.2012**
Profit/(loss) attributable to ordinary equity owners of the Bank	**2,857,021**	**(1,132,934)**
Weighted average number of outstanding ordinary shares	6,639,922,965	965,652,432
Basic and diluted earnings/(losses) per share (in €)	0.43	(1.17)

The weighted average number of shares as at 31.12.2012 has been adjusted using a factor of 1.8074 in order to reflect the impact to the above ratio from the share capital increase which was done with an exercise price that was lower compared to the implied price.

The Ordinary General Meeting of Shareholders held on 29.6.2013, decided not to distribute to the Greek State the respective return on its preference shares, issued by the Bank and owned by the Greek State, as defined according to article 1 paragraph 3 of Law 3723/2008.

The restatements of 31.12.2012 referred to note 45 concerning the retrospective application of amendments on accounting standards, did not have a significant effect on basic and diluted profit/(loss) per share (in €).

ASSETS

13. Cash and balances with Central Banks

	31.12.2013	31.12.2012
Cash	342,375	258,752
Cheques receivables	11,589	12,065
Balances with Central Banks	652,330	499,376
Total	**1,006,294**	**770,193**
Less: Deposits pledged to Central Banks	(493,393)	(330,254)
Balance	**512,901**	**439,939**

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 1% of customer deposits.

These deposits bear interest same with the refinancing rate as set by the European Central Bank which as at 31.12.2013 was 0.25% (31.12.2012: 0.75%).

Cash and cash equivalents (as presented for the purposes of the statement of cash flows)

	31.12.2013	31.12.2012
Cash and balances with Central Banks	512,901	439,939
Sale and repurchase agreements (Reverse Repos)		65,050
Short-term placements with other banks	236,098	1,508,159
Total	**748,999**	**2,013,148**

14. Due from banks

	31.12.2013	31.12.2012
Placements with other banks	3,835,284	5,400,438
Guarantees for derivative securities coverage (note 36e)	1,189,771	1,149,646
Sale and repurchase agreements (Reverse Repos)		65,050
Loans to credit institutions	20,770	17,334
Less:		
Allowance for impairment losses	(8,965)	(8,965)
Total	**5,036,860**	**6,623,503**

15. Securities held for trading

	31.12.2013	31.12.2012
Bonds		
- Greek Government	6,537	13,605
- Other Issuers:		
Listed	464	514
Total	**7,001**	**14,119**

16. Derivative financial instruments (assets and liabilities)

	31.12.2013		
	Contract nominal amount	Fair Value	
		Assets	Liabilities
Derivatives held for trading purposes			
a. Foreign exchange derivatives			
Foreign exchange forwards	242,172	5,509	3,834
Foreign exchange swaps	3,458,944	16,529	12,924
Cross currency swaps	12,575,039	454,932	562,153
Foreign exchange options	20,984	300	59
Foreign exchange options embedded in customer products	1,311	2	
Total non-listed	**16,298,450**	**477,272**	**578,970**
Futures	39,858		77
Total listed	**39,858**		**77**
b. Interest rate derivatives			
Interest rate swaps	10,400,536	278,661	320,454
Interest rate options (caps and floors)	1,179,363	22,314	5,627
Total non-listed	**11,579,899**	**300,975**	**326,081**
Futures	4,219,626	1,297	99
Total listed	**4,219,626**	**1,297**	**99**
c. Commodity derivatives			
Commodity swaps	193,158	3,935	3,086
Total non-listed	**193,158**	**3,935**	**3,086**
d. Index derivatives			
OTC options	49,000	293	293
Total non-listed	**49,000**	**293**	**293**
e. Other derivatives			
GDP linked security	1,920,680	22,453	
Total listed	**1,920,680**	**22,453**	
Derivatives for hedging purposes			
a. Foreign exchange derivatives			
Cross currency swaps	75,886		2,286
Total non-listed	**75,886**		**2,286**
b. Interest rate derivatives			
Interest rate swaps	1,908,637	1,686	463,369
Interest rate options (caps and floors)	3,766		
Total non-listed	**1,912,403**	**1,686**	**463,369**
Grand Total	**36,288,960**	**807,911**	**1,374,261**

	31.12.2012		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading purposes			
a. Foreign exchange derivatives			
Foreign exchange forwards	733,181	9,443	25,885
Foreign exchange swaps	2,338,714	2,354	12,198
Cross currency swaps	10,278,783	211,594	334,543
Foreign exchange options	28,230	618	343
Foreign exchange options embedded in customer products	539	1	
Total non-listed	**13,379,447**	**224,010**	**372,969**
b. Interest rate derivatives			
Interest rate swaps	11,620,876	486,952	481,633
Interest rate options (caps and floors)	1,172,620	9,360	7,052
Total non-listed	**12,793,496**	**496,312**	**488,685**
Futures	5,425,116	398	756
Total listed	**5,425,116**	**398**	**756**
c. Commodity derivatives			
Commodity swaps	191,639	1,717	869
Total non-listed	**191,639**	**1,717**	**869**
d. Index derivatives			
OTC options	49,000	263	263
Total non-listed	**49,000**	**263**	**263**
e. Other derivatives			
GDP linked security	1,917,045	12,978	
Total listed	**1,917,045**	**12,978**	**-**
Derivatives for hedging purposes			
a. Foreign exchange derivatives			
Cross currency swaps	115,883	1,421	3,734
Total listed	**115,883**	**1,421**	**3,734**
b. Interest rate derivatives			
Interest rate swaps	2,656,837	3,515	662,453
Interest rate options (caps and floors)	3,766		1
Total non-listed	**2,660,603**	**3,515**	**662,454**
Grand Total	**36,532,229**	**740,614**	**1,529,730**

17. Loans and advances to customers

	31.12.2013	31.12.2012
Individuals		
Mortgages		
- Non-securitized	16,680,013	10,826,337
- Securitized	99,096	
Consumer:		
- Non-securitized	3,147,784	2,589,987
- Securitized	1,319,169	1,056,336
Credit cards:		
- Non-securitized	464,973	299,143
- Securitized	471,800	545,203
Other	13,765	54,826
Total	**22,196,600**	**15,371,832**
Companies:		
Corporate loans		
- Non-securitized	25,705,409	19,431,773
- Securitized	1,480,643	1,355,796
Other receivables	413,204	244,394
	49,795,856	**36,403,795**
Less: Allowance for impairment losses(1)	(5,559,391)	(3,607,221)
Total	**44,236,465**	**32,796,574**

The Bank has proceeded in securitizing consumer, corporate loans, mortgage loans, as well as credit cards through special purpose entities controlled by them.

The amount of €99,096 relates to securitized mortgage loans which were acquired from Emporiki Bank.

Based on the contractual terms and structure of the above transactions (e.g. allowance of guarantees or/and credit enhancement or due to the Bank owing the bonds issued by the special purpose entities) the Bank retained in all cases the risks and rewards deriving from securitized portfolios.

The Bank has proceeded with the direct issuance of covered bonds secured by mortgage loans. As at 31.12.2013, the balance of the covered bonds amounted to €3.7 billion and the value of mortgage loans provided as coverage for these bonds amounted to €4.3 billion.

Loans and advances to customers include loans obtained from the acquisition of Emporiki Bank amounted to €13,900,626 (note 43).

(1) In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of €193,343 (31.12.2012: €12,000), out of which an amount of € 37,422 concerns Emporiki Bank, has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to €5,752,734 (31.12.2012: €3,619,221).

Allowance for impairment losses

Balance 1.1.2012	**4,185,377**
Changes for the period 1.1 - 31.12.2012	
Impairment losses for the year (note 10)	1,370,850
Change in present value of the allowance account	215,751
Foreign exchange differences	2,025
Loans written-off during the year	(2,153,408)
Transformation of Albania branch to subsidiary	(13,374)
Balance 31.12.2012	**3,607,221**
Changes for the period 1.1 - 31.12.2013	
Impairment losses for the year (note 10)	1,488,676
Change in present value of the allowance account	335,021
Foreign exchange differences	2,092
Other adjustments for credit risk	174,416
Loans written-off during the year	(48,035)
Balance 31.12.2013	**5,559,391**

18. Investment securities

a. Available for sale

	31.12.2013	31.12.2012
Greek Government:		
- Bonds	851,393	549,807
- Treasury bills	2,465,326	3,005,687
Other States:		
- Bonds		325,936
Other issuers:		
- Listed	1,069,530	2,229,113
- Non-listed	2,476	3,257
Shares:		
- Listed	21,418	32,121
- Non-listed	16,304	10,391
Other variable yield securities	23,129	14,971
Total	**4,449,576**	**6,171,283**

During 2013 the Bank has recognized impairment loss amounting to €40,779 which is analyzed as an amount of €9,006 which relates to shares and other variable return securities and an amount of €31,773 which relates to bonds of other issuers.

The respective amount recognized in 2012 results amounted to €54,702 out of which an amount of €38,029 related to shares and other variable yield securities and an amount of €16,673 related to bonds of other issuers.

These impairment amounts are included in "Gains less losses on financial transactions".

b. Held to maturity

	31.12.2013	31.12.2012
Greek Government:		
- Bonds	891,641	891,676
Other States:		
- Bonds	3,385	
Other issuers:		
- Listed	277,432	345,780
- Non-listed	1,578	1,869
	1,174,036	**1,239,325**
Less:		
Allowance for impairment losses	(156,342)	(157,110)
Total	**1,017,694**	**1,082,215**

The held to maturity Greek Government bonds include only the security transferred to the Bank's ownership for the issuance of the preference shares of the Greek State according to Law 3723/2008.

Allowance for impairment losses

Balance 1.1.2012	**2,688,114**
Changes for the period 1.1-31.12.2012	
Impairment losses on Greek Government bonds	77,646
Impairment losses on bonds of other issuers	143,321
Amounts written-off during the year relating to Greek Government bonds	(2,751,971)
Balance 31.12.2012	**157,110**
Changes for the period 1.1-31.12.2013	
Loans written-off during the period	(768)
Balance 31.12.2013	**156,342**

The amount of €77,646 relates to the additional impairment loss of Greek Government bonds issued abroad, which were exchanged in April 2012, due to the transition of the new Greek Government bonds from inactive to active markets.

The amount of €143,321 relates to subordinated bond of Agricultural Bank, whose licence was recalled on 27.7.2012.

c. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (E.F.S.F.) at a nominal value of €3,960,544 received by the Bank as a result of the share capital increase which was completed on 6.6.2013 and of nominal value of €284,628 which were transferred to the Bank from the Hellenic Financial Stability Fund for the undertaking of customer deposits from the former Cooperative Banks of Macedonia, Evia and Dodecanese in December 2013. The total carrying amount of these bonds as at 31.12.2013 amounted to €4,308,556.

19. Investments in subsidiaries, associates and joint ventures

	From 1 January to	
	31.12.2013	**31.12.2012**
Subsidiaries		
Opening balance	**2,044,676**	**1,849,233**
Additions	151,312	194,004
Disposals	(277,791)	
Transfer due to reclassification to assets held for sale	(80,000)	(2)
Transfer from joint ventures	30,086	
Valuation of investments due to fair value hedge (1)	(1,701)	1,441
Additions from acquisition of Emporiki Bank	115,680	
Closing balance	**1,982,262**	**2,044,676**
Associates		
Opening balance	**74**	**74**
Additions	30	
Transfer from Investment Securities	527	
Closing balance	**631**	**74**
Joint ventures		
Opening balance	**105,705**	**105,028**
Additions	12,223	677
Transfer to subsidiaries	(30,086)	
Closing balance	**87,842**	**105,705**
Total	**2,070,735**	**2,150,455**

Additions represent: share purchases, participation in share capital increases and acquisitions of shares due to mergers.

Disposals represent: sales of shares, return of capital, proceeds arising from the liquidation of companies, contributions in kind and impairments.

The additions in subsidiaries amounting to €151.3 million relate to:

- €129 million share capital increase of subsidiary in Cyprus.
- €14.2 million share capital increase of Alpha Group Invesments.
- €6.9 million share capital increase of Ionian Equity Participations.
- €1 million share capital increase of Oceanos A.T.O.E.E.
- €0.2 million share capital increase of APE Fixed Assets A.E.

Disposals and transfers of subsidiaries to assets held for sale concern the subsidiary company JSC Astra Bank which met the criteria necessary to be classified as an asset held hor sale on 30.6.2013 due to the sale agreement with Ukrainian group Delta Bank (note 44g). The difference between the carrying amount of the investment and the fair value less costs to sell amounted to € 65,1 million was recorded as a loss in "Gains less losses on financial transactions". Following the above, the carrying amount of €80 million relating to the investment in JSC Astra Bank was reclassified as an asset held for sale. The sale was completed on 19.9.2013 (note 44h). It is also included the impairment of Bank's investment in Alpha Bank Srbija AD, amounted to € 212.7 million, in the context of the annual test on the value incurred from the initial acquisition of the subsidiary. In particular, the recoverable amount of the investment which was calculated on the value in use, based on a dividend discounting model, was less than the carrying amount of Alpha Bank Srbija AD, as presented to Bank's financial statements.

The additions in associates amounting to €0.03 million relate to the investment in Olganos.

The additions in joint ventures amounting to €12.2 million relate to the Bank's capital contribution of €1,3 million to Alpha-TANEO A.K.E.S. and the Bank's participation in the €10,9 million share capital increase of APE Investment Property A.E.

In subsidiaries, the transfer amount of €30 million relates to the joint venture APE Fixed Assets A.E. which, after the acquisition of Emporiki Bank A.E., is considered a subsidiary of the Bank.

In associates, the transfer amount of €0.5 million relates to the company Tiresias which was transferred from Investment Securities.

(1) The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investments in subsidiaries abroad.

Subsidiary financial information

A. SUBSIDIARIES

		Balance 31.12.2013			1.1 - 31.12.2013		
Name	Country of incorporation	Assets	Equity	Liabilities	Turnover	Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2013
Banks							
1. Alpha Bank London Ltd	United Kingdom	811,091	102,254	708,837	15,248	4,807	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	3,804,562	528,448	3,276,114	203,311	(99,247)	100.00
3. Emporiki Bank Cyprus Ltd	Cyprus	456,450	42,191	414,259	19,172	(14,064)	85.18
4. Alpha Bank Romania S.A.	Romania	3,639,562	371,116	3,268,446	228,754	8,125	99.92
5. Alpha Bank AD Skopje	FYROM	115,927	17,394	98,533	8,201	(3,328)	100.00
6. Alpha Bank Srbija A.D.	Serbia	724,097	103,996	620,101	70,199	(12,197)	100.00
7. JSC Astra Bank	Ukraine				17,040	1,180	
8. Alpha Bank Albania Sh.A.	Albania	585,401	82,720	502,681	41,549	1,502	100.00
Leasing companies							
1. Alpha Leasing A.E.	Greece	1,012,459	261,562	750,897	28,171	(13,474)	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	37,046	1,113	35,933	2,176	(271)	99.00
3. ABC Factors A.E.	Greece	475,986	100,961	375,025	40,295	13,896	100.00
Investment Banking							
1. Alpha Finance A.E.P.E.Y.	Greece	84,140	33,946	50,194	13,545	1,506	99.72
2. SSIF Alpha Finance Romania S.A.	Romania	1,954	1,114	840	526	85	99.00
3. Alpha A.E. Ventures	Greece	40,420	38,560	1,860	2,276	1,754	99.42
4. Emporiki Ventures Capital Developed Markets Ltd	Cyprus	24,792	24,755	37	(147)	(187)	100.00
5. Emporiki Ventures Capital Emerging Markets Ltd	Cyprus	17,392	17,371	21	(557)	(616)	100.00
6. Emporiki Diachirisis A.E.	Greece	4,721	3,664	1,057	292	(181)	99.65
Asset Management							
1. Alpha Asset Management A.E.D.A.K.	Greece	54,913	47,814	7,099	16,108	2,819	88.40
Insurance							
1. Alpha Insurance Agents A.E.	Greece	5,973	5,806	167	1,049	893	100.00
2. Alpha Insurance Cyprus Ltd	Cyprus	68,710	14,462	54,248	8,281	2,878	17.95
3. Alphalife A.A.E.Z.	Greece	104,055	14,436	89,619	4,523	3,500	99.90
Real Estate and Hotel							
1. Oceanos A.T.O.E.E.	Greece	22,722	22,650	72	1,158	572	100.00
2. Emporiki Development and Real Estate Management S.A.	Greece	54,039	52,659	1,380	1,294	1,007	100.00
3. APE Fixed Assets A.E.	Greece	40,515	40,210	305	4	(293)	72.20
Special purpose and holding entities							
1. Alpha Credit Group Plc	United Kingdom	979,459	7,517	971,942	73,335	8,569	100.00
2. Alpha Group Jersey Ltd	Jersey	37,068	403	36,665	4,602	(15)	100.00
3. Alpha Group Investments Ltd	Cyprus	299,981	299,951	30	2,092	2,065	100.00
4. Ionian Holdings A.E.	Greece	392,402	388,836	3,566	14,589	14,492	100.00
5. Ionian Equity Participations Ltd	Cyprus	38,743	36,834	1,909	(2,142)	(2,156)	100.00
6. Emporiki Group Finance Plc	United Kingdom	494,179	47,743	446,436	21,440	(1,594)	100.00
7. Katanalotika Plc	United Kingdom	1,818,025	59	1,817,966	85,265	6	
8. Epihiro Plc	United Kingdom	2,151,989	40	2,151,949	48,153	4	
9. Pisti 2010-1 Plc	United Kingdom	763,898	28	763,870	94,465	4	
10. Lithos Plc	United Kingdom	121,252	987	120,265	4,119	(505)	
11. Alpha Group Ltd	Cyprus	398,627	398,465	162	6,775	6,705	100.00
Other companies							
1. Kafe Alpha A.E.	Greece	230	176	54	222	(1)	99.00
2. Alpha Supporting Services A.E.	Greece	73,651	65,022	8,629	15,322	4,347	99.00
3. Evisak A.E.	Greece	4,503	3,456	1,047	3,366	209	85.71

B. ASSOCIATES

Name	Country of incorporation	Balance 31.12.2013 Assets	Balance 31.12.2013 Equity	Balance 31.12.2013 Liabilities	1.1 - 31.12.2013 Turnover	1.1 - 31.12.2013 Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2013
1. AEDEP Thessalias and Stereas Ellados	Greece		147				50.00
2. Tiresias A.E.	Greece	7,026	3,148	3,878	13,500	247	23.77
3. Olganos A.E.	Greece	30	30				30.44

C. JOINT VENTURES

1. Cardlink A.E.	Greece	10,350	(845)	11,195	8,953	(1,396)	50.00
2. APE Commercial Property A.E.	Greece	60,178	59,787	391	497	(2,599)	72.20
3. APE Investment Property A.E.	Greece	276,220	(22,177)	298,397	4,236	(10,580)	72.80
4. Alpha TANEO A.K.E.S.	Greece	10,369	9,549	820	(546)	(1,296)	51.00

20. Investment property

	Land and Buildings
Balance 1.1.2012	
Cost	48,408
Accumulated depreciation and impairment losses	(8,021)
1.1.2012 - 31.12.2012	
Net book value 1.1.2012	40,387
Additions	1,849
Impairment	(2,187)
Reclassification from “Property, plant and equipment”	(8,007)
Depreciation charge for the year	(359)
Net book value 31.12.2012	**31,683**
Balance 31.12.2012	
Cost	41,076
Accumulated depreciation and impairment	(9,393)
1.1.2013 - 31.12.2013	
Net book value 1.1.2013	31,683
Additions	411
Impairment	(3,526)
Depreciation charge for the year	(363)
Net book value 31.12.2013	**28,205**
Balance 31.12.2013	
Cost	41,487
Accumulated depreciation and impairment losses	(13,282)

In 2013, an impairment loss amounting to €3.5 million was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2013, as estimated by Alpha Astika Akinita A.E.. The impairment amount was recorded in “Other Expenses”.

The fair value of investment property as at 31.12.2013 does not materially differ from the carrying amount.

The fair value of investment property is calculated in accordance with the methods mentioned in note 1.7 and are classified, in terms of fair value hierarchy, in Level 3, since they have made use of research inputs, assumptions and inputs relating to properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs.

The impairment amount of €2.2 million in 2012 relates to the estimated restoration costs for damages caused by fire that occurred in two preservable buildings of the Bank during the riots which took place on 12.2.2012.

21. Property, plant and equipment

	Land and buildings	Leased equipment	Equipment	Total
Balance 1.1.2012				
Cost	812,106	245	363,528	1,175,879
Accumulated depreciation and impairment losses	(242,756)	(72)	(304,880)	(547,708)
1.1.2012 - 31.12.2012				
Net book balue 1.1.2012	569,350	173	58,648	628,171
Additions	7,401	8	9,906	17,315
Impairments	(6,873)			(6,873)
Foreign exchange differences	1			1
Disposals	(3,184)		(685)	(3,869)
Reclassification from “Investment property”	8,007			8,007
Reclassification	1,551			1,551
Transformation of Albania branch to subsidiary	(6,905)	(126)	(1,636)	(8,667)
Depreciation charge for the year	(17,272)	(22)	(21,348)	(38,642)
Net book value 31.12.2012	**552,076**	**33**	**44,885**	**596,994**
Balance 31.12.2012				
Cost	812,090	39	360,448	1,172,577
Accumulated depreciation and impairment losses	(260,014)	(6)	(315,563)	(575,583)
1.1.2013 - 31.12.2013				
Net book value 1.1.2013	552,076	33	44,885	596,994
Additions	11,094	745	9,116	20,955
Impairments	(15,922)			(15,922)
Disposals/Write offs	(13,258)		(363)	(13,621)
Reclassifications	(5,845)			(5,845)
Reclassification from “Equipment” to “Land and buildings”	18		(18)	
Additions from the acquisition of Emporiki Bank (note. 43)	188,675		16,534	205,209
Depreciation charge for the year	(20,056)	(30)	(13,385)	(33,471)
Net book value 31.12.2013	**696,782**	**748**	**56,769**	**754,299**
Balance 31.12.2013				
Cost	986,066	784	378,803	1,365,653
Accumulated depreciation and impairment losses	(289,284)	(36)	(322,034)	(611,354)

The carrying amount of owned land and buildings included in the above balances amounts to €642,250 as at 31.12.2013 (31.12.2012: €507,656).

In 2013, an impairment loss of €15.9 million was recognized for property, plant and equipment and was recorded in “Other Expenses”.

“Additions from the acquisition of Emporiki Bank” concerns the fair value of Emporiki Bank’s assets as at 30.6.2013, as disclosed in note 43.

During the impairment test of property, plant and equipment, the estimation is based on the value in use incorporating the carrying amount of an asset and all the improvements which render it absolutely suitable for use from the Bank.

The impairment loss of €6.9 million for 2012 related to the estimated restoration costs for damages caused by fire that occurred in two preservable buildings of the Bank during the riots that took place on 12.2.2012. The majority of losses are covered by insurance compensation.

22. Goodwill and other intangible assets

	Software	Banking rights	Other	Total
Balance 1.1.2012				
Cost	266,038	1,785	69	267,892
Accumulated amortization and impairment losses	(179,519)	(1,458)	(40)	(181,017)
1.1.2012 - 31.12.2012				
Net book value 1.1.2012	86,519	327	29	86,875
Additions	28,430			28,430
Foreign exchange differences	(1)			(1)
Disposals	(4)			(4)
Transformation of Albania branch to subsidiary	(602)			(602)
Amortization charge for the year	(20,932)	(327)	(10)	(21,269)
Net book value 31.12.2012	**93,410**		**19**	**93,429**
Balance 31.12.2012				
Cost	291,987	1,785	69	293,841
Accumulated amortization and impairment losses	(198,577)	(1,785)	(50)	(200,412)
1.1.2013 - 31.12.2013				
Net book value 1.1.2013	93,410		19	93,429
Additions	40,530			40,530
Additions from the acquisition of Emporiki Bank	23,388		46,100	69,488
Additions from the acquisition of Cooperative Banks			9,094	9,094
Disposals/Write offs	(1,951)			(1,951)
Amortization charge for the year	(10,671)		(3,852)	(14,523)
Net book value 31.12.2013	**144,706**		**51,361**	**196,067**
Balance 31.12.2013				
Cost	352,865	1,785	55,263	409,913
Accumulated amortization and impairment losses	(208,159)	(1,785)	(3,902)	(213,846)

“Additions from the acquisition of Emporiki Bank” refers to the fair value of intangible assets of Emporiki Bank as at 30.6.2013, as presented in note 43.

In particular, an amount equal to €46.1 million relates to the recognition of an intangible asset regarding the newly acquired core customer deposit base of Emporiki Bank with an estimated useful life of 6 years.

Additionally, an amount equal to €9.1 million relates to the recognition of an intangible asset regarding the newly acquired core customer deposit base of Cooperative Banks of Dodecanese, Evia and Macedonia, with an estimated useful life of 2 years.

23. Deferred tax assets and liabilities

	31.12.2013	31.12.2012
Assets	2,740,649	1,786,612
Liabilities		(372,468)
Total	**2,740,649**	**1,414,144**

Deferred tax assets and liabilities are analyzed as follows:

	1.1.2013 - 31.12.2013				
		Recognized in			
	Balance 1.1.2013	Income Statement	Equity	Negative goodwill from the acquisition of Emporiki Bank	Balance 31.12.2013
Debit difference of Law 4046/2012	811,773	205,364		101,342	1,118,479
Revaluation/impairment of fixed assets	2,620	32,826		4,024	39,470
Depreciation and fixed assets write-offs	(5,283)	(28,575)			(33,858)
Valuation/impairment of loans	539,051	537,546		572,503	1,649,100
Suspension of interest accruals	(326,731)	(234,551)		(29,539)	(590,821)
Valuation of derivatives	122,861	20,939	(27,593)	12,538	128,745
Other temporary differences	31,481	(6,654)		26,229	51,056
Employee defined benefit obligations	52,138	5,027	4,524	22,414	84,103
Tax losses carried forward	105,258	142,815			248,073
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,273)	(873)		(39,290)	(44,436)
Valuation of investments due to hedge	(948)	1,018			70
Impairment of investments	2,864				2,864
Valuation/impairment of bonds and other securities	90,434	5,183	(59,712)		35,905
Effective interest rate	(7,101)	1,439			(5,662)
Share capital increase expenses			57,561		57,561
Total	**1,414,144**	**681,504**	**(25,220)**	**670,221**	**2,740,649**

The adjustement to the opening balance of “Employee defined benefit oligations” as at 1.1.2013 was from the retrospective application of new accounting policy (note 45).

	1.1.2012 - 31.12.2012					
	Balance 1.1.2012			Recognized in		
	Before adjustments	Adjustments due to PSI	After adjustments	Income Statement	Equity	Balance 31.12.2012
Debit difference of Law 4046/2012				811,773		811,773
Revaluation/impairment of fixed assets				2,620		2,620
Depreciation and fixed assets write-offs	(4,179)		(4,179)	(1,104)		(5,283)
Valuation/impairment of loans	197,810	401,696	599,506	(60,455)		539,051
Suspension of interest accruals	(212,099)		(212,099)	(114,632)		(326,731)
Valuation of derivatives	103,619		103,619	(8,776)	28,018	122,861
Other temporary differences	24,133		24,133	7,348		31,481
Employee defined benefit obligations	53,564		53,564	(803)	(623)	52,138
Tax losses carried forward				105,258		105,258
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,570)		(4,570)	297		(4,273)
Valuation of investments due to hedge	(660)		(660)	(288)		(948)
Impairment of investments	2,864		2,864			2,864
Valuation/impairment of bonds and other securities	59,537	555,836	615,373	(462,078)	(62,861)	90,434
Effective interest rate	(7,898)		(7,898)	797		(7,101)
Total	**212,121**	**957,532**	**1,169,653**	**279,957**	**(35,466)**	**1,414,144**
Impairment of Greek Government Bonds and Loans guaranteed by the Hellenic Republic eligible to PSI (note 11)	957,532	(957,532)				-
Total	**1,169,653**	**-**	**1,169,653**	**279,957**	**(35,466)**	**1,414,144**

The adjustement to the opening balance of “Employee defined benefit oligations” as at 1.1.2012 was from the retrospective application of new accounting policy (note 45).

24. Other Assets

	31.12.2013	31.12.2012
Tax advances and withholding taxes	266,918	180,687
Deposit and Investment Guarantee Fund	592,825	305,458
Assets obtained from auctions	187,447	87,439
Lump sum payment to Hellenic Financial Stability Fund (HFSF)		153,003
Prepaid expenses	53,615	56,179
Employee advances	12,249	8,575
Accrued income	8,444	4,133
Receivables from employee defined benefit plan (note 29)		411
Other	321,237	119,800
Total	**1,442,735**	**915,685**

- In accordance with article 6 of Law 3714/7.11.2008 deposits guaranteed by the deposit guarantee system increased from €20 thousand to €100 thousand per customer. The percentages used for calculating the contribution paid by banks to the Deposit Guarantee Fund also increased. In accordance with the Ministry decision 23384/27.5.2011 the law was extended until 31.12.2015.

  Law 3746/16.2.2009 concerning the "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" provides that the amount contributed relating to investment coverage and the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008, will be included in a special group of assets, along with the proportion of each participant in the credit institutions. This specific asset includes the amounts of former Emporiki Bank as well as the amounts from Cooperative Banks of Evia, Western Macedonia and Dodecanese, in the context of the decision of Bank of Greece of 8.12.2013 for the transfer to the Bank, among other assets, the rights of Cooperative Banks towards the Deposit and Investment Guarantee Fund (DIGF) which had applied before the recall of their licenses.

- "Other" includes the claim of the Bank from the Hellenic Financial Stability Fund for the payment of the difference between the transferred assets and liabilities of the above mentioned Cooperative Banks.

- Assets obtained from auctions include an amount of €98,075 relating to assets of former Emporiki Bank.

- On 31.12.2013 the Bank measured its fixed assets obtained through auctions at the lowest value between the carrying amount and its fair value. In cases where the fair value was less than the carrying amount, an impairment loss was recognized which amounted to €4.6 million in total and is included in "Other expenses" of the Income Statement. On 31.12.2012, the relevant impairment loss amounted to €9.8 million. The fair value of fixed assets acquired from auction are calculated in accordance with the methods mentioned in note 1.7 and are classified in terms of fair value hierarchy in Level 3, since they have made use of research inputs, assumptions and inputs relating to properties of relevant characteristics and therefore encompass a wide range of non-observable market inputs.

LIABILITIES

25. Due to banks

	31.12.2013	31.12.2012
Deposits:		
- Current accounts	60,894	39,625
- Term deposits		
Central Banks	17,177,209	23,802,213
Other credit institutions	834,858	1,531,328
Cash collateral for derivative margin accounts	27,628	58,465
Sale and repurchase agreements (Repos)	857,589	
Borrowing funds	397,151	393,920
Total	**19,355,329**	**25,825,551**

26. Due to customers

	31.12.2013	31.12.2012
Deposits:		
- Current accounts	6,316,724	4,257,957
- Saving accounts	8,240,818	4,811,929
- Term deposits:		
Synthetic swaps	8,192	422,339
Other	22,275,097	13,260,390
Sale and repurchase agreements (Repos)	514,607	348,455
	37,355,438	**23,101,070**
Cheques payable	149,251	89,939
Total	**37,504,689**	**23,191,009**

The above amounts include cash balances acquired from the Cooperative Banks, after the decision of the Bank of Greece for the removal of the operating license of the Cooperative Banks of Evia, Western Macedonia and Dodecanese.

27. Debt securities in issue and other borrowed funds

i. Issues guaranteed by the Greek State (Law 3723/2008)

In the context of the programme for the enhancement of the Greek economy's liquidity, according to Law 3723/2008, the Bank proceeded in issuing the following senior debt securities

- Nominal value of €2.6 billion, issued on 20.5.2013, maturing on 20.5.2014 with a floating interest rate of twelve month Euribor plus a spread of 12%.
- Nominal value of €2.3 billion, issued on 19.6.2013, maturing on 19.6.2014 with a floating interest rate of three month Euribor plus a spread of 12%.
- Nominal value of €3.6 billion, issued on 18.12.2013, maturing on 27.2.2015 with a floating interest rate of three month Euribor plus a spread of 12%.

The total balance of senior debt securities guaranteed by the Greek State as at 31.12.2013 amounts to €9.8 billion.

These securities are not disclosed in "Debt securities in issue and other borrowed funds", as they are held by the Bank.

ii. Covered bonds [1]

The balance of covered bonds issued by the Bank as at 31.12.2013 amounts to €3.7 billion.

Covered bonds are not included in the "Debt securities in issue and other borrowed funds" since the corresponding securities are held by the Bank.

iii. Short term securities

Balance 1.1.2013	
Changes for the period 1.1 - 31.12.2013	
New issues	80,498
Maturities/Repayments	(42,519)
Accrued interest	616
Foreign exchange differences	(1,074)
Balance 31.12.2013	**37,521**

The amount of “new issues” includes the following issues:

- nominal value of USD 28.3 million maturing on 7.6.2013.
- nominal value of USD 28.8 million maturing on 10.12.2013.
- nominal value of USD 52 million maturing on 11.3.2014.

iv. Senior debt securities

Balance 1.1.2013	**1,956,046**
Changes for the period 1.1 - 31.12.2013	
New issues	25,045
Acquisition of Emporiki Bank	356,659
Maturities/Repayments	(1,286,421)
Fair value change	462
Accrued interest	15,817
Foreign exchange differences	(323)
Balance 31.12.2013	**1,067,285**

The amount of “new issues” includes the following issues:

- value of €13.8 million maturing on 17.5.2018, bearing a fixed interest rate of 2%.
- value of €1.3 million maturing on 18.12.2028, bearing a fixed interest rate of 1.5%.
- value of €10 million maturing on 19.12.2028, bearing a fixed interest rate of 4%.

v. Liabilities from the securitisation of mortgage loans

Balance 1.1.2013	
Changes for the period 1.1 - 31.12.2013	
Acquisition of Emporiki Bank	103,730
Fair value adjustment	(39,796)
Restated balance 30.6.2013	**63,934**
Receivable offsetting	(31,125)
Amortization of valuation	12,974
Accrued interest	319
Repayments	(19,185)
Balance 31.12.2013	**26,917**

On the acquisition of the Emporiki Bank, the Bank recorded an obligation towards the special purpose entity, Lithos Mortgage Financing PLC (securitization of mortgage loans).

The amount of the liability published on 30.6.2013 has been restated due to the adjustment of its provisional fair value by the amount of €39,796 (note 43).

The respective liability amounts to €26,917 as at 31.12.2013 after the offsetting of bonds and other receivables issued by the special purpose entity and held by the Bank.

Additional liabilities arising from the securitisation of consumer loans, corporate loans and credit cards are not included in “Debt securities in issue and other borrowed funds” since these securities of nominal value €3.7 billion have been issued by special purpose entities and held by the Bank.

(1) Financial disclosures regarding covered bond issues, as determined by the 2620/28.8.2009 Act of the Bank of Greece, have been published on the Bank’s website.

vi. Subordinated debt

Balance 1.1.2013	**202,734**
Changes for the period 1.1 - 31.12.2013	
Maturities/Repayments	(113,804)
Accrued interest	(305)
Balance 31.12.2013	**88,625**

On 19.4.2013 the Bank announced to the holders of subordinated debt securities a tender offer for buying back in cash the existing subordinated debt securities (Upper Tier II Securities and Lower Tier II Securities) at a price equal to 55% of their nominal value. The participation in the above offer was 47%.

vii. Hybrid securities

Balance 1.1.2013	**158,472**
Changes for the period 1.1 - 31.12.2013	
Maturities/Repayments	(123,437)
Accrued interest	462
Balance 31.12.2013	**35,497**

On 19.4.2013, the Bank announced to the holders of hybrid securities (Tier I securities) a tender offer for buying back in cash the existing securities issued by the subsidiary Alpha Group Jersey at a price of 35% of the nominal value. The acceptance of the tender offer was 70%. Considering that the offer acceptance was over 90%, for the securities with interest step up clause, the Bank announced on 20.6.2013 the obligatory buy back at the same cost, exercising the right pursuant to Jersey's Law. The settlement of the obligatory buy back was made on 21.10.2013.

During 2012 no dividends were paid to the hybrid security holders due to the non existence of sufficient funds for the Bank up to the end of 2011. Since the condition of non existence of sufficient funds was met in 2012, it was announced on 18.1.2013 the non payment of interest on 18.2.2013 of the annual dividend of the CMS hybrid title (ISIN: DE000A0DX3M2) without interest step up clause. For the same reason, it was also announced the non-payment of the quarterly dividends in 2013, relating to the innovative hybrid title with interest step up clause (ISIN: XS0159153823).

viii. Convertible bond loan

Balance 1.1.2013	
Changes for the period 1.1 - 31.12.2013	
New issues	30,000
Fair value change due to hedging	9,600
Balance 31.12.2013	**39,600**

In accordance with the agreement with Credit Agricole for the acquisition of Emporiki Bank, the Bank issued on 1.2.2013 a convertible bond loan amounting to €150 million, with a nominal value of €100 thousand per bond.

This security is interest free and can be converted in ordinary shares, after the exercise of the owner's relevant right, provided that four years after its issuance the following conditions are met:

- The number of the Group's branches in Greece is decreased by at least 20% compared to the existing branches on the acquisition date on 1.2.2013.
- The Group's Core Tier I capital ratio after accounting for the capitalisation amount from the Hellenic Financial Stability Fund, is not less than the minimum Core Tier I capital ratio which is in effect on the date the security is converted into ordinary shares.

The number of shares can be calculated by dividing the nominal value with the higher of a) the price at which the Hellenic Financial Stability Fund participated in the Bank's share capital increase in the context of its recapitalization and b) the weighted, based on volume of transactions, average closing price of the Bank's ordinary shares for a period of three months preceding the conversion date.

In the case of credit default of the issuer the bonds are repaid immediately for one euro per bond.

This security has been classified in liabilities since the number of ordinary shares that the bond may be converted is variable, as it depends on the share's price.

At initial recognition, the security was measured at fair value and the difference between the value of initial recognition and the nominal value, was recorded in gains less losses on financial transactions in 2013. The fair value estimation was primarily based on the valuation of securities with similar characteristics, such as the Bank's subordinated debt, for a zero coupon issue as well as the repayment terms.

On 31.12.2013 a new valuation of the above security was performed and its result was classified in "Gains less losses on financial transactions".

Total of Debt securities in issue and other borrowed funds, not held by the Bank, as at 31.12.2013	**1,295,445**

28. Liabilities for current income tax and other taxes

	31.12.2013	31.12.2012
Other taxes	32,781	22,774
Total	**32,781**	**22,774**

29. Employee defined benefit obligations

The total amounts recognized in the financial statements for employee defined benefit obligations are presented in the table below:

	Balance Sheet Assets/Liabilities	
	31.12.2013	**31.12.2012**
TAP – Lump sum benefit (note 24)		411
Total Assets		**411**
TAP - Lump sum benefit	4,452	
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920	70,029	48,243
Savings program guarantee	93	476
Total liabilities	**74,574**	**48,719**

	Income Statement Expenses/(Income)	
	From 1 January to	
	31.12.2013	**31.12.2012**
TAP – Lump sum benefit	(14,654)	3,735
Bank employee's indemnity provision due to retirement in accordance with Law 2112/1920 (note 7)	(10,532)	46,622
Savings program guarantee	36	49
Total	**(25,150)**	**50,406**

Balance Sheet and Income Statement amounts are analyzed per fund and type of benefits as follows:

a. Employee idemnity due to retirement in accordance with Law 2112/1920

Since 14 February 2012, on promulgation of Law 4046/2012 and in accordance with Cabinet Act 6/28.2.2012 employment contracts that mature at the age limit or when the retirement conditions have been met are considered open term employee contracts and if cancelled the provisions of Law 2112/1920 and 3198/1955 apply which provide a lump sum payment. In addition based on Law 4093/2012 which became effective on 12.11.2012 amended these provisions by reducing the amount of the benefit to be paid.

Up to the publication of the above Law the Bank's employment contracts had a definite term clause.

In the balance sheet of 31.12.2012 a liability was recognized amounting to €48,243, while staff costs for the year increased by €46,622 due to the specific provision that amounted to €1,621.

The obligation as at 31.12.2013 was affected by the acquisition of Emporiki Bank on 1.2.2013.

The amounts recognized in the balance sheet are as follows:

	31.12.2013	31.12.2012
Present value of defined obligations	70,029	48,243
Liability/ (asset)	**70,029**	**48,243**

The amounts recognized in the income statement are as follows:

	From 1 January to	
	31.12.2013	31.12.2012
Current service cost	4,001	
Net interest cost resulted from net asset/liability	4,111	
Recognition of past service cost	(21,293)	46,622
Settlement/Curtailment/Termination (gain)/loss	2,649	
Total (included in staff costs)	**(10,532)**	**46,622**

In 2013, there was a gain from the calculation of employee defined obligations for the employees from Emporiki Bank taking into consideration the modification introduced by Law 4093/2012.

The movement in the present value of defined obligation is as follows:

	2013	2012
Opening balance	**48,243**	**1,621**
Liability from the acquisition of Emporiki Bank on 1.2.2013	44,580	
Current service cost	4,001	
Interest cost	4,111	
Benefits paid	(2,067)	
Settlement/Curtailment/Termination (gain)/loss	2,649	
Past service cost	(21,293)	46,622
Actuarial (gain)/loss – experience adjustments	(10,195)	
Closing balance	**70,029**	**48,243**

The movement of the obligation in the balance sheet is as follows:

	31.12.2013	31.12.2012
Opening balance	**48,243**	**1,621**
Liability from the acquisition of Emporiki Bank	44,580	
Benefits paid	(2,067)	
Amount recognized in Income Statement	(10,532)	46,622
Amount recognized in Equity	(10,195)	
Closing balance	**70,029**	**48,243**

The principal actuarial assumptions used are as follows:

	31.12.2013	31.12.2012
Discount rate	3.8%	3.8%
Future salary growth	1.0%	1.0%
Average plan duration	21.6	21.6

The table below presents the sensitivity of the liability on the increase or decrease of the discount rate and the expected wage growth rate.

	Percentage variation in liability (%)
Increase in discount rate by 0.5%	(6.3)
Decrease in discount rate by 0.5%	6.9
Increase in future salary growth rate by 0.5%	7.0
Decrease in future salary growth rate by 0.5%	(6.5)

b. Supplementary Pension Fund (TAP) of former Alpha Credit Bank Employees

The obligation to the Supplementary Pension Fund (TAP) of former Alpha Credit Bank employees, after it was absorbed by the Common Insurance Fund of Bank Employees for the supplementary pension (Article 10, Law 3620/2007) is restricted to paying a lump sum benefit to retiring employees, which is guaranteed by the Bank. On 18.11.2013 the Bank signed a new operational agreement with the Association of Personnel, whereby the amount paid by the Supplementary Pension Fund, will not exceed the difference between the amount corresponding to the overall lump sum provision, according to the statute of the Supplementary Pension Fund (TAP), and the amount of compensation that the Bank must pay, according to the current labor legislation, on the termination of employment contracts. This adjustment is not affected by a potential reduction of the compensation amount in the future.

The amounts included in the balance sheet are as follows:

	31.12.2013	31.12.2012
Present value of obligation	78,835	102,967
Fair value of plan assets	(74,383)	(103,378)
Liability/ (Asset)	**4,452**	**(411)**

The amounts included in the income statement are as follows:

	From 1 January to	
	31.12.2013	31.12.2012
Current service cost	2,803	3,669
Net interest cost resulted from net asset/liability	(123)	(67)
General expenses	1	
Total of current service cost	**2,681**	**3,602**
Past service cost	(17,649)	
Settlement/Curtailment/Termination (gain)/loss	314	133
Total (included in staff costs)	**(14,654)**	**3,735**

The movement in the present value of defined benefit obligations is as follows:

	2013	2012
Opening balance	**102,967**	**115,823**
Current service cost	2,803	3,669
Interest cost	3,202	5,001
Employee contributions	425	474
Benefits paid	(7,849)	(14,238)
Contributions paid directly by the Bank	(1,187)	(2,161)
Settlement/Curtailment/Termination (gain)/loss	314	133
Past service cost	(17,649)	-
Actuarial (gain)/loss - financial assumptions	(1,460)	3,052
Actuarial (gain)/loss - demographic assumptions	(2,516)	-
Actuarial (gain)/loss – experience adjustments	(215)	(8,786)
Closing balance	**78,835**	**102,967**

The movement in the fair value of plan assets is as follows:

	2013	2012
Opening balance	**103,378**	**114,694**
Expected return	3,325	5,069
Employee contributions	425	474
Benefits paid	(7,849)	(14,238)
Expenses	(2)	(1)
Return of plan assets which is recorded directly in Equity	(24,894)	(2,620)
Closing balance	**74,383**	**103,378**

The plan assets include bonds issued by Alpha Credit Group Plc of €59.4 million, receivables from Alpha Bank of €9.5 million, deposits with Alpha Bank of €0.1 million, Alpha Bank's shares and warrants of €3.1 million, and other receivables of €2.3 million.

The amounts recognized directly in equity during the year are analyzed as follows:

	2013	2012
Change in liability due to financial and demographic assumptions	3,976	(3,052)
Change in liability due to experience adjustments	215	8,786
Return on plan assets excluding amounts included in Income Statement	(24,894)	(2,620)
Closing balance	**(20,703)**	**3,114**

The movement of the liability/(asset) in the balance sheet is as follows:

	2013	2012
Opening balance	**(411)**	**1,129**
Benefits paid directly by the Bank	(1,187)	(2,161)
Amount recognized in Income Statement	(14,653)	3,735
Amount recognized in Equity	20,703	(3,114)
Closing balance	**4,452**	**(411)**

The principal actuarial assumptions used are as follows:

	31.12.2013	31.12.2012
Discount rate	3.8%	3.8%
Expected return on plan assets	2.5%	2.5%
Future salary growth	1.0%	1.0%
Average plan duration	8.3	7.7

c. Guarantee of the minimum benefit for newly insured employees (after 1993) that were hired up to 31.12.2004 and joined the new Bank's savings plan

For employees hired by the Bank and insured from 1.1.1993 until 31.12.2004 the final amount to be received upon retirement has, according to the provisions of the insurance plan, as minimum limit the benefit as defined in Law 2084/1992 and the Cabinet Act 2/39350/0022/2.3.99.

The amounts included in the balance sheet are analyzed as follows:

	31.12.2013	31.12.2012
Present value of defined obligation	93	476
Liability/ (Asset)	**93**	**476**

The amounts in the income statement are analyzed as follows:

	From 1 January to	
	31.12.2013	31.12.2012
Current service cost	12	28
Net interest cost resulted from the net asset/liability	24	21
Total (included in staff costs)	**36**	**49**

The movement in the present value of defined benefit obligation is as follows:

	2013	2012
Opening balance	**476**	**427**
Current service cost	12	28
Interest cost	24	21
Actuarial (gain)/loss - financial assumptions	(142)	
Actuarial (gain)/loss - demographic assumptions	(29)	
Actuarial (gain)/loss – experience adjustments	(248)	
Closing balance	**93**	**476**

The amounts recognized directly in equity during the year are analyzed as follows:

	2013	2012
Change in the liability due to assumptions	171	
Change in the liability due to experience adjustments	248	
Closing balance	**419**	

The movement in the obligation is as follows:

	2013	2012
Opening balance	**476**	**427**
Amount recognized in Income Statement	36	49
Amount recognized in Equity	(419)	
Closing balance	**93**	**476**

The principal actuarial assumptions used are as follows:

	31.12.2013	31.12.2012
Discount rate	3.8%	3.8%
Expected return on plan assets	4.0%	4.0%
Future salary growth	1.0%	1.0%
Average plan duration	9.6	17.5

The changes to the TAP lump sum and saving plan’s guarantee obligation from the increase and decrease of the discount rate and the future salary growth is analyzed in the following table:

	Percentage variation in liability (%)
Increase in discount rate by 0.5%	(3.9)
Decrease in discount rate by 0.5%	4.2
Increase in future salary growth rate by 0.5%	4.2
Decrease in future salary growth rate by 0.5%	(3.9)

The discount rate was determined by taking into account the iBoxx Euro Corporate AA+ Index adjusted to the characteristics of the programs.

30. Other liabilities

	31.12.2013	31.12.2012
Dividends payable	604	2,887
Suppliers	56,214	32,618
Deferred income	6,090	4,535
Accrued expenses	57,369	59,247
Liabilities to third parties	119,560	123,755
Liabilities to Insurance Funds (E.T.A.T., I.K.A. – E.T.E.A.M.) (note 7)	343,908	310,928
Liabilities from credit cards	193,921	172,023
Other	282,051	160,056
Total	**1,059,717**	**866,049**

31. Provisions

Total 1.1.2012	**10,460**
Changes for the period 1.1 - 31.12.2012	
Provisions to cover credit risk relating to off-balance sheet items (note 10)	11,000
Other provisions	12,663
Other provisions used during the period	(3,078)
Restructuring program provisions	(872)
Balance 31.12.2012	**30,173**
Changes for the period 1.1 - 31.12.2013	
Reversal of other provisions	(388)
Write-offs	(1,478)
Other provisions	274
Other provisions used during the period	(3,017)
Provisions to cover credit risk relating to off-balance sheet items	145,249
Provisions to cover credit risk relating to off-balance sheet items from the acquisition of Emporiki Bank (note 43)	37,423
Other provisions from the acquisition of Emporiki Bank (note 43)	194,982
Reclassification to “Other assets”	(136,273)
Reclassification to “Loans and advances to customers”	(8,000)
Balance 31.12.2013	**258,945**

The amounts of other provisions charged to profit and loss account are included in “Other Expenses” of the income statement.

The transfer from other provisions to other balance sheet positions resulted from the acquisition of Emporiki Bank and is attributed to the fact that these provisions are not related to Bank’s contingent liabilities but to impairment on receivables.

On 31.12.2013 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to €193.3 million and other provisions to €65.6 million out of which, €29.7 million relates to pending legal cases.

EQUITY

32. Share capital

The Bank's share capital as at 31.12.2013 is analysed as follows:

	Opening balane of shares as at 1.1.2013	Share capital increase	Shares from Warrants exercise	Balance of shares as at 31.12.2013	Paid-in capital
a. Ordinary shares					
Number of ordinary shares	534,269,648			534,269,648	160,281
Share capital increase paid in cash		1,250,000,000	213,368,583	1,463,368,583	439,011
Share capital increase through contribution of securities by the HFSF		9,138,636,364	(213,368,583)	8,925,267,781	2,677,580
Balance 31.12.2013	**534,269,648**	**10.388.636.364**		**10,922,906,012**	**3,276,872**
b. Preference shares					
Number of preference shares	200,000,000			200,000,000	940,000
Balance of ordinary and preference shares on 31.12.2013	**734,269,648**	**10,388,636,364**		**11,122,906,012**	**4,216,872**

On 6.6.2013 the share capital increase was completed, according to the decisions of the second Extraordinary General Meeting of 16.4.2013, pursuant to Law 3864/2010. From this capital increase a total amount of €4,571,000,000.16 was raised and the share capital increased by a total amount of €3,116,590,909.20, out of which an amount of €375,000,000.00 was paid in cash and an amount of €2,741,590,909.20 through contribution of securities by the Hellenic Financial Stability Fund issued by the European Financial Stability Facility. They were issued 10,388,636,364 new, ordinary, registered with voting rights shares with a nominal value and offer price of €0.30 and €0.44, respectively. In the process of warrants' exercise on the shares of Hellenic Financial Stability Fund, held in December 2013, 28,800,631 voting rights were exercised by the common shareholders which corresponded to 213,368,583 ordinary shares resulting in the increase of issued shares.

Thus, on 31.12.2013 the Bank's share capital amounts to €4,216,871,803.60, divided into 11,122,906,012 shares, out of which:

a) 1,997,638,231 ordinary, registered, voting, non paper shares of nominal value of €0.30 each,

b) 8,925,267,781 ordinary, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non paper shares owned by the Hellenic Financial Stability Fund of nominal value of €0.30 each and

c) 200,000,000 preference, registered, non voting, paper and redeemable shares of nominal value of €4.70.

The preference shares have been issued in the context of Law 3723/2008 "Program for the enhancement of liquidity of the Greek Economy" since 21.5.2009. These shares are of indefinite duration, are subject to partial or full redemption by the Bank after the approval of the Bank of Greece and with an annual fixed non cumulative return of 10%, as long as there are profits to be distributed as specified in article 44a of Codified Law 2190/1920 and their distribution has been previously approved by the Bank's General Meeting of Ordinary Shareholders. Based on the above terms, the preference shares have been recognized in equity.

According to article 39 of Law 3844/3.5.2010, which amended Law 3723/9.12.2008, the return on preference shares has a step-up feature of 2% annually, if after five years following the issuance the preference shares have not been redeemed.

Based on the above mentioned terms of the preference shares and in accordance with a legal opinion obtained by the Bank in relation to the implications of the amendment of Law 4093/2012, which is mentioned in detail in note 32 of the annual financial statements of 31.12.2012, the above mentioned shares meet the criteria for their classification in the equity of the Bank.

33. Share premium

Opening balance 1.1.2013	**2,757,653**
Share capital increase – share premium on issuance of ordinary shares	1,454,409
Balance 31.12.2013	**4,212,062**

With the share capital increase of 6.6.2013 and the issuance of 10,388,636,364 new ordinary shares with a nominal amount of €0.30 and an offer price of €0.44, a total difference of €1,454,409 that incurred between the nominal value and the shares' offer price, was credited in "Share Premium".

34. Reserves

Reserves are analysed as follows:

a. Statutory reserve

	31.12.2013	31.12.2012
Statutory reserve	420,425	420,425

According to the Bank's article of association (article 26) as in force, the Bank is required to transfer 5% of its annual profit after tax to a statutory reserve, until the reserve amounts to one third (1/3) of share capital. This reserve can only be used to offset losses according to article 44 of Codified Law 2190/1920.

b. Available for sale securities reserve

	2013		2012	
Opening balance 1.1		**(72,039)**		**(323,427)**
Changes for the period 1.1 - 31.12				
Net change in fair value of available for sale securities, after income tax	350,108		304,063	
Net change in fair value of available for sale securities transferred to profit and loss	(163,130)		(52,675)	
Total		**186,978**		**251,388**
Balance 31.12		**114,939**		**(72,039)**

c. Other reserves

	2013	2012
Opening balance 1.1	**(135,289)**	**(23,228)**
Changes for the period 1.1 - 31.12		
Cash flow hedge reserve after income tax	117,484	(112,064)
Exchange differences reserve on translating from foreign operations		3
Balance 31.12	**(17,805)**	**(135,289)**

Total reserves (a+b+c)	**517,559**	**213,097**

35. Retained earnings

a. Due to the fact that the Bank recorded losses for the year 2012 and taking into account article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 29.6.2013 decided:

- not to pay to the Greek State the respective return for the year 2012 on its preference shares under article 1 paragraph 3 of Law 3723/2008 and
- not to distribute any dividends to ordinary shareholders of the Bank for 2012.

b. “Retained Earnings” as of 31.12.2013 includes expenses concerning the share capital increase, amounting to €163,828 after income tax.

c. Since in 2013, there are no distributed profits, in accordance with article 44a of Codified Law 2190/1920, the Bank’s Board of Directors will not propose to the Ordinary General Meeting of the shareholder’s the following:

- to pay to the Greek State the respective return for the year 2013 on its preference shares under article 1 paragraph 3 of Law 3723/2008 and
- to distribute any dividend to the ordinary shareholders of the Bank for 2013.

ADDITIONAL INFORMATION

36. Contingent liabilities and commitments

a) Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. According to the estimations of the legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position of operations of the Bank. The Bank on 31.12.2013 has recorded a provision for pending legal cases amounting to €29.7 million which is included in "Provisions" in Balance Sheet.

b) Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009. The Bank has obtained a tax certificate without any qualification for 2011 and 2012. The Bank's branches in London and Bulgaria were audited by the tax authorities for 2011 and 2007 respectively.

Emporiki Bank has been audited by the tax authorities for the years up to and including 2008, while it has obtained a tax certificate without any qualification for 2011 and 2012. Emporiki Bank Cyprus branch has not been audited by the tax authorities since the commencement of its operations in 2011.

Additional taxes and penalties may be imposed for the unaudited years due to the fact that some expenses may not be recognized as deductible, by the tax authorities.

c) Operating leases

The Bank as lessee

The Bank has various obligations with respect to leases of buildings which are used as branches or for administrative purposes.

The duration of the lease agreements is initially for twelve years with a renewal or extension option according to the lease agreements. The policy of the Bank is to renew these contracts.

The minimum future lease payments are:

	31.12.2013	31.12.2012
Less than one year	37,630	25,459
Between one and five years	110,500	68,381
More than five years	125,967	28,125
Total	**274,097**	**121,965**

The increase on 31.12.2013 is due to the acquisition of Emporiki Bank.

The total lease expenses in 2013 relating to rental of buildings amounted to €33,175 (2012: €26,941) and are included in "General administrative expenses".

The Bank as a lessor

The Bank's receivables from leases relate to leases from buildings either to group companies or third parties.

The minimum future lease revenues are:

	31.12.2013	31.12.2012
Less than one year	2,548	1,916
Between one and five years	4,640	3,421
More than five years	2,571	1,357
Total	**9,759**	**6,694**

The increase on 31.12.2013 is due to the acquisition of Emporiki Bank.

The lease revenues for 2013 amounted to €2,456 (2012: €1,795) are included in "Other income".

d) Off balance sheet liabilities

The Bank pursuant to its normal operations, is bound by contractual commitments, that in the future may result to changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee, undrawn credit facilities and credit limits, as well as guarantees provided for bonds issued by subsidiaries and other guarantees to subsidiaries.

In addition, contingent liabilities for the Bank arise from undrawn loan commitments and credit limits that may not be fulfilled immediately or may be partly fulfilled as long as the agreed upon requirements are fulfilled by counterparties.

The outstanding balances are as follows:

	31.12.2013	31.12.2012
Letters of credit	42,029	17,685
Letters of guarantee and other guarantees	6,200,228	4,271,347
Guarantees relating to bonds issued by subsidiaries of the Bank	1,635,190	2,388,548

On 31.12.2013 the above outstanding balances include the respective amounts of Emporiki Bank.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment of the third party bound by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 31.12.2013 amounts to €279.2 million (31.12.2012: €99.6 million) and are included in the calculation of risk weighted assets.

e) Assets pledged

Assets pledged, amounting to €23.1 billion as at 31.12.2013 include:

- Deposits pledged amounting to €0.2 billion concerning guarantees provided on behalf of the Greek State.
- Deposits pledged to Credit Institutions amounting to €1.2 billion which have been provided as guarantee for derivative transactions.
- Loans and advances to customers amounting to €1.7 billion out of which:
  - i. an amount of €1.1 billion has been pledged as collateral to Central Banks for liquidity purposes
  - ii. an amount of €0.6 billion has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State amounting to €0.5 billion in accordance with Law 3723/2008.
- Mortgage loans pledged of €2.9 billion.
- Securities of trading and investment portfolio amounting to €15.7 billion out of which:
  - i. an amount of €3.7 billion relates to the issuance of covered bonds secured by mortgage loans of €4.3 billion.
  - ii. an amount of €4.4 billion relates Greek Government bonds and other bonds that belongs to Bank's trading and investment portfolio or have come from reverse repos transactions.
  - iii. an amount of €4.2 billion relates to bonds issued as a result of the securitization of corporate, consumer loans, credit cards of the Bank and finance lease receivables of the Group.
  - iv. an amount of €3.4 billion relates to securities issued by the European Financial Stability Facility (EFSF), out of a total amount of €4.2 billion, that the Bank received by the HFSF in the context of **a)** its participation to the Bank's share capital increase that was completed on 6.6.2013 and **b)** due to the coverage of the difference between the values of assets and liabilities transferred from Cooperative Banks.

These securities, and an additional amount of €9.8 billion that relate to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008 and are held by the Bank, are pledged as collateral to Central Banks for participation in main refinancing operations, to the Bank of Greece for participation in the TARGET (Intra-Europe clearing of payments system on ongoing time), to the Athens Derivatives Exchange Clearing House and to the European Investment Bank.

- Securities issued by the European Financial Stability Facility (EFSF) of a value of €0.8 billion, which are pledged as collateral for repos, out of which €4.2 billion that the Bank received by HFSF, a) in the context of its participation to the share capital increase that was completed on 6.6.2013 and b) in order to cover the gap between transferred assets and liabilities from the Cooperative Banks.

- An amount of nominal value €0.6 billion that have been granted as collateral in the context of sale and repurchase agreements (repo).

f) Other commitments

On 7.5.2008 the Bank completed a Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of the American Law, which will be offered to institutional investors. The issuer of bonds will be Alpha Group Jersey Ltd, a wholly owned subsidiary of the Bank. The issued notes will be guaranteed by the Bank and will be traded in Luxembourg Stock Exchange. The program is currently inactive.

37. Operating segments

a. Analysis of operating segment

(in millions of Euro)

	1.1 - 31.12.2013						
	Retail	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South-Eastern Europe**	**Other**	**Total**
Net interest income	700.1	564.4	(1.5)	(139.0)	35.8		1.159.8
Net fee and commission income	133.2	118.5	20.7	(3.8)	5.6		274.2
Other income	5.3	6.3	2.3	76.9	0.8	(86.2)	5.4
Total income	**838.6**	**689.2**	**21.5**	**(65.9)**	**42.2**	**(86.2)**	**1.439.4**
Total expenses	**(655.5)**	**(129.8)**	**(14.9)**	**(16.2)**	**(34.2)**	**(99.2)**	**(949.8)**
Impairment losses	(649.1)	(812.4)			(18.3)	(130.0)	(1,609.8)
Negative goodwill from the acquisition of Emporiki Bank						3,295.7	3,295.7
Profit/(losses) before income tax	**(466.0)**	**(253.0)**	**6.6**	**(82.1)**	**(10.3)**	**2.980.3**	**2.175.5**
Income tax							681.5
Profit/(losses) after income tax							**2.857.0**
Assets	29,499.1	16,800.2	147.7	15,660.1	758.0	5,237.9	68,103.0
Liabilities	30,357.7	6,687.1	1,468.9	21,715.7	541.2	185.1	60,955.7
Capital expenditure	43.7	12.2	0.7	0.6	5.5	6.0	68.7
Depreciation and Amortization	(30.8)	(8.6)	(0.5)	(0.4)	(3.9)	(4.2)	(48.4)

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 A.E.

It is noted that total expenses include expenses amounting to €24.9 million arose from the merger with Emporiki Bank. Moreover, in the context of the operational merger, Bank proceeded with capital expenditure amounting to €16.2 million.

(in millions of Euro)

	1.1 - 31.12.2012						
	Retail	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South-Eastern Europe**	**Other**	**Total**
Net interest income	824.2	488.3	(1.3)	(334.2)	49.0		1,026.0
Net fee and commission income	105.8	91.9	16.1	(7.1)	5.4		212.1
Other income	6.5	10.6	5.8	103.5	0.9	(559.4)	(432.1)
Total income	**936.5**	**590.8**	**20.6**	**(237.8)**	**55.3**	**(559.4)**	**806.0**
Total expenses	**(538.9)**	**(119.5)**	**(13.8)**	**(12.7)**	**(45.6)**	**(111.8)**	**(842.3)**
Impairment losses	(773.1)	(562.7)			(38.9)		(1,374.7)
Profit/(losses) before income tax	**(375.5)**	**(91.4)**	**6.8**	**(250.5)**	**(29.2)**	**(671.2)**	**(1,411.0)**
Income tax							278.1
Profit/(losses) after income tax from continuing operations							**(1,132.9)**
Assets	19,996.5	14,017.7	157.8	14,655.0	710.9	4,235.4	53,773.3
Liabilities	21,091.4	1,855.0	1,119.6	28,770.2	387.4	980.2	54,203.8
Capital expenditure	31.1	8.6	0.8	0.6	4.5	3.4	49.0
Depreciation and Amortization	(38.2)	(10.6)	(1.0)	(0.7)	(5.6)	(4.2)	(60.3)

Certain figures of the comparative period have been restated due to the retrospective application of new accounting policies (note 45).

i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies, except from those whose relationship management is performed by the branches abroad (South-Eastern Europe).

The Bank, through its extended branches' network, offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards of the above customers.

ii. Corporate Banking

Includes all Medium-sized and Large companies, corporations with international activities, corporations managed by the Corporate Banking Division and shipping corporations. The Bank offers working capital facilities, corporate loans, and letters of guarantee.

iii. Asset Management / Insurance

Consists of a wide range of asset management services offered through Bank's private banking units. In addition, a wide range of insurance products to individuals and companies is provided.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South-Eastern Europe

Consists of the Bank's branches operating in South Eastern Europe.

vi. Other

This segment consists of administration departments of the Bank and income and expenses that are not related to the operating activities or they are non recurring and come from external factors.

b. Analysis by geographical segment

(in millions of Euro)

	1.1 - 31.12.2013		
	Greece	Other Countries	Total
Net interest income	1,115.0	44.8	1,159.8
Net fee and commission income	266.1	8.1	274.2
Other income	4.4	1.0	5.4
Total income	**1,385.5**	**53.9**	**1,439.4**
Total expenses	**(911.7)**	**(38.1)**	**(949.8)**
Impairment losses	(1,591.5)	(18.3)	(1,609.8)
Negative goodwill from the acquisition of Emporiki Bank	3,295.7		3,295.7
Profit/(losses) before income tax	**2,178.0**	**(2.5)**	**2,175.5**
Income tax			681.5
Profit/(losses) after income tax	**2,178.0**	**(2.5)**	**2,857.0**
Assets	67,095.0	1,008.0	68,103.0

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 A.E.

It is noted that total expenses include expenses amounting to €24.9 million arose from the merger with Emporiki Bank. Moreover, in the context of the operational merger, Bank proceeded with capital expenditure amounting to €16.2 million.

(in millions of Euro)

	1.1 - 31.12.2012		
	Greece	Other Countries	Total
Net interest income	967.1	58.9	1,026.0
Net fee and commission income	205.8	6.3	212.1
Other income	(433.0)	0.9	(432.1)
Total income	**739.9**	**66.1**	**806.0**
Total expenses	**(793.9)**	**(48.4)**	**(842.3)**
Impairment losses	(1,335.8)	(38.9)	(1,374.7)
Profit/(losses) before income tax	**(1,389.8)**	**(21.2)**	**(1,411.0)**
Income tax			278.1
Profit/(losses) after income tax	**(1,389.8)**	**(21.2)**	**(1,132.9)**
Assets	52,812.4	960.9	53,773.3

Certain figures of the comparative period of 31.12.2012 have been restated due to the retrospective application of a new accounting policy (note 45).

38. Financial risk management

The Bank has established a systematic and solid risk management framework for a reliable measurement of risk. Considering the stability and continuity of Bank's operations, management places high priority on the goal of implementing and continuously improving this framework, in order to minimize potential negative effects on financial results of Bank.

38.1 Credit risk Management

RISK MANAGEMENT ORGANIZATION

Board of Directors

The Board of Directors supervises the overall operations of the Risk Management Unit. Regarding Risk Management, the Board of Directors is supported by the Risk Management Committee. The Risk Management Committee through monthly meetings addresses to the Board of Directors issues regarding the Bank's risk-taking strategy and capital management. It is responsible for the implementation and monitoring compliance with the risk management policies.

The Bank re-assesses the effectiveness of the risk management framework on a regular basis in order to ensure compliance with International best practices.

For a more comprehensive and effective identification and monitoring of all risk types, Management Committees have been established (Assets and Liabilities Committee, Operational Risk Committee and Credit Risk Committee).

Risk Management Committee

The General Manager and Group Chief Risk Officer supervise the Bank's Risk Management Unit and report on a regular basis and ad hoc to the Management Committees, the Risk Management Committee and to the Board of Directors. As far as credit risk is concerned the reporting to the above mentioned committees covers the following areas:

- The portfolio risk profile by rating grade
- The transition among rating grades (migration matrix)
- The estimation of the relevant risk parameters by rating grade, group of clients, etc.
- The trends of basic rating criteria.
- The changes in the rating process, the criteria or in each specific parameter.
- The concentration risk (by risk type, sector, country, collateral and portolio etc.)

WHOLESALE BANKING PORTFOLIO

1. Credit Risk Approval Process

The limits of the Wholesale Banking Credit Committees are determined in accordance to **Total Credit Exposure**, defined as the sum of all credit facilities of the obligor (single company or group of associated companies) which can be approved by the Bank and include the following:

- Total credit requested exposure
- Working Capital limits.
- Withdrawal limits from unclear deposits.
- Letters of Credit/Letters of Guarantee limits.
- Factoring limits.
- Credit Cards prepayment limit.
- Derivative transaction limits.
- Corporate Cards limits.
- Medium and long-term loans (current outstanding/exposure for facilities that have been fully drawn or limit amount of undrawn facilities).
- Leasing Facilities (current outstanding/exposure for leasing facilities that have been fully drawn or limit amount for undrawn/unused facilities).
- Special credit limits or loans, or any form of personal financing to the company's business owners (mortgage loans, consumer loans, shares' purchase, credit cards etc.)

Credit Approval Limits Wholesale Banking Credit Committees

Credit Committees Structure:

- General Management Credit Committee
- Wholesale Banking Credit Committees
  - Under the General Managers
  - Under the Divisions Managers
  - Under the Divisions Assistant Managers
  - Commercial Centers Credit Committee

Credit Limit Expiry/Renewal date

The credit limits' expiry/renewal date is determined by the competent Wholesale Banking Credit Committees. The basic factor for the determination of the credit limit expiry is the client's credit rating, which is not a standalone approval or rejection criterion, but the basis for determining the minimum security/collateral required and the respective pricing. As a rule, for clients that have been rated in the Low, Medium and Acceptable credit risk zones, reviews are carried out on an **annual basis**, for Watch List clients, on a **semi-annual basis** while obligors that have been rated as High Risk/Rescheduling and High Risk/Restructuring are reviewed on a **quarterly basis**. Deviations from the above rule are not allowed, except when the request by the responsible Business Units is approved by the competent Credit Committees.

2. Credit Risk Measurement and Internal Ratings

The assessment of the obligors' creditworthiness and their rating in credit risk scales is established through rating systems.

The rating of the Bank's obligors with the use of credit risk rating systems constitutes a basic tool for:

- The decision-making process of Credit Committees for the approval/ renewal of credit limits and the implementation of the appropriate pricing policy (interest rate spreads etc.)

- The estimation of the future behavior of obligors which belong to a group with similar characteristics.
- The early recognition of potential troubled facilities (early alert mechanism) and the prompt, effective action for the minimization of the expected loss for the Bank.
- The assessment of the quality of the Bank's loan portfolio and the credit risk undertaken.

The aim of the credit risk rating systems is the estimation of the probability that the obligors will not meet their contractual obligations to the Bank.
The rating systems employed by the Bank are the Alpha Bank Rating System (ABRS) and the Moody's Risk Advisor (MRA) which incorporate different credit rating models.
All current and future clients of the Bank are assessed based on the appropriate credit risk rating model and within pre-specified time frames.
For the estimation of the probability of default of the obligors of the Bank the credit risk rating models evaluate a series of parameters, which can be grouped as follows:

- Financial Analysis: obligor's financial ability (liquidity ratios, debt to income etc.)
- Peers' Analysis: Obligor's comparative position in the market in which it operates mostly compared to its peers.
- Behavioral status and history of the obligor with the Bank and with third parties (debt in arrears, adverse transaction records, etc)
- Obligor's qualitative characteristics (solid and healthy administration, management succession, appropriate infrastructure and equipment etc.)

The credit rating models which are currently employed by the Bank are differentiated according to:

- The turnover of the company,
- The level of the total credit exposure,
- The credit facility's specific characteristics,
- The available information for the obligor's assessment. Specifically, for the financial analysis the differentiation relates to the type of the local accounting standards and the International Financial Reporting Standards.

For each of the credit rating models, different parameters may be used, each of which contributes in a specific manner to the relevant assessment.
The statistical verification of the credit risk rating models is reviewed regularly in order to ensure the maximum predictive ability according to the best international practices.

Obligors Rating Scale

Obligors are rated in the following rating scales:

AA, A+, A, A-, BB+, BB, BB-, B+, B, B-, CC+, CC, CC-, C, $C_{restructured}$, D0, D1,D2, E.

For presentation purposes of the table "Analysis of neither past due nor impaired Loans and Advances to customers", the "strong" rating includes the rating scales AA, A+, A, A- and BB+, "satisfactory" rating includes the rating scales BB, BB-, B, B-, CC+ and CC and "watch list" (higher risk) includes the rating scales CC- and lower than CC-.

3. Impairment Policy

The Bank has defined as 'significant for individual assessment' customers loans that are managed by the Wholesale Banking Unit.
The assessment for impairment is performed on a quarterly basis, as follows:
The Bank assesses whether objective evidence for individual assessment for impairment exists. In cases which have been assessed individually but no impairment allowance was estimated, these loans are assessed for impairment on a collective basis, grouped in pools based on similar credit risk characteristics. The process for identifying loans for impairment and estimating their impairment allowance consists of the following steps:

1. Identification of loans which will be individually assessed and for which events exist which constitute objective evidence that an impairment loss has occurred.
2. Impairment calculation on an individual basis for the loans identified in the previous step, as the difference between the recoverable amount and the carrying amount of the loan.
3. In cases where the impairment allowance under individual assessment was zero, these loans will be assessed for impairment on a collective basis, based on similar credit risk characteristics. For example, groups of loans are created per collateral coverage, days in arrears, credit rating etc, where the corresponding impairment factor will be applied.

The Bank performs controls in order to identify objective evidence that there is a need for impairment for the loans that are significant and for which a trigger event for impairment exists.
The individual assessment for impairment is performed by the Wholesale Banking Unit and is approved by the Wholesale Credit Division – Greece.
Significant loans are assessed individually if one of the following conditions are met:

1. Clients with loans past due over 90 days and rating D0,D1,D2 and E.
2. Clients with restructured loans and a rating of $C_{restructured}$ in the internal systems of the Bank.
3. Clients with Rating CC- and C.
4. Significant deterioration in the industry outlook in which the borrower operates.
5. Obligors that were impaired in the previous quarter's impairment exercise and do not fulfill any of the abovementioned trigger events.

6. Derogatory items (e.g. payment orders, bounced cheques, auctions, bankruptcies, overdue payments to the State, to Social Security Funds, or to employees).
7. Occurrence of unexpected, extreme events such as natural disasters, fraud, etc.
8. Interventions and actions by regulatory bodies/local authorities against the borrower (e.g. Athens Stock Exchange, Hellenic Capital Market Commission).
9. Breach of contractual terms and conditions.
10. Adverse changes in the shareholders' structure or the management of the company or serious management issues/ problems.
11. Significant adverse changes in cash flows potentially due to ceased cooperation with a key/major customer, significant reduction in demand of a main product or service, ceased cooperation with a key/major supplier or suppliers cut credit, etc.
12. Obligors that don't belong to the above categories, but belong to a Group that has been transferred to the Non Performing Loans Wholesale Division and the Wholesale Banking Credit Workout Division.

Collective Assessment for Impairment

Customers which have been assessed individually but the impairment allowance estimated was zero, are subsequently assessed for impairment on a collective basis, after they are grouped in pools based on common credit risk characteristics.
Customers with no trigger events and therefore not individually assessed, are assessed collectively in pools formed based on similar credit risk characteristics.
Indicatively, some categories in terms of credit risk characteristics are shown below:

- the estimated default probabilities or credit ratings
- the collateral coverage and type of coverage
- days in arrears etc

The pre condition that there must be a need for objective evidence in order for the loss to be recognized and effectively the impairment loss to be indicated on individual loans, may lead to a delay in the recognition of a loan's impairment, which has already occurred. Within this context and in accordance with IAS 39, it is appropriate to recognize impairment losses for those losses "which have been incurred but have not yet been reported» (Incurred But Not Reported - IBNR).
Provisions for loss events that have occurred but have not yet been reported ("IBNR provisions") are calculated on a collective basis for the wholesale portfolio. For IBNR provisioning purposes, loans are grouped based on similar credit risk characteristics. The characteristics selected are based on the estimation of future cash flows for groups of such loans showing the debtors' ability to pay all amounts due, according to the contractual terms and conditions.

4. Credit Risk Concentration Management

Concentration Risk is a specific form of credit risk and arises due to the low degree of diversification between counterparties or group of counterparties, sectors, geographic regions, or collaterals.

The Bank monitors on a regular basis concentration risk through detail reporting which informs the Senior management and the Board of Directors. According to the supervisory framework, the Bank complies with the regulatory directives regarding large exposures, while the capital requirements for single name and sector concentration risks are estimated in the context of Pillar 2 of Basel II.

RETAIL BANKING PORTFOLIO

1. Credit Risk Approval Process

The Bank monitors customer Total Credit Risk Exposure (For Physical and Legal Entities), which refers to the sum of all revolving limits of an obligor, all the balances of long term facilities and for the case of legal entities the total exposure of facilities given to stakeholders of client companies. Additionally, facilities for which the client is guarantor or co-debtor are also taken into account.

Process for credit risk approval for Retail Banking

The Bank has developed and implemented a strict framework for the conduct of credit policy (legislative and supervisory / regulatory) and has also formulated and put into effect an internal system of credit principles, procedures and rules clearly applicable to the Bank's lending business, in order to promote sound practices for managing credit risk.

Credit policies establish the framework for lending and guide the credit-granting activities of Retail Banking through:

- Sound lending management.
- Prudent client selection through in-depth assessment of both financial and qualitative data of the borrower
- Assessing the risk/reward relationship with a respective determination of pricing policy and collateral coverage after taking into account the level of credit risk.
- Monitoring and management of the Total Credit Risk Exposure, which is defined as the sum of all credit risks arising from all credit facilities provided by the Bank as a whole, to a single obligor.

The enforcement of the Credit Policy requires certain criteria to be met. These criteria play a significant role to the achievement and maintenance of a healthy portfolio and to the Bank's Capital allocation. The Bank, in order to ensure that all Credit Units fully comply with the Credit

Policy, has adopted and introduced a Credit Control mechanism, on a monthly basis in order to review and assess if the credit policy framework is consistently followed during the underwriting process.

More specifically:

a. PHYSICAL ENTITIES

The approval process is based on the classification of the borrowers into risk groups, which represent a certain level of the risk undertaken. The level of the risk undertaken is adapted, when deemed necessary, depending on the strategy and the credit policy of the Bank.

The credit assessment for the Physical Entities is based on the following pillars:

- Application Fraud Detection
- Willingness to pay
- Ability to pay
- Collateral risk

b. LEGAL ENTITIES

To a large extent the credit assessment of Retail Small Business loans is related to the credit assessment of Stakeholders and vise versa. Hence, the credit assessment for the Legal Entities is based on the following two factors:

- Stakeholders' credit assessment.
- Company's credit assessment.

The Stakeholders' credit assessment is based on two main pillars:

- Willingness to pay.
- Ability to pay.

The Company's credit assessment is based on the following pillars:

- Application fraud detection.
- Demographics.
- Financials.
- Behaviour.
- Credit Bureau.
- Qualitative data.
- Collateral risk.

2. Credit Risk Measurement and Internal Ratings

The fundamental parameter in assessing Retail Banking Credit Risk is the existence of Credit Rating Models that are developed and used throughout the credit cycle at a Bank level, as well as at a Group level. These models are segmenting population in homogenous risk groups (pools) and are categorized, as follows, in:

- Behaviour Models, which assess the customer's performance and predict the probability of going default within the following months.
- Application Credit Scoring Models, which assess application data – mainly demographic- that predict the probability of going default within the following months.
- Basel II Models, according to the regulatory framework,(IRB compliant models).

These models and the probabilities of default that derive from them, play a significant role in risk management and decision making throughout the Bank. Specifically, the models are used as follows:

- In decision making of credit limit assignment/renewal.
- In impairment calculation tests.
- In predicting future performance of customers belonging to the same pool of common characteristics.
- In tracing high risk accounts in time to schedule all necessary actions so as to minimise expected losses for the Bank.
- In assessing the Bank's portfolio quality and credit risk.

The factors that are taken into account vary, according to the model's type and product category that it assesses. Indicatively, some factors are:

- Personal/ demographic data; the customer's age, profession, marital status, current address
- Loan characteristics; product that he applied for, loan term, loan amount, financing purpose
- Behavior data; payments during latest period of time, max delinquency, outstanding loan balance versus loan limit, transaction type
- Financial data; sales change, Liabilities versus sales.
- Quality data; experience, seat of business (company registry), personal property.

Models are evaluated and updated on an annual basis and are constantly reviewed, so as to ensure their predictive power at any point in time.

In addition, stress testing exercises are performed regularly, in order to assess a potential effect to the Bank's financial results due to unexpected turns in customers' behavior, as well as in the macroeconomic environment, in general.

3. Impairment Policy

The procedure followed for the estimation of provisions includes the following steps:

a. Detection of loans to be collectively assessed (Retail portfolio).
b. Calculation of provisions for collectively assessed loans.
c. Detection of loans to be collectively assessed (Retail portfolio) for Incurred but not reported events.

For provision purposes under collective assessment loans are segmented based on similar credit risk characteristics. These characteristics are selected based on the future cash flows of the aforementioned segments which depict customers' ability to repay their debts according to the contractual agreements.

Loss Rate is calculated based on credit risk characteristics of the segment and portfolio in which the facility or the customer belongs to.

For the definition of the aforementioned, statistical methods are used.

Trigger Events per Portfolio

Provisions for the Retail portfolio are calculated on a collective basis given that one the following circumstances is met based on the portfolio they belong to:

- Accounts in delay up to 30 dpd with signs of unlikeness to pay.
- Accounts in delay from 30 dpd to 90 dpd (IBNR).
- Accounts in delay more than 90dpd.
- Restructured accounts.
- Partially written off accounts

Based on the above trigger events, the accounts are grouped and assessed on a collective basis according to the following indicative criteria:

- Days past Due
- Existence of collateral
- Grace Period
- Restructured Loans

Retail Banking Loans fall under the below mentioned three categories:

- Small Business and Entrepreneurs: Physical and Legal Entities with turnover up to 2,5mil EURO and Credit Limit up to 1mil EURO.
- Consumer Loans and Credit Cards
- Housing Loans

CREDIT RISK MITIGATION

1. Collaterals

The regular repayment of credit facilities is directly connected with the obligors' viability and prospects, the consistency of the companies and their shareholders, the sector in which they operate and the current market conditions, as well as other unforeseeable factors that may arise during the companies' operating cycle and influence their operations in a positive or negative way.

Collaterals are received both for Wholesale and Retail lending in order to mitigate credit risk that may arise from the obligor's inability to fulfill his contractual obligations.

2. Tangible Collaterals

Tangible collaterals provide the Bank with seniority right from an asset (movable or immovable) whose ownership remains with a third party.
Tangible collaterals are distinguished between mortgages and prenotation on mortgages which are registered over immovable properties and pledges on movable assets (e.g., commodities, checks, bills of exchange) or on claims and rights.
In order to better secure credit facilities granted, all mortgage and pledged assets are covered by an insurance contract, with assignment of the relevant insurance contract to the Bank.

2.1 Mortgages – Prenotation on Mortgages
Mortgages are registered on real estate or immovable assets which can be liquidated as indicatively reported below:

- Residential Real Estate
- Commercial Real Estate
- Industrial Buildings
- Land
- Mines
- Ships and aircrafts.
- Machinery or other facilities it installed in the property

Periodic revaluation of mortgaged property

The periodic revaluation of mortgaged property must be performed as follows:

- Every two years for buildings whose construction has been accomplished and they are inhabited or intended to be inhabited, leased or intended to be leased by either the obligor or the guarantor where the value cannot be lower than €15 thousand.
- Every year for other types of liquid property such as offices, stores, department stores, hotels, building plots within the city plan, building plots fit for building that are not within the city plan.
- Yearly for other types of illiquid property such as industrial buildings, plots etc.

- Regarding retail banking credit exposures, their mortgage property is revalued according to the PropIndex.

2.2. Pledges

A pledge is a tangible collateral which provides seniority right from a transferable asset whose ownership remains with a third party.
Pledges can be registered on transferable assets or on rights that have not been excluded or banned from exchanges and are liquid as indicatively reported below.

- Raw materials, products or commodities
- Machinery (movable)
- Bill of Lading
- Bill of exchange
- Cheques
- Securities
- Deposits
- Any type of claim that can be pledged

Periodic revaluation of pledges

Depending on the right or the underlying asset on which a pledge is registered, the periodic revaluation varies from one month to one year.

3. Acceptable Value

The Bank calculates the value of the received securities/collaterals based on the potential proceeds that could arise if and when these are liquidated. This calculation refers to the acceptable value/haircut of the securities/collaterals provided to the Bank by its obligors.

For the calculation of the forced-sale value, the following need to be considered:

- The quality of the securities/assets
- Their market value
- The degree of ability to liquidate
- The time required for their liquidation
- Their liquidation cost
- The current encumbrances on the assets
- The privileged priority of third parties on the product of liquidation (e.g. Public Sector, employees, etc.)

The above have to be accounted for when determining the haircuts for each collateral/security. Haircuts, depending on their nature are expressed as a percentage of their market value, their nominal value or their weighted average value.

RESTRUCTURING - RESCHEDULING

The cases of renegotiation of the original terms of a credit agreement are separated into two basic categories, those that are due to the financial difficulty of the obligor in meeting his contractual obligations **(Restructuring)** and those which are not due to the financial difficulty of the obligor in meeting his contractual obligations **(Rescheduling)**.

1. Restructuring

1a. Restructured credit facilities are those for which measures/actions are taken when one of the following occurs:

- Significant loan overdues/delinquencies exceeding 90 days, at the date of restructuring.
- Significant deterioration of the client's financial position (income, profits, turnover etc.), with further deteriorating trends.
- Events that negatively affect the client's financial position. Indicatively these include loss of major clients, natural disasters, destruction of production line or merchandise etc.
- Repeated, small but significant loan payment delays exceeding 30 days.
- Existence of overdue delays to other Alpha Bank Group Companies (Alpha Leasing, ABC Factors).

1b. **Simultaneously**, one or more of the following amendments to loan agreement terms must be examined if they apply:

- Extension of credit facility/loan tenor more than 20% of initial duration/tenor, even in the case in which this is combined with an interest rate increase, as long as the new interest rate remains lower than the interest rate of similar loans (with similar tenor and risk profile) that have been granted to other obligors.
- Partial write off of loan (capital and/ or interest).
- Significant increase of grace period either for capital and/or interest which is not in line with the loan purpose.
- Reduction of interest rate in order to facilitate the company which does not take place in the framework of the regular limit review process of the obligor.
- Consecutive increases of credit limits, over three within one year, which are not justified by an improvement and/ or increase of the client's financial position.
- Renegotiation of the loan agreement terms not in line with common banking practices and the market.

Especially for Business Credit, if a lending is flagged as "restructured" then the borrower is automatically classified in Credit Risk Category $C_{\text{restructured}}$.

The borrower remains in the particular category for one year counting from the date of payment of the first significant installment and provided that the borrower's debts are serviced normally.

In any other case, the borrower is classified in the Credit Risk Category D0 (defaulted).

2. Rescheduling

Under rescheduling credit facilities are considered those for which actions are taken when no event of the section 1a materializes and their contractual terms are amended mainly due to changes in market conditions, while in parallel:

- There is no indication that borrower's ability to meet its contractual obligations has been affected.
- The borrower is servicing his debt normally (§ 1.a.i and 1.a.ii) until the time of the renegotiation of the credit facility limits.
- Renegotiation of the loan agreement terms according to the common banking practice and on market terms.

Renegotiation of credit facilities terms is not considered as restructuring in the following cases:

- Extension in the contractual term up to 20% compared to the original term, without any change in the other contractual terms.
- Extension of the facility's duration with a higher interest rate, corresponding to market rates for loans of similar Credit Risk Rating Category and duration.
- Limit increase which is justified by the increase in size and therefore the financial needs of the borrower and/or by improvement of the customer's relationship with the Bank. In renegotiating the limits, the creditworthiness of the borrower should not have deteriorated by more than two categories of Credit Risk.

The Bank's policy is to timely identify the temporary problems that customers are facing due to the continuing turmoil in the economy, marked by the sovereign debt crisis, and offer solutions when they are still in **temporary delay,** through **rescheduling proposals** submitted from the Business Units to the relevant Committees.

The restructuring of a loan is considered an objective evidence of impairment and for this reason the Bank classifies restructured loans into homogenous categories and recognises relevant impairment provisions or in the case of Wholesale Sector loans assesses them on an individual basis.

In cases that a loan restructuring or rescheduling results in significant changes in contractual terms, the Bank assesses whether there is a need for the derecognition of the original loans and the recognition of new loans at fair value.

WRITE-OFFS AND WRITE-DOWNS OF BAD DEBTS

1. Write-offs

Write-offs are defined as the accounting reduction of a debt, which does not mean waiving the legal claim against the debtors and, hence, the debt may be revived.

Proposals for writing-off a part or the whole of the debts may be submitted to the competent committee on the condition that the following have been carried out:

- The relevant agreements with the clients have been terminated.
- Payment Orders have been issued against all the liable parties.
- The procedure for the registration of compulsory encumbrances has commenced.
- At least one real estate property has been auctioned, in order for the privileged claims (through the final creditors priority list) and, as a result, for the possible losses of the Bank to be finalized.
- Equal Impairment Provision at least during the quarter preceding the one of the proposal.

2. Write-downs

Write-downs are defined as the permanent accounting reduction of a debt, as a result of a legally binding decision or agreement (court judgment, contractual agreement etc.), which is no further claimable and, hence, is considered as definitively non-revivable, whereas it also entails the fact that the Bank definitively and irrevocably waives its right to claim the written-down debt, unless (in case of settlement) it is ascertained that the terms set by virtue of the aforementioned decision or agreement were violated.

DEFINITIONS:

The following definitions are applied in order to complete the following tables:

Wholesale Banking credit facilities

Wholesale banking Credit facilities are included in each of the following categories subject to the characteristics of the credit facility and the obligor, as shown in the table below:

	Portfolio	Characteristics
Obligors under the competence of Wholesale Banking	Corporate	Companies with turnover > Euro 50m. Includes financing in shipping companies, as well as, obligors under the management of the Investment Banking Division
	SME	Euro 2,5m. < Companies with turnover < Euro 50m. or companies with credit limit > Euro 1m.

The Public Sector includes:

- The Central Government (all departments or Ministries and Public Administration)
- Local Authorities
- Companies controlled and fully or partially belong to the State
- Companies connected to the State

Past due loans
A financial asset is past due if the counterparty's debt is past due more than one day.

Non-performing loans

A loan is considered as non-performing if it is past due more than 90 days or is in legal actions status.
A loan ceases to be considered as non-performing if one of the following conditions is met:

- Renegotiation of the original loan agreement terms and restructuring.
- Repayment of the amount past due over 90 days.

Performing loans
A loan is defined as performing if it is past due less than 90 days and is not in legal actions status.

Restructured loans
The cases of renegotiating the initial terms of a credit agreement due to the borrower's financial difficulties to meet his contractual obligations.

Accumulated provision for impairment
The accumulated provision for impairment, for disclosure purposes of credit risk, includes the adjustment for the contractual loans which were acquired at fair value during the acquisition of Emporiki Bank, as well as for monitoring purposes of credit risk, since the Bank monitors the respective adjustment as part of the provisions. It is noted that in note 17 Loans and Advances to customers, this adjustment is deducted from the gross balance of loans before impairment.

Impaired Loans
The following cases of loans are defined as impaired:

a. Loans for which an impairment amount is calculated under individual assessment,

b. Restructured loans for which collective impairment is calculated,

c. Non-performing loans (past due more than 90 days) for which collective impairment is calculated.

Collaterals Value: The collateral's last market value available. In the case of non transferable properties collateral value is considered the lower figure between the prenotation amount and the market value. All collateral values are capped at 100% of the outstanding amount of the loan.

DUE FROM BANKS

Exposure to credit institutions relates to their own debt securities in issue and shares, loans, interbank transactions (which include positions in derivatives) and International Trade activities. Following the basic rules of designation, monitoring and revision of corporate lending, boundaries are established by the relevant Credit Committees for the monitoring of credit risk for the overall exposure per credit institution counterparty, excluding positions related to bonds issued by them. The approved credit limits are monitored on a daily basis. The validity period of the limits is specified in the approval of the limits in accordance with the counterparty credit institutions rating from international credit rating agencies.

In addition to the regular revisions of counterparty credit institutions limits, interim revisions may be carried out either due to circumstances associated with the trading activity of the Bank or due to markets conditions or problems associated with counterparty credit institutions. Trigger events for an extraordinary review are regularly monitored per counterparty in order to review the relevant limits when such trigger events exist.

In addition, at each reporting date an impairment test is performed as follows:

1. The respective Credit Institutions are separated to be tested for impairment.
2. Due from Banks will be evaluated individually by Credit Institution.
3. Credit institutions are reviewed for events that constitute objective evidences for impairment.
4. Impairment provisions per receivable are calculated, as the difference between the recoverable amount and the carrying amount of the claim on an individual

basis for the credit institution for which there are objective evidences for impairment.

INVESTMENTS IN DEBT SECURITIES

Investments in debt securities relate to securities that are classified into loans and receivables portfolios, held to maturity and available for sale. If there is a loan relationship with the counterparty issuer at the time of classification of the security position as investment, the Corporate Credit Policy procedures apply. In each case, the classification of the position is subject for approval by the relevant Committee of the Bank. These positions are subject to Bank investment limits and country limits and are monitored on a daily basis.

In addition, at each reporting date an impairment test is performed as follows:

1. The respective securities are separated to be tested for impairment.
2. Securities are reviewed for events that constitute objective evidence for impairment losses.
3. Impairment provisions are calculated on a individual basis per each security, for which there are objective evidences that impairment losses exist, as: **a)** the difference between the present value of future cash flows and the carrying amount of securities that are classified into loans and receivables portfolio and held to maturity and **b)** the difference between acquisition costs and current fair value, less the impairment loss which has already been recognized in income statement for securities classified as available for sale.

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2013			31.12.2012		
	Exposure before impairment	Impairment	Net exposure to credit risk	Exposure before impairment	Impairment	Net exposure to credit risk
Credit risk exposure relating to balance sheet items						
Balances with Central Banks	652,330		652,330	499,376		499,376
Due from banks	5,045,825	8,965	5,036,860	6,632,468	8,965	6,623,503
Loans and advances to customers	53,759,090	9,522,625	44,236,465	36,403,795	3,607,221	32,796,574
Derivative financial assets	807,911		807,911	740,614		740,614
Securities held for trading:						
- Government bonds	6,538		6,538	13,605		13,605
- Other debt securities	463		463	514		514
Total	**7,001**		**7,001**	**14,119**		**14,119**
Available for sale securities:						
- Available for sale (Government bonds)	3,316,719		3,316,719	3,881,430		3,881,430
- Available for sale (other)	1,122,440	50,434	1,072,006	2,253,585	21,215	2,232,370
Total	**4,439,159**	**50,434**	**4,388,725**	**6,135,015**	**21,215**	**6,113,800**
Held to maturity securities:						
- Held to maturity (Government bonds)	895,026		895,026	891,676		891,676
- Held to maturity (other)	279,010	156,342	122,668	347,649	157,110	190,539
Total	**1,174,036**	**156,342**	**1,017,694**	**1,239,325**	**157,110**	**1,082,215**
Loans and receivables (HFSF)	4,308,556		4,308,556			
Total amount of balance sheet items exposed to credit risk (a)	**70,193,908**	**9,738,366**	**60,455,542**	**51,664,712**	**3,794,511**	**47,870,201**
Other balance sheet items not exposed to credit risk	7,986,418	338,913	7,647,505	6,038,958	135,800	5,903,158
Total Assets	**78,180,326**	**10,077,279**	**68,103,047**	**57,703,670**	**3,930,311**	**53,773,359**
Credit risk exposure relating to off balance sheet items:						
Letters of guarantee, letters of credit and other guarantees	6,435,600	193,343	6,242,257	4,289,032	12,000	4,277,032
Undrawn loan agreements and credit limits than can not be recalled (committed) (1)	279,233		279,233	99,629		99,629
Guarantees relating to bonds issued by subsidiaries of the Bank	1,635,190		1,635,190	2,388,548		2,388,548
Total amount of off balance sheet items exposed to credit risk (b)	**8,350,023**	**193,343**	**8,156,680**	**6,777,209**	**12,000**	**6,765,209**
Total credit risk exposure (a+b)	**78,543,931**	**9,931,709**	**68,612,222**	**58,441,921**	**3,806,511**	**54,635,410**

The maximum credit risk per category, in which the Bank is exposed, is depicted in the "Net exposure to credit risk".

The figures of prior year were restated in order to be comparable.

(1) Undrawn loan agreements and credit limits that can not be recalled (committed) in cases where it becomes apparent that the counterparties will fail to meet their contractual obligations.

LOANS AND ADVANCES TO CUSTOMERS

LOANS AND ADVANCES TO CUSTOMERS BY ASSET QUALITY
(impaired or not impaired – impairment allowance – value of collateral)

	31.12.2013								
	Non Impaired Loans and Advances		Impaired Loans and Advances			Impairment allowance			
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed	Total gross amount	Individually assessed	Collectively assessed	Total net amount	Value of collateral
Retail lending	**10,726,385**	**1,609,281**	**9,553**	**16,643,461**	**28,988,680**	**6,500**	**5,424,039**	**23,558,142**	**19,161,817**
Mortgage	7,881,556	1,055,295	9,401	8,418,490	17,364,742	6,411	1,329,821	16,028,510	15,113,208
Consumer	1,406,371	267,590		3,409,114	5,083,075		1,627,937	3,455,138	1,002,122
Credit cards	569,970	104,480		409,877	1,084,327		303,718	780,609	17,418
Other (Incl. SBL)	868,488	181,916	152	4,405,980	5,456,536	89	2,162,563	3,293,884	3,029,069
Corporate lending	**14,801,056**	**557,092**	**7,613,248**	**210,217**	**23,181,613**	**3,962,848**	**98,446**	**19,120,319**	**13,906,099**
Large	10,231,738	368,008	2,392,870	40,471	13,033,087	1,187,010	33,127	11,812,950	6,722,161
SME's	4,569,318	189,084	5,220,378	169,746	10,148,526	2,775,838	65,319	7,307,369	7,183,938
Public sector	**1,553,737**		**34,384**	**676**	**1,588,797**	**26,074**	**4,718**	**1,558,005**	**403,411**
Greece	1,448,737		34,384	676	1,483,797	26,074	4,718	1,453,005	403,411
Other countries	105,000				105,000			105,000	
Total	**27,081,178**	**2,166,373**	**7,657,185**	**16,854,354**	**53,759,090**	**3,995,422**	**5,527,203**	**44,236,465**	**33,471,327**

The accumulated impairment allowance for collectively assessed loans and advances includes an amount of €93.6 million concerning IBNR provisions.

The impaired loans and advances to retail customers include also performing restructured loans that are collectively assessed and amount to €4.8 billion.

	31.12.2012								
	Non Impaired Loans and Advances		Impaired Loans and Advances			Impairment allowance			
	Neither past due nor impaired	Past due but not impaired	Individually assessed	Collectively assessed	Total gross amount	Individually assessed	Collectively assessed	Total net amount	Value of collateral
Retail lending	**10,308,923**	**2,397,364**	**7,537**	**6,003,792**	**18,717,616**	**4,419**	**1,945,197**	**16,768,000**	**11,203,103**
Mortgage	6,864,501	1,856,984	7,428	2,097,424	10,826,337	4,365	455,414	10,366,558	9,573,793
Consumer	2,372,830	442,493		885,826	3,701,149		580,741	3,120,408	18,678
Credit cards	601,748	94,308		148,291	844,347		106,104	738,243	
Other (Incl. SBL)	469,844	3,579	109	2,872,251	3,345,783	54	802,938	2,542,791	1,610,631
Corporate lending	**11,764,073**	**1,210,910**	**3,739,527**		**16,714,510**	**1,657,586**		**15,056,924**	**9,515,522**
Large	7,879,855	732,008	958,941		9,570,804	416,232		9,154,572	4,321,226
SME's	3,884,218	478,902	2,780,586		7,143,706	1,241,354		5,902,352	5,194,296
Public sector	**953,684**	**17,687**	**298**		**971,669**	**19**		**971,650**	**192,499**
Greece	848,684	17,687	298		866,669	19		866,650	192,499
Other countries	105,000				105,000			105,000	
Total	**23,026,680**	**3,625,961**	**3,747,362**	**6,003,792**	**36,403,795**	**1,662,024**	**1,945,197**	**32,796,574**	**20,911,123**

The figures of 31.12.2012 are restated to be comparable with figures of 31.12.2013.

AN ANALYSIS OF NEITHER PAST DUE NOR IMPAIRED LOANS AND ADVANCES TO CUSTOMERS

	31.12.2013				
	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
Retail lending		**10,726,385**		**10,726,385**	**8,207,916**
Mortgage		7,881,556		7,881,556	7,462,185
Consumer		1,406,371		1,406,371	180,342
Credit cards		569,970		569,970	24
Other (Incl. SBL)		868,488		868,488	565,365
Corporate lending	**3,091,242**	**9,732,908**	**1,976,906**	**14,801,056**	**8,383,452**
Large	2,934,521	6,537,557	759,660	10,231,738	4,963,426
SME's	156,721	3,195,351	1,217,246	4,569,318	3,420,026
Public sector	**326,000**	**1,119,445**	**108,292**	**1,553,737**	**382,679**
Greece	326,000	1,119,445	3,292	1,448,737	382,679
Other countries			105,000	105,000	
Total	**3,417,242**	**21,578,738**	**2,085,198**	**27,081,178**	**16,974,047**

	31.12.2012				
	Strong	Satisfactory	Watch list (higher risk)	Total neither past due nor impaired	Value of collateral
Retail lending		**10,308,923**		**10,308,923**	**6,260,499**
Mortgage		6,864,501		6,864,501	5,996,033
Consumer		2,372,830		2,372,830	17,286
Credit cards		601,748		601,748	
Other (Incl. SBL)		469,844		469,844	247,180
Corporate lending	**2,554,429**	**7,411,896**	**1,797,748**	**11,764,073**	**5,958,907**
Large	2,403,629	4,729,888	746,338	7,879,855	3,127,616
SME's	150,800	2,682,008	1,051,410	3,884,218	2,831,291
Public sector	**181,250**	**666,489**	**105,945**	**953,684**	**175,005**
Greece	181,250	666,489	945	848,684	175,005
Other countries			105,000	105,000	
Total	**2,735,679**	**18,387,308**	**1,903,693**	**23,026,680**	**12,394,411**

AGEING ANALYSIS OF PAST DUE BUT NOT IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

	31.12.2013								
	Retail lending				Corporate lending		Public sector		
	Mortgage	**Consumer**	**Credit cards**	**Other (Incl. SBL)**	**Large**	**SME's**	**Greece**	**Other countries**	**Total Past due but not impaired**
1 - 29 days	596,446	167,416	76,244	98,474	156,286	97,684			1,192,550
30 - 59 days	205,051	69,586	19,810	47,194	6,634	12,591			360,866
60 - 89 days	253,798	30,588	8,426	36,217	100,932	15,677			445,638
90 - 179 days					2,327	15,490			17,817
180 - 360 days					33,525	9,903			43,428
> 360 days				31	68,304	37,739			106,074
Total	**1,055,295**	**267,590**	**104,480**	**181,916**	**368,008**	**189,084**			**2,166,373**
Value of collateral	931,825	34,609	2	113,835	293,166	177,656			1,551,093

	31.12.2012								
	Retail lending				Corporate lending		Public sector		
	Mortgage	**Consumer**	**Credit cards**	**Other (Incl. SBL)**	**Large**	**SME's**	**Greece**	**Other countries**	**Total Past due but not impaired**
1 - 29 days	641,520	213,281	55,321	1,978	334,173	182,737	14,243		1,443,253
30 - 59 days	346,169	124,553	22,623	299	67,923	45,655	119		607,341
60 - 89 days	868,707	104,659	16,364	771	267,992	153,334	826		1,412,653
90 - 179 days	544			49	4,387	13,673			18,653
180 - 360 days				25	38,003	21,047	2,306		61,381
> 360 days	44			457	19,530	62,456	193		82,680
Total	**1,856,984**	**442,493**	**94,308**	**3,579**	**732,008**	**478,902**	**17,687**		**3,625,961**
Value of collateral	1,707,144	477		2,183	551,948	370,251	17,494		2,649,497

AGEING ANALYSIS OF IMPAIRED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

	31.12.2013								
	Retail lending				Corporate lending		Public sector		
	Mortgage	Consumer	Credit cards	Other (Incl. SBL)	Large	SME's	Greece	Other countries	Total
Current	1,966,854	587,414	26,549	228,113	677,187	688,930	427		4,175,474
1 - 29 days	398,633	113,532	8,872	59,832	8,922	32,286	11		622,088
30 - 59 days	162,255	156,036	16,556	27,770	33,352	24,414			420,383
60 - 89 days	265,792	116,768	8,859	19,512	36,427	84,907			532,265
90 - 179 days	83,553	74,373	11,869	93,316	51,926	62,243			377,280
180 - 360 days	233,921	173,350	14,005	74,126	118,044	144,616	47		758,109
> 360 days	4,000,832	567,791	21,767	1,751,456	311,141	1,535,604	8,337		8,196,928
Total net amount	**7,111,840**	**1,789,264**	**108,477**	**2,254,125**	**1,236,999**	**2,573,000**	**8,822**		**15,082,527**
Value of collateral	6,719,198	787,172	17,392	2,349,870	1,465,569	3,586,256	20,731		14,946,188

	31.12.2012								
	Retail lending				Corporate lending		Public sector		
	Mortgage	Consumer	Credit cards	Other (Incl. SBL)	Large	SME's	Greece	Other countries	Total
Current	5	2		378,330	291,474	209,171			878,982
1 - 29 days		3		103,447	31,698	35,327			170,475
30 - 59 days		1		51,824	31,711	9,808			93,344
60 - 89 days	224	1		31,921	15,729	39,176			87,051
90 - 179 days	13,472	162,843	20,018	25,118	28,950	36,738			287,139
180 - 360 days	175,001	115,605	22,168	156,839	29,000	150,266			648,879
> 360 days	1,456,446	26,728		1,321,889	114,147	1,058,747	279		3,978,236
Total net amount	**1,645,148**	**305,183**	**42,186**	**2,069,368**	**542,709**	**1,539,233**	**279**		**6,144,106**
Value of collateral	1,870,616	915		1,361,268	641,662	1,992,754			5,867,215

LOAN-TO-VALUE RATIO (LTV) OF MORTGAGE LENDING

	Mortgages	
	31.12.2013	**31.12.2012**
< 50%	3,701,561	2,520,272
50% - 70%	2,921,027	2,223,476
71% - 80%	1,618,417	1,272,596
81% - 90%	1,655,328	1,415,633
91% - 100%	1,522,167	1,370,035
101% - 120%	2,492,208	1,026,569
121% - 150%	1,960,291	425,598
> 150%	1,493,743	572,158
Total exposure	**17,364,742**	**10,826,337**
Avg LTV (%)	70	67

REPOSSESSED COLLATERALS

	31.12.2013						
	Balance Sheet balances					Disposals during the year	
	Value of collaterals repossessed 31.12.2013	Of which in 2013	Accumulated impairment allowance 31.12.2013	Of which in 2013	Carrying amount of collaterals repossessed 31.12.2013	Net disposal value	Net gain/ (loss) on disposal
Real estate collateral	202,562	104,399	13,784	3,971	188,778	415	10
Other	52	556			52	564	13

An amount of €98 million is included in the value of collaterals repossessed during 2013, which concerns real estate property acquired in the context of Emporiki Bank's acquisition.

	31.12.2012						
	Balance Sheet balances					Disposals during the year	
	Value of collaterals repossessed 31.12.2012	Of which in 2012	Accumulated impairment allowance 31.12.2012	Of which in 2012	Carrying amount of collaterals repossessed 31.12.2012	Net disposal value	Net gain/ (loss) on disposal
Real estate collateral	98,660	14,853	9,813	9,813	88,847	976	58
Other	48				48		

POLICY OF DISPOSAL OF REPOSSESSED ASSETS

The Bank has assigned to a subsidiary of the Group the management of repossessed assets of Bank and Group. When the Bank acquires the legal title of property which had been given as collateral for the respective asset, due to the debtor's default, then the respective company deals with the legal, accounting and tax settlement of property in cooperation with the competent Bank's services and in parallel it performs technical tests and assesses, based on the market conditions, the ability of promoting it for sale or leasing. Based on the above assessment, a proposal is submitted to the Technical Projects of Property and Commissions Committee, which decides the sale or leasing of the assets or their own use from a Group company. Based on the decision, the asset is classified into the suitable category for reporting purposes.

BREAKDOWN OF COLLATERAL AND GUARANTEES

	31.12.2013				
	Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Retail Lending	18,904,258	127,648	129,911	19,161,817	10,736,920
Corporate Lending	8,680,399	601,004	4,624,696	13,906,099	3,733,842
Public sector	27,785	5,726	369,900	403,411	143,466
Total	**27,612,442**	**734,378**	**5,124,507**	**33,471,327**	**14,614,228**

	31.12.2012				
	Value of collateral received				
	Real estate collateral	Financial collateral	Other collateral	Total value of collateral	Guarantees received
Retail Lending	10,869,946	182,199	150,958	11,203,103	6,743,023
Corporate Lending	5,866,715	305,174	3,343,633	9,515,522	2,481,428
Public sector	12,859	1,771	177,869	192,499	1,246
Total	**16,749,520**	**489,144**	**3,672,460**	**20,911,124**	**9,225,697**

The Bank has not received any collaterals it may sell or re-assign in case of non existence of liability breach by the debtor.

LOANS AND ADVANCES TO CUSTOMERS, IMPAIRED LOANS AND IMPAIRMENT ALLOWANCE BY PRODUCT LINE, INDUSTRY AND GEOGRAPHICAL REGION

	31.12.2013					
	Greece			Rest of Europe		
	Gross Amount	Impaired Amount	Accumulated impairment allowance	Gross Amount	Impaired Amount	Accumulated impairment allowance
Retail Lending	**28,733,339**	**16,584,248**	**5,393,559**	**255,341**	**68,766**	**36,979**
Mortgage	17,203,237	8,380,385	1,317,552	161,505	47,506	18,680
Consumer	5,001,161	3,393,510	1,613,639	81,914	15,604	14,298
Credit cards	1,079,672	409,320	303,211	4,655	557	506
Other (incl. SBL)	5,449,269	4,401,033	2,159,157	7,267	5,099	3,495
Corporate Lending	**21,699,211**	**7,667,411**	**3,980,855**	**1,482,402**	**156,054**	**80,439**
Financial institutions	369,462	9,672	3,195	1,539		
Manufacturing	5,501,564	2,102,033	1,108,384	146,097	19,076	16,480
Construction and real estate	3,300,456	1,351,706	632,068	518,631	103,948	41,922
Wholesale and retail trade	5,161,862	2,375,328	1,359,246	61,099	15,234	9,212
Transportation	238,408	87,094	39,926	9,551	2,742	1,192
Shipping	1,809,911	222,906	74,460			
Hotels / Tourism	1,680,182	504,349	139,413	9,455	285	281
Services and other sectors	3,637,366	1,014,323	624,163	736,030	14,769	11,352
Public sector	**1,483,797**	**35,060**	**30,792**	**105,000**		
Total	**51,916,347**	**24,286,719**	**9,405,206**	**1,842,743**	**224,820**	**117,418**

	31.12.2012					
	Greece			Rest of Europe		
	Gross Amount	Impaired Amount	Accumulated impairment allowance	Gross Amount	Impaired Amount	Accumulated impairment allowance
Retail Lending	**18,455,085**	**5,947,388**	**1,920,056**	**262,531**	**63,941**	**29,560**
Mortgage	10,656,869	2,058,965	444,827	169,468	45,887	14,952
Consumer	3,619,263	873,171	569,873	81,886	12,655	10,868
Credit cards	840,363	147,792	105,675	3,984	499	429
Other (incl. SBL)	3,338,590	2,867,460	799,681	7,193	4,900	3,311
Corporate Lending	**15,204,723**	**3,564,916**	**1,572,343**	**1,509,788**	**174,612**	**85,243**
Financial institutions	798,637	42,862	41,426	1,641		
Manufacturing	3,759,161	945,442	442,592	160,721	28,446	22,222
Construction and real estate	1,995,582	601,488	227,666	501,471	89,619	37,002
Wholesale and retail trade	3,634,515	1,155,750	572,323	67,826	15,758	6,382
Transportation	397,038	71,468	31,930	10,282	975	566
Shipping	1,304,168	7,419	1,611			
Hotels / Tourism	1,238,818	342,549	48,689	11,017	328	185
Services and other sectors	2,076,804	397,938	206,106	756,830	39,486	18,886
Public sector	**866,669**	**298**	**19**	**105,000**		
Total	**34,526,477**	**9,512,602**	**3,492,418**	**1,877,319**	**238,553**	**114,803**

INTEREST INCOME RECOGNISED BY QUALITY OF LOANS AND ADVANCES AND PRODUCT LINE

	31.12.2013		
	Interest income on non impaired Loans and Advances	**Interest income on impaired Loans and Advances**	**Total interest income**
Retail lending	506,485	380,475	886,960
Corporate lending	1,051,787	192,022	1,243,809
Public sector	17,255	2,586	19,841
Total interest income	**1,575,527**	**575,083**	**2,150,610**

	31.12.2012		
	Interest income on non impaired Loans and Advances	**Interest income on impaired Loans and Advances**	**Total interest income**
Retail lending	596,684	276,184	872,868
Corporate lending	1,025,797	118,811	1,144,608
Public sector	39,858	12	39,870
Total interest income	**1,662,339**	**395,007**	**2,057,346**

RESTRUCTURED LOANS

RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS BY TYPE OF RESTRUCTURING MEASURE

The restructuring of loans is performed through renegotiation of the original contractual terms and include changes such as:

- Extension of the credit duration
- Write-off of a portion of debtor's amounts due
- Grace period for the principal and interests
- Decrease in interest rate

As a rule the restructurings which are performed include a combination of the above amendments to the contractual terms. The carrying amount of restructured loans of Bank amounted to €4,912,077 as at 31.12.2013 (2012: €3,933,259).

In addition, in the context of renegotiations of the terms of loans granted, the Bank has participated in agreements for the exchange of debt securities with debtors' shares. On 31.12.2013, the Bank included in its Available for Sale portfolio shares of fair value amounting to €10 million which were acquired from respective transactions. In none of the above cases, the Bank had control or significant influence over these companies.

ANALYSIS OF RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS

	31.12.2013		
	Total amount of Loans and Advances	**Total amount of restructured Loans and Advances**	**Restructured Loans and Advances (%)**
Neither past due nor impaired	27,081,178	110,194	0.4
Past due but not impaired	2,166,373	9,940	0.5
Impaired	24,511,539	5,253,604	21.4
Total gross amount	**53,759,090**	**5,373,738**	**10.0**
Individual Impairment Allowance	(3,995,423)	(105,894)	2.7
Collective Impairment Allowance	(5,527,202)	(355,767)	6.4
Total net amount	**44,236,465**	**4,912,077**	**11.1**
Value of collateral	33,471,327	3,743,213	11.2

	31.12.2012		
	Total amount of Loans and Advances	**Total amount of restructured Loans and Advances**	**Restructured Loans and Advances (%)**
Neither past due nor impaired	23,026,680	3,145,039	13.7
Past due but not impaired	3,625,961	413,772	11.4
Impaired	9,751,154	434,756	4.5
Total gross amount	**36,403,795**	**3,993,567**	**11.0**
Individual Impairment Allowance	(1,662,024)	(34,712)	2.1
Collective Impairment Allowance	(1,945,197)	(25,596)	1.3
Total net amount	**32,796,574**	**3,933,259**	**12.0**
Value of collateral	20,911,124	2,305,656	11.0

Restructured loans which comply with the restructuring terms are kept in the category of restructured loans for a period of one year. Otherwise, they are transferred to non-performing loans. Therefore, on 31.12.2013, the restructured loans category includes loans restructured in the year. During the current year, loans of a gross amount of €5.4 billion were restructured. For these loans, an amount of €109 million was recognized as interest income during the year, while their impairment allowance as at 31.12.2013 amounted to €462 million.

RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS BY PRODUCT LINE

	31.12.2013	31.12.2012
Retail lending	**4,343,653**	**3,324,986**
Mortgage	2,864,243	1,686,611
Consumer	969,607	1,348,150
Credit cards	53,439	122,432
Other (incl. SBL)	456,364	167,793
Corporate lending	**567,992**	**608,273**
Large	230,021	275,113
SME's	337,971	333,160
Public sector	**432**	
Greece	432	
Other countries		
Total	**4,912,077**	**3,933,259**

RESTRUCTURED LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL REGION

	31.12.2013	31.12.2012
Greece	4,902,709	3,927,080
Europe	9,368	6,179
Other countries		
Total	**4,912,077**	**3,933,259**

BALANCES WITH CENTRAL BANKS – DUE FROM BANKS – DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis per rating

	31.12.2013							
	Balances with Central Banks	**Due from Banks**	**Derivative Financial Instruments**	**Securities held for trading**	**Available for sale securities**	**Held to maturity securities**	**Loans and receivables securities**	**Total**
AAA	548,390				17,798	3,905		570,093
AA+ to AA-		576,969	61,544	464	780	5,979	4,308,556	4,954,292
A+ to A-		955,556	67,280		1,653	34,197		1,058,686
BBB+ to BBB-	103,940	1,733				12,120		117,793
Lower than BBB-		3,488,602	650,851	6,537	3,952,917	959,915		9,058,822
Unrated		22,965	28,236		466,011	157,920		675,132
Exposure before impairment	**652,330**	**5,045,825**	**807,911**	**7,001**	**4,439,159**	**1,174,036**	**4,308,556**	**16,434,818**

	31.12.2012						
	Balances with Central Banks	**Due from Banks**	**Derivative Financial Instruments**	**Securities held for trading**	**Available for sale securities**	**Held to maturity securities**	**Total**
AAA	389,670			514	850,477	1,000	1,241,661
AA+ to AA-		58,950	29,613		32,872		121,435
A+ to A-		2,773,216	145,808		54,354	2,553	2,975,931
BBB+ to BBB-	109,706	10,942	16,274		30,001	31,301	198,224
Lower than BBB-		3,791,521	524,961	13,605	4,746,916	1,045,492	10,122,495
Unrated		(2,161)	23,958		420,395	158,979	601,171
Exposure before impairment	**499,376**	**6,632,468**	**740,614**	**14,119**	**6,135,015**	**1,239,325**	**15,260,917**

BALANCES WITH CENTRAL BANKS – DUE FROM BANKS – DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis of past due amounts

	31.12.2013							
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Loans and receivables securities	Total
Neither past due nor impaired	652,330	5,036,860	807,911	7,001	4,378,061	1,017,694	4,308,556	16,208,414
Past due but not impaired								
Impaired		8,965			61,098	156,342		226,405
Exposure before impairment	**652,330**	**5,045,825**	**807,911**	**7,001**	**4,439,159**	**1,174,036**	**4,308,556**	**16,434,819**
Less: Allowance for impairment losses		(8,965)			(50,434)	(156,342)		(215,741)
Net exposure	**652,330**	**5,036,860**	**807,911**	**7,001**	**4,388,725**	**1,017,694**	**4,308,556**	**16,219,078**

	31.12.2012						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
Neither past due nor impaired	499,376	6,623,503	740,614	14,119	6,113,784	1,082,215	15,073,611
Past due but not impaired							
Impaired		8,965			21,231	157,110	187,306
Exposure before impairment	**499,376**	**6,632,468**	**740,614**	**14,119**	**6,135,015**	**1,239,325**	**15,260,917**
Less: Allowance for impairment losses		(8,965)			(21,215)	(157,110)	(187,290)
Net exposure	**499,376**	**6,623,503**	**740,614**	**14,119**	**6,113,800**	**1,082,215**	**15,073,627**

The following tables present the financial instruments exposed to credit risk by sectors of the counterparties.

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2013										
	Financial Institutions and other financial services	**Manufacturing**	**Construction and real estate**	**Wholesale and retail trade**	**Public Sector/ Government Securities/ Derivatives**	**Transportation**	**Shipping**	**Hotels-Tourism**	**Services and other sectors**	**Retail**	**Total**
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	652,330										652,330
Due from banks	5,045,825										5,045,825
Loans and advances to customers	371,001	5,647,661	3,819,087	5,222,961	1,588,797	247,959	1,809,911	1,689,637	4,373,396	28,988,680	53,759,090
Derivative financial assets	148,430	11,093	44,856	5,281	549,100	5,202	7,878	13,200	22,489	382	807,911
Securities held for trading	464				6,537						7,001
Available for sale securities	865,196	27,338		2,476	3,316,719				227,430		4,439,159
Held to maturity securities	244,115		1,065		895,026				33,830		1,174,036
Loans and receivables securities	4,308,556										4,308,556
Total amount of balance sheet items exposed to credit risk (a)	**11,635,917**	**5,686,092**	**3,865,008**	**5,230,718**	**6,356,179**	**253,161**	**1,817,789**	**1,702,837**	**4,657,145**	**28,989,062**	**70,193,908**
Other balance sheet items not exposed to credit risk	1,496,284	11,510	192,822	1,514		404			6,283,884		7,986,418
Total assets	**13,132,201**	**5,697,602**	**4,057,830**	**5,232,232**	**6,356,179**	**253,565**	**1,817,789**	**1,702,837**	**10,941,029**	**28,989,062**	**78,180,326**
Credit risk exposure relating to off-balance sheet items:											
Letters of guarantee, letters of credit and other guarantees	756,566	688,348	2,283,484	519,164		49,649		71,904	2,066,485		6,435,600
Undrawn loan agreements and credit limits that can not be recalled (committed)	27,733	79,703	12,974				158,823				279,233
Gurarantees for bonds issued by subsidiaries of the Bank									1,635,190		1,635,190
Total amount of off balance sheet items exposed to credit risk (b)	**784,299**	**768,051**	**2,296,458**	**519,164**		**49,649**	**158,823**	**71,904**	**3,701,675**		**8,350,023**
Total credit risk exposure (a+b)	**12,420,216**	**6,454,143**	**6,161,466**	**5,749,882**	**6,356,179**	**302,810**	**1,976,612**	**1,774,741**	**8,358,820**	**28,989,062**	**78,543,931**

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2012										
	Financial Institutions and other financial services	**Manufacturing**	**Construction and real estate**	**Wholesale and retail trade**	**Public Sector/ Government securities/ Derivatives**	**Transportation**	**Shipping**	**Hotels-Tourism**	**Services and other sectors**	**Retail**	**Total**
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	499,376										499,376
Due from banks	6,632,468										6,632,468
Loans and advances to customers	800,278	3,919,882	2,497,053	3,702,341	971,669	407,320	1,304,168	1,249,835	2,833,634	18,717,615	36,403,795
Derivative financial assets	253,718	10,188	84,796	7,499	335,551	12,721	9,340	12,148	14,653		740,614
Securities held for trading	514				13,605						14,119
Available for sale securities	2,051,877	9,762	298	191,648	3,881,430						6,135,015
Held to maturity securities	295,786		14,762	37,101	891,676						1,239,325
Loans and receivables securities											
Total amount of balance sheet items exposed to credit risk (a)	**10,534,017**	**3,939,832**	**2,596,909**	**3,938,589**	**6,093,931**	**420,041**	**1,313,508**	**1,261,983**	**2,848,287**	**18,717,615**	**51,664,712**
Other balance sheet items not exposed to credit risk	64,014	14,317	22,181	26,388					5,912,058		6,038,958
Total assets	**10,598,031**	**3,954,149**	**2,619,090**	**3,964,977**	**6,093,931**	**420,041**	**1,313,508**	**1,261,983**	**8,760,345**	**18,717,615**	**57,703,670**
Credit risk exposure relating to off-balance sheet items:											
Letters of guarantee, letters of credit and other guarantees	800,445	536,413	1,657,496	540,002		114,302		131,279	509,095		4,289,032
Undrawn loan agreements and credit limits that can not be recalled (committed)		81,291	2,920				10,085		5,333		99,629
Gurarantees for bonds issued by subsidiaries of the Bank									2,388,548		2,388,548
Total amount of off balance sheet items exposed to credit risk (b)	**800,445**	**617,704**	**1,660,416**	**540,002**	**-**	**114,302**	**10,085**	**131,279**	**2,902,976**	**-**	**6,777,209**
Total credit risk exposure (a+b)	**11,334,462**	**4,557,536**	**4,257,325**	**4,478,591**	**6,093,931**	**534,343**	**1,323,593**	**1,393,262**	**5,751,263**	**18,717,615**	**58,441,921**

The figures of prior year were restated to be comparable.

EXPOSURE IN CREDIT RISK FROM DEBT ISSUED BY THE PERIPHERAL EUROZONE COUNTRIES

Due to the considerable debt crisis noted in recent years in the Eurozone, the Bank monitors credit risk from its exposure to the Greek State as well as the remaining peripheral countries.

i. Exposure to the Greek State

The table below presents the Bank's total exposure in Greek Government securities:

	31.12.2013		31.12.2012	
Portfolio	**Nominal value**	**Carrying amount**	**Nominal value**	**Carrying amount**
Available for sale	3,908,750	3,316,719	4,361,979	3,555,494
Held to maturity	890,000	891,641	890,000	891,676
Trading	11,251	6,537	33,044	13,605
Total	**4,810,001**	**4,214,897**	**5,285,023**	**4,460,775**

All Greek Government securities are classified in level 1 based on the quality of inputs used for the estimation of their fair value.

In addition, the Bank's exposure to Greek State from other financial instruments, excluding securities and loans and advances is depicted in the table below:

On balance sheet exposure

	31.12.2013	31.12.2012
	Carrying amount	**Carrying amount**
Derivative financial instruments – assets	549,100	335,552
Derivative financial instruments – liabilities	(69,764)	(153,665)

Off balance sheet exposure

	31.12.2013		31.12.2012	
	Nominal value	**Fair value**	**Nominal value**	**Fair value**
Bonds used as collaterals for refinancing operation	75,610	41,600	160,954	61,359

ii. Exposure to other peripheral Eurozone countries debt

The Bank holds a bond of Cyprus Popular Bank (senior term) for which an impairment loss of €31.8 million was recorded, according to the available information regarding its recoverable amount. The carrying amount after impairment equals to €1.6 million.

The carrying amount of Bank's participation in Alpha Bank Cyprus Ltd and Emporiki Bank Cyprus Ltd amounted to €307.3 million and €39.7 million, respectively on 31.12.2013. As at 31.12.2013 the Bank had no exposure to bonds issued by other peripheral European countries.

38.2 Market risk

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indices, equity prices and commodities. Losses may also occur either from the trading portfolio or from the Assets-Liabilities management.

i. Trading portfolio

The market risk is measured by the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of one and ten days, depending on the time required to liquidate the portfolio.

1 day value at risk, 99% confidence interval (2 years historical data)

(in Euro)

	2013					2012
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total	Total
31 December	832,203	289,875	42,298	(270,037)	894,339	1,030,506
Average daily value (annual)	542,492	732,484	112,745	(398,849)	988,872	685,205
Maximum daily value (annual)	1,178,675	863,799	62,774	(517,235)	1,588,013	1,609,563
Minimum daily value (annual)	249,012	620,308	40,025	(292,392)	616,953	264,729

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters (stress - testing).

Within the scope of policy-making for financial risk management by the Asset and Liability Management Committee (ALCO), exposure limits, maximum loss (stop loss) and value at risk for various products of the trading positions have been set.

In particular the following limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions and FX options.
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options.
- Price risk regarding positions in shares, index Futures and options, Commodity Futures and Swaps.
- Credit risk regarding interbank transactions and bonds.

Positions held in these products are monitored on a daily basis and are examined for the corresponding limit percentage cover and for any limit excess.

ii. The financial risks of the banking portfolio

The financial risks of the banking portfolio derive from the structure of assets and liabilities and primarily from the portfolio of loans and deposits of the Bank. The financial risks of the banking portfolio concern the exchange risk and the interest rate risk.

a. Foreign currency risk

Bank takes on the risk arising from the fluctuations in foreign exchange rates.

The General Management sets limits on the total foreign exchange position as well as on the exposure by currency.

The total position arises from the net balance sheet position and derivatives forward position as presented in the tables below.

	31.12.2013								
	USD	**GBP**	**CHF**	**JPY**	**RON**	**RSD**	**Other F/C**	**Euro**	**Total**
ASSETS									
Cash and balances with Central Banks	4,033	1,320	368	54			46,141	954,378	1,006,294
Due from banks	(919,764)	156,868	111,952	42,719	(596)	76,048	12,117	5,557,516	5,036,860
Securities held for trading								7,001	7,001
Derivative financial assets								807,911	807,911
Loans and advances to customers	1,741,586	66,511	681,148	18,050	9,961		66,517	41,652,692	44,236,465
Investment securities									
- Available for sale	6,076						6	4,443,494	4,449,576
- Held to maturity	1,462							1,016,232	1,017,694
- Loans and receivables								4,308,556	4,308,556
Investments in subsidiaries, associates and joint ventures	7,309	61,324			171,893	234,365	30,312	1,565,532	2,070,735
Investment property							1,315	26,890	28,205
Property, plant and equipment							9,269	745,030	754,299
Goodwill and other intangible assets							3,950	192,117	196,067
Deferred tax assets							5,957	2,734,692	2,740,649
Other assets	317	43	(2,232)	(6)			115,693	1,328,920	1,442,735
Total Assets	**841,019**	**286,066**	**791,236**	**60,817**	**181,258**	**310,413**	**291,277**	**65,340,961**	**68,103,047**
LIABILITIES									
Due to banks and customers	2,114,487	100,077	22,014	9,634			465,732	54,148,074	56,860,018
Derivative financial liabilities								1,374,261	1,374,261
Debt securities in issue and other borrowed funds	49,203							1,246,242	1,295,445
Liabilities for current income tax and other taxes					1		339	32,441	32,781
Deferred tax liabilities									
Employee defined benefit obligations								74,574	74,574
Other liabilities	841	28	11	463			2,096	1,056,278	1,059,717
Provisions							909	258,036	258,945
Total liabilities	**2,164,531**	**100,105**	**22,025**	**10,097**	**1**		**469,076**	**58,189,906**	**60,955,741**
Net balance sheet position	(1,323,512)	185,961	769,211	50,720	181,257	310,413	(177,799)	7,151,055	7,147,306
Derivatives forward foreign exchange position	1,281,446	(201,294)	(848,424)	(49,691)	(368,374)		223,083	(116,967)	(80,221)
Total Foreign Exchange Position	**(42,066)**	**(15,333)**	**(79,213)**	**1,029**	**(187,117)**	**310,413**	**45,284**	**7,034,088**	**7,067,085**
Undrawn loan agreements and credit limits that can not be recalled (committed)	22,887							256,346	279,233

	31.12.2012								
	USD	**GBP**	**CHF**	**JPY**	**RON**	**RSD**	**Other F/C**	**Euro**	**Total**
ASSETS									
Cash and balances with Central Banks	4,473	967	654	21			27,772	736,306	770,193
Due from banks	453,754	175,186	103,336	36,195	538	2,929	57,703	5,793,862	6,623,503
Securities held for trading								14,119	14,119
Derivative financial assets								740,614	740,614
Loans and advances to customers	1,304,614	102,561	690,992	12,462	6,876		70,062	30,609,007	32,796,574
Investment securities									
- Available for sale	543,199						6	5,628,078	6,171,283
- Held to maturity	1,556							1,080,659	1,082,215
Investments in subsidiaries, associates and joint ventures	7,640	62,647			172,918	236,534	147,496	1,523,220	2,150,455
Investment property								31,683	31,683
Property, plant and equipment							13,237	583,757	596,994
Goodwill and other intangible assets							4,319	89,110	93,429
Deferred tax assets							112,550	1,674,062	1,786,612
Other assets	7,678	32	331,449				505	576,021	915,685
Total Assets	**2,322,914**	**341,393**	**1,126,431**	**48,678**	**180,332**	**239,463**	**433,650**	**49,080,498**	**53,773,359**
LIABILITIES									
Due to banks and customers	1,789,734	74,241	353,619	422,652			382,148	45,994,166	49,016,560
Derivative financial liabilities								1,529,730	1,529,730
Debt securities in issue and other borrowed funds	33,123							2,284,129	2,317,252
Liabilities for current income tax and other taxes							62	22,712	22,774
Deferred tax liabilities								372,468	372,468
Employee defined benefit obligations								48,719	48,719
Other liabilities	409	40	10	596			3,166	861,828	866,049
Provisions							1,096	29,077	30,173
Total liabilities	**1,823,266**	**74,281**	**353,629**	**423,248**			**386,472**	**51,142,829**	**54,203,725**
Net balance sheet position	499,648	267,112	772,802	(374,570)	180,332	239,463	47,178	(2,062,331)	(430,366)
Derivatives forward foreign exchange position	(504,000)	(281,645)	(782,306)	373,845	(304,394)		94,399	1,250,050	(154,051)
Total Foreign Exchange Position	**(4,352)**	**(14,533)**	**(9,504)**	**(725)**	**(124,062)**	**239,463**	**141,577**	**(812,281)**	**(584,417)**
Undrawn loan agreements and credit limits that can not be recalled (committed)	10,085							89,544	99,629

The net foreign exchange position as at 31.12.2013 presents the following sensitivity analysis:

Currency	Exchange rate variation scenario against Euro (%)	Impact on net income before tax
USD	Appreciation USD 5%	(2,215)
	Depreciation USD 5%	2,003
GBP	Appreciation GBP 5%	(807)
	Depreciation GBP 5%	730
CHF	Appreciation CHF 5%	(4,170)
	Depreciation CHF 5%	3,772
RON	Appreciation RON 5%	(9,849)
	Depreciation RON 5%	8,910
MKD	Appreciation MKD 5%	1,672
	Depreciation MKD 5%	(1,514)
RSD	Appreciation RSD 5%	16,337
	Depreciation RSD 5%	(14,782)

b. Interest rate risk

In the context of analysis of the Banking portfolio, Interest Rate Gap Analysis is performed. In particular, assets and liabilities are allocated into time bands (Gaps) according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments.

An interest rate gap analysis of assets and liabilities is set out in the table below.

	31.12.2013							
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	652,324						353,970	1,006,294
Due from Banks	1,634,676	2,691	24,572	9,584	2,696,048	669,289		5,036,860
Securities helf for trading		275				6,726		7,001
Derivative financial assets	807,911							807,911
Loans and advances to customers	22,046,311	9,809,176	2,788,502	2,046,998	5,660,901	1,459,035	425,542	44,236,465
Investment securities								
- Available for sale	666,246	776,922	1,159,865	12,983	408,022	1,425,538		4,449,576
- Held to maturity	138,903	52,906	780,401	1,246	42,520	1,718		1,017,694
- Loans and receivables			4,308,556					4,308,556
Investments in subsidiaries, associates and joint ventures							2,070,735	2,070,735
Investment property							28,205	28,205
Property, plant and equipment							754,299	754,299
Goodwill and other intangible assets							196,067	196,067
Deferred tax assets							2,740,649	2,740,649
Other assets							1,442,735	1,442,735
Total Assets	**25,946,371**	**10,641,970**	**9,061,896**	**2,070,811**	**8,807,491**	**3,562,306**	**8,012,202**	**68,103,047**
LIABILITIES								
Due to banks	17,669,276	13,147	23,640	10,933	1,293,862	344,471		19,355,329
Derivative financial liabilities	1,374,261							1,374,261
Due to customers	11,715,724	5,565,659	4,834,664	5,538,127	9,585,440	113,787	151,288	37,504,689
Debt securities in issue and other borrowed funds	90,681	621,814	582,950					1,295,445
Liabilities for current income tax and other taxes							32,781	32,781
Employee defined benefit obligations							74,574	74,574
Other liabilities							1,059,717	1,059,717
Provisions							258,945	258,945
Total Liabilities	**30,849,942**	**6,200,620**	**5,441,254**	**5,549,060**	**10,879,302**	**458,258**	**1,577,305**	**60,955,741**
EQUITY								
Share capital							4,216,872	4,216,872
Share premium							4,212,062	4,212,062
Reserves							517,559	517,559
Retained earnings							(1,799,187)	(1,799,187)
Total Equity							**7,147,306**	**7,147,306**
Total Liabilities and Equity	**30,849,942**	**6,200,620**	**5,441,254**	**5,549,060**	**10,879,302**	**458,258**	**8,724,611**	**68,103,047**
OPEN EXPOSURE	**(4,903,571)**	**4,441,350**	**3,620,642**	**(3,478,249)**	**(2,071,811)**	**3,104,048**	**(712,409)**	
CUMULATIVE EXPOSURE	**(4,903,571)**	**(462,221)**	**3,158,421**	**(319,828)**	**(2,391,639)**	**712,409**		

	31.12.2012							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
ASSETS								
Cash and balances with Central Banks	499,374						270,819	770,193
Due from Banks	5,039,630	1,384,143	1,499	13,254	184,962	15		6,623,503
Securities helf for trading		252			263	13,604		14,119
Derivative financial assets	740,614							740,614
Loans and advances to customers	23,240,055	3,659,033	1,794,106	1,929,125	1,623,215	551,040		32,796,574
Investment securities								-
- Available for sale	1,985,950	1,143,915	1,397,172	111,055	929,151	546,557	57,483	6,171,283
- Held to maturity	15,326	128,061	892,028	11,813	32,847	2,140		1,082,215
Investments in subsidiaries, associates and joint ventures							2,150,455	2,150,455
Investment property							31,683	31,683
Property, plant and equipment							596,994	596,994
Goodwill and other intangible assets							93,429	93,429
Deferred tax assets							1,786,612	1,786,612
Other assets							915,685	915,685
Total Assets	**31,520,949**	**6,315,404**	**4,084,805**	**2,065,247**	**2,770,438**	**1,113,356**	**5,903,160**	**53,773,359**
LIABILITIES								
Due to banks	25,526,932	298,619						25,825,551
Derivative financial liabilities	1,529,730							1,529,730
Due to customers	12,682,584	1,898,336	2,523,414	2,352,227	2,217,888	1,426,767	89,793	23,191,009
Debt securities in issue and other borrowed funds	200,690	1,490,203	117,069	703	414,561	94,026		2,317,252
Liabilities for current income tax and other taxes							22,774	22,774
Deferred tax liabilities							372,468	372,468
Employee defined benefit obligations							48,719	48,719
Other liabilities							866,049	866,049
Provisions							30,173	30,173
Total Liabilities	**39,939,936**	**3,687,158**	**2,640,483**	**2,352,930**	**2,632,449**	**1,520,793**	**1,429,976**	**54,203,725**
EQUITY								
Share capital							1,100,281	1,100,281
Share premium							2,757,653	2,757,653
Reserves							213,097	213,097
Retained earnings							(4,501,397)	(4,501,397)
Total Equity							**(430,366)**	**(430,366)**
Total Liabilities and Equity	**39,939,936**	**3,687,158**	**2,640,483**	**2,352,930**	**2,632,449**	**1,520,793**	**999,610**	**53,773,359**
OPEN EXPOSURE	**(8,418,987)**	**2,628,246**	**1,444,322**	**(287,683)**	**137,989**	**(407,437)**	**4,903,550**	
CUMULATIVE EXPOSURE	**(8,418,987)**	**(5,790,741)**	**(4,346,419)**	**(4,634,102)**	**(4,496,113)**	**(4,903,550)**		

From the Interest Rate Gap Analysis and from the application of alternative scenarios regarding changes in market interest rates or changes in the Bank's base interest rates, the Bank is able to calculate the immediate changes in net interest income and equity relating to available for sale securities. In the interest rate decrease scenarios the change is assessed up to a feasible point (interest rate set to zero) in accordance with the effective yield curves per currency.

Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net interest income (annual)	Sensitivity of Equity
-100	46,509	91,952
+100	101,231	(91,952)

38.3 Liquidity risk

Liquidity risk relates to the Bank's ability to maintain sufficient funds to cover its planned or extraordinary obligations. A substantial portion of the Bank's assets is funded by customer deposits and bonds issued by the Group. This type of funding is comprised of two categories:

a. Customer deposits for working capital purposes

Deposits for working capital purposes consist of savings accounts and sight deposits. Although these deposits may be withdrawn on demand, the number of accounts and type of depositors ensure that unexpected significant fluctuations are limited and that these deposits constitute mostly a stable deposit base.

b. Customer deposits and bonds for investment purposes

Customer deposits and bonds issued for investment purposes concern customer term deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group.

During the last years the European System of Central Banks has been used as an additional source of funding. The Bank's total borrowings amounted to €17.2 billion on 31.12.2013 (2012: €23.7 billion). Based on the Liquidity Gap Analysis, the cash flows arising from balance sheet items are calculated and classified into time periods based on the time that they occurred, excluding investment portfolios. These portfolios which can immediately contribute in obtaining liquidity are classified in the first period.

	31.12.2013					
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**Total**
ASSETS						
Cash and balances with Central Banks	1,006,294					1,006,294
Due from banks	1,635,065	2,691	24,570	9,583	3,364,951	5,036,860
Securities held for trading	7,001					7,001
Derivative financial assets	807,911					807,911
Loans and advances to customers	2,687,153	1,634,128	2,415,416	3,391,075	34,108,693	44,236,465
Investment securities						
- Available for sale	627,229				3,822,347	4,449,576
- Held to maturity			897,641		120,053	1,017,694
- Loans and receivables					4,308,556	4,308,556
Investments in subsidiaries, associates and joint ventures					2,070,735	2,070,735
Investment property					28,205	28,205
Property, plant and equipment					754,299	754,299
Goodwill and other intangible assets					196,067	196,067
Deferred tax assets					2,740,649	2,740,649
Other assets					1,442,735	1,442,735
Total Assets	**6,770,653**	**1,636,819**	**3,337,627**	**3,400,658**	**52,957,290**	**68,103,047**
LIABILITIES						
Due to banks	17,643,783	11,362	22,798	10,020	1,667,366	19,355,329
Derivative financial liabilities	1,374,261					1,374,261
Due to customers	7,395,809	5,282,074	4,524,179	5,022,251	15,280,376	37,504,689
Debt securities in issue and other borrowed funds	1,465	95,881	67,871	31,887	1,098,341	1,295,445
Liabilities for current income tax and other taxes			32,781			32,781
Employee defined benefit obligations					74,574	74,574
Other liabilities	441,562				618,155	1,059,717
Provisions					258,945	258,945
Total Liabilities	**26,856,880**	**5,389,317**	**4,647,629**	**5,064,158**	**18,997,757**	**60,955,741**
EQUITY						
Share capital					4,216,872	4,216,872
Share premium					4,212,062	4,212,062
Reserves					517,559	517,559
Retained earnings					(1,799,187)	(1,799,187)
Total Equity					**7,147,306**	**7,147,306**
Total Liabilities and Equity	**26,856,880**	**5,389,317**	**4,647,629**	**5,064,158**	**26,145,063**	**68,103,047**
Open liquidity gap	**(20,086,227)**	**(3,752,498)**	**(1,310,002)**	**(1,663,500)**	**26,812,227**	
Cumulative liquidity gap	**(20,086,227)**	**(23,838,725)**	**(25,148,727)**	**(26,812,227)**		

Trading and available for sale portfolios are listed based on their liquidation potential and not according to their maturity.

	31.12.2012					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	770,193					770,193
Due from banks	1,358,218	238,491	55,223	150,737	4,820,834	6,623,503
Securities held for trading	13,413				706	14,119
Derivative financial assets	740,614					740,614
Loans and advances to customers	1,227,413	2,113,810	2,372,700	3,029,660	24,052,991	32,796,574
Investment securities						
- Available for sale	5,224,096				947,187	6,171,283
- Held to maturity	757,550				324,665	1,082,215
Investments in subsidiaries, associates and joint ventures					2,150,455	2,150,455
Investment property					31,683	31,683
Property, plant and equipment					596,994	596,994
Goodwill and other intangible assets					93,429	93,429
Deferred tax assets					1,786,612	1,786,612
Other assets	5,153		23,545	178,831	708,156	915,685
Total Assets	**10,096,650**	**2,352,301**	**2,451,468**	**3,359,228**	**35,513,712**	**53,773,359**
LIABILITIES						
Due to banks	25,319,490	55,020	81	6,000	444,960	25,825,551
Derivative financial liabilities	1,529,730					1,529,730
Due to customers	5,102,225	2,458,165	3,711,756	2,968,485	8,950,378	23,191,009
Debt securities in issue and other borrowed funds	17,098	439,148	123,546	600,693	1,136,767	2,317,252
Liabilities for current income tax and other taxes	22,774					22,774
Deferred tax liabilities					372,468	372,468
Employee defined benefit obligations					48,719	48,719
Other liabilities	631,091	8,444	12,667	28,221	185,626	866,049
Provisions					30,173	30,173
Total Liabilities	**32,622,408**	**2,960,777**	**3,848,050**	**3,603,399**	**11,169,091**	**54,203,725**
EQUITY						
Total Equity					**(430,366)**	**(430,366)**
Total Liabilities and Equity	**32,622,408**	**2,960,777**	**3,848,050**	**3,603,399**	**10,738,725**	**53,773,359**
Open liquidity gap	**(22,525,758)**	**(608,476)**	**(1,396,582)**	**(244,171)**	**24,774,987**	**-**
Cumulative liquidity gap	**(22,525,758)**	**(23,134,234)**	**(24,530,816)**	**(24,774,987)**		

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their maturity date. Estimated interest payments are also included. Liabilities in foreign currency have been converted into Euro. Outflows and inflows relating to derivatives are estimated according to their contractual terms.

	31.12.2013						
		Nominal inflows / (outflows)					
	Total Balance Sheet	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
Non-derivative liabilities							
Due to banks	19,355,329	(17,674,292)	(11,858)	(23,016)	(25,158)	(1,670,608)	(19,404,932)
Due to customers	37,504,689	(7,422,027)	(5,322,637)	(4,718,473)	(5,385,933)	(16,036,539)	(38,885,609)
Debt securities in issue and other borrowed funds	1,295,445	(1,706)	(100,906)	(71,800)	(38,229)	(1,362,475)	(1,575,116)
Other liabilities	1,059,717	(441,562)				(618,155)	(1,059,717)
Derivatives held for assets fair value hedge	15,004						
- Outflows		(163)	(166)	(1,293)	(5,206)	(93,815)	(100,643)
- Inflows		68	15	429	3,124	90,280	93,916
Derivatives held for liabilities fair value hedge	450,651						
- Outflows		(11)	(191)	(40,788)	(22,393)	(1,065,076)	(1,128,459)
- Inflows		141	1,350	10,393	22,370	995,918	1,030,172
Derivatives held for trading	908,606						
- Outflows		(1,381,574)	(318,929)	(856,343)	(1,346,946)	(4,719,189)	(8,622,981)
- Inflows		1,365,555	279,421	798,173	1,210,360	4,631,479	8,284,988
Total	**60,589,441**	**(25,555,571)**	**(5,473,901)**	**(4,902,718)**	**(5,588,011)**	**(19,848,180)**	**(61,368,381)**
Off Balance sheet items							
Undrawn loan agreements and credit limits that can not be recalled (committed)		(279,233)					(279,233)
Financial guarantees		(51,660)	(38,933)	(28,670)	(82,161)	(507,663)	(709,087)
Total off Balance sheet items		**(330,893)**	**(38,933)**	**(28,670)**	**(82,161)**	**(507,663)**	**(988,320)**

	31.12.2012						
	Total Balance Sheet	Nominal inflows / (outflows					Total
		Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	
Non-derivative Liabilities							
Due to banks	25,825,551	(25,323,568)	(55,849)	(15,991)	(15,464)	(485,898)	(25,896,770)
Due to customers	23,191,009	(5,138,132)	(2,510,103)	(3,782,920)	(3,035,032)	(8,985,236)	(23,451,423)
Debt securities in issue and other borrowed funds	2,317,252	(17,443)	(442,737)	(154,591)	(614,384)	(1,632,558)	(2,861,713)
Other liabilities	866,049	(631,091)	(8,444)	(12,667)	(28,221)	(185,626)	(866,049)
Derivatives held for assets fair value hedge	24,937						
- Outflows		(221)	(397)	(4,297)	(5,494)	(96,270)	(106,679)
- Inflows		64	73	1,558	3,384	93,061	98,140
Derivatives held for liabilities fair value hedge	641,251						
- Outflows		(10)	(2,945)	(43,620)	(35,226)	(1,141,391)	(1,223,192)
- Inflows		131	5,145	12,533	34,629	1,066,016	1,118,454
Derivatives held for trading	863,542						
- Outflows		(1,033,844)	(565,009)	(987,025)	(488,255)	(7,756,175)	(10,830,308)
- Inflows		1,008,139	543,858	980,096	473,542	7,146,621	10,152,256
Total	**53,729,591**	**(31,135,975)**	**(3,036,408)**	**(4,006,924)**	**(3,710,521)**	**(11,977,456)**	**(53,867,284)**
Off Balance sheet items							
Undrawn loan agreements and credit limits than can not be recalled (committed)		(99,629)					(99,629)
Financial guarantees		(23,840)	(29,750)	(21,473)	(22,127)	(364,219)	(461,409)
Total off Balance sheet items		**(123,469)**	**(29,750)**	**(21,473)**	**(22,127)**	**(364,219)**	**(561,038)**

38.4 Fair value of financial assets and liabilities

Hierarchy of financial instruments not measured at fair value

	31.12.2013				
	Level 1	Level 2	Level 3	Total Fair value	Total Carrying amount
Financial assets					
Loans and advances to customers			43,954,363	43,954,363	44,236,465
Investment securities					
- Held to maturity [(1)]	949,318	20,976	14,768	985,062	1,017,694
- Loans and receivables		4,333,574		4,333,574	4,308,556
Financial liabilities					
Due to customers			37,414,504	37,414,504	37,504,689
Debt securities in issue [(2)]		1,101,372	31,434	1,132,806	1,255,845

The above table presents the fair value of financial instruments which are measured at amortized cost and classified according to hierarchy and carrying amount.

The fair value of loans is estimated based on the interbank market yield curves by adding a liquidity premium and spread per loan category and business unit for the expected loss. The fair value of deposits is estimated based on the interbank market yield curves by deducting customer's spread depending on the type of deposit. In both above mentioned cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

The held to maturity securities and debt securities in issue whose fair value is calculated based on market prices, are classified into Level 1.

The held to maturity securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of income approach methodology using interest rates and credit spreads which are observable in the market, are classified into Level 2. The fair value of the loans and receivables securities relating to securities issued by the European Financial Stability Facility (E.F.S.F.) and were transferred to the Bank as part of its recapitalization, as well as by undertaking the deposits of Cooperative banks, was determined by discounted cash flows using relevant E.F.S.F. issues inputs.

Level 3 classification includes the fair value of securities with complex cash flows, estimated using significant unobservable inputs, for which external market makers do not provide indicative prices in the market and securities traded in a market which is considered inactive due to lack of liquidity. In the first case the fair value is quoted by the issuers of the securities and confirmed by the Bank. In the second case, the expected cash flows from securities are determined by the Bank based on their estimated collectability. In addition, a bond issued by the Bank whose performance depends on the performance of a basket of shares was classified in Level 3. For the valuation of the above bond issue internal assessment of covariance of shares' return and Bank's liability to the special purpose entity Lithos Mortgage Financing Plc. (securitization of mortgage loans), is required.

The fair value of other financial assets and liabilities which are valued at amortized cost does not differ materially from the respective carrying amount.

(1) On 31.12.2013 investment securities portfolio includes an amount of €891.6 million (31.12.2012: €892 million) which relates to the security transferred to the Bank's ownership for the issuance of preference shares of the Greek State in the context of Law 3723/2008, which has been valued, based on HDAT prices.

(2) Debt securities in issue do not include the convertible bond loan issued by the Bank in the context of the agreement with Credit Agricole S.A. regarding the acquisition of Emporiki Bank since this security is measured at fair value.

Hierarchy of financial instruments measured at fair value

	31.12.2013			
	Level 1	**Level 2**	**Level 3**	**Total Fair value**
Derivative Financial Assets	23,751	784,096	64	807,911
Securities held for trading				
- Bonds and treasury bills	7,001			7,001
Available for sale securities				
- Bonds	3,596,047	779,736	12,942	4,388,725
- Shares	19,810		17,912	37,722
- Other variable yield securities	23,129			23,129
Derivative Financial Liabilities	178	1,373,437	646	1,374,261
Convertible bond		39,600		39,600

	31.12.2012			
	Level 1	**Level 2**	**Level 3**	**Total Fair value**
Derivative Financial Assets	13,377	725,357	1,880	740,614
Securities held for trading				
- Bonds and treasury bills	14,119			14,119
Available for sale securities				
- Bonds	5,474,102	637,731	1,967	6,113,800
- Shares	18,017	14,105	10,390	42,512
- Other variable yield securities	14,971			14,971
Derivative Financial Liabilities	756	1,524,952	4,022	1,529,730

The tables above present the fair value of financial instruments which are measured at fair value based on the inputs used for the fair value measurement.

Securities which are traded in an active market and exchange-traded derivatives are classified into Level 1.

For the classification of the fair value of securities to Level 2 and 3, the same as mentioned for securities measured at amortized cost, applies.

The fair value of non listed shares, as well as shares not traded in an active market is determined based on the provisions of the Bank which relate to the future profitability of the issuer after taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate. Given that the above parameters are mainly non observable, the valuation of these shares is classified into Level 3.

For the valuation of over the counter derivatives, income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. It is noted that the valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified into Level 3 or otherwise into Level 2.

The Bank recognizes the transfer between fair value hierarchy Levels at the end of the reporting period.

During the period, securities of available for sale portfolio were transferred from Level 1 to Level 2 due to lack of an active market for the specific securities. At the balance sheet date, the fair value was determined based on non-binding prices which are provided to the market by dealers – brokers.

The table below presents the valuation methods used for the measurement of Level 3 fair value:

	31.12.2013			
	Total Fair Value	**Fair Value**	**Valuation Method**	**Significant non-observable Inputs**
Derivative Financial Assets	64	64	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid secutities' dividends
Available for sale bonds	12,942	12,942	Based on issuer price	Price
Available for sale shares	17,912	17,912	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
Derivative Financial Liabilities	646	18	Discounted cash flows - Black Scholes valuation model with shares basket being the underlying instrument	Coefficient of variation and correlation coefficient between shares
		628	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid secutities' dividends

For all financial instruments measured at fair value classified in Level 3 due to the limited exposure of the Bank on the specific financial instruments, a reasonable variation in non-observable inputs would not affect significantly the results of the Bank.

A reconciliation for the movement of financial instruments measured at fair value in Level 3 is depicted below.

	31.12.2013		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2013	**12,357**	**1,880**	**(4,022)**
Total gain or loss recognized in Income Statement	(10,906)	(763)	2,278
Total gain or loss recognized in Equity	10,602		
Purchases/ Issues	5,503		
Sales/ Repayments/ Settlements	(2,591)	(237)	282
Transfers in level 3 from level 1	2,277		
Transfers in level 3 from level 2	15,272		
Transfers from level 3 in level 2	(1,660)	(816)	816
Balance 31.12.2013	**30,854**	**64**	**(646)**
Amounts included in the Income Statement for financial instruments held at the end of the reporting period	(10,992)	(763)	1,848

During the period, the transfer of Availalble for Sale Securities to Level 3 from Level 1 regards the security issued by Alpha Credit Group, which is not traded anymore in an active market, while the transfer of Available for Sale Securities to Level 3 from Level 2 relates to the security issued by Cyprus Popular Bank. The other transfers to Level 3 concern shares due to lack of an active market. The transfer from Level 3 to Level 2 relates to securitized bond (asset backed) for which there are active market prices.

In addition, during the period, the definition of fair value was achieved with observable inputs for positions of derivative assets and liabilities with similar but inverse characteristics where it was transferred from Level 3 to Level 2.

	31.12.2012		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2012	**12,790**	**2,814**	**(6,027)**
Total gain or loss recognized in Income Statement	(18,754)	(493)	1,691
Total gain or loss recognized in Equity	17,702		
Purchases/ Issues	6,791		
Sales/ Repayments/ Settlements	(6,573)	(441)	314
Transfers in level 3 (from levels 1 and 2)	401		
Balance 31.12.2012	**12,357**	**1,880**	**(4,022)**
Amounts included in the Income Statement for financial instruments held at the end of the reporting period	(19,111)	(524)	1,691

38.5. Transfers of financial assets

The Bank in its ordinary course of business, transfers financial assets. In cases where, despite the fact that the contractual right to receive cash flows has been transferred the risks and rewards remain with the Bank, these assets continue to be recognized on the balance sheet.

On 31.12.2013, the financial assets that have not been derecognized despite the contractual transfer of their cash flows, are derived from the following two categories of transactions:

a) Securitizations of financial assets

The Bank has securitized corporate, consumer loans and credit cards in order to absorb liquidity from the Eurosystem. In the context of these transactions, these items have been transferred to special purpose entities, which have proceeded with the issuance of bonds. These loans and credit cards continue to be recognized as loans and advances to customers, since the Bank continues in all cases to retain the rewards and risks associated with them. This is justified by several factors which include the fact that the Bank owns these bonds and the entitlement to the deferred consideration from the transfer. Given that bonds are owned by the Bank, there are no liabilities for the Bank which actually arise from the transfer. The carrying amount of the securitized loans and credit cards on 31.12.2013 amounts to €3,139,666 (31.12.2012: €2,839,790).

In addition, in the context of the acquisition of Emporiki Bank, the Bank acquired a portfolio of mortgage loans that had been securitized through Lithos entity. The securitized mortgage loans are recognized as loans and advances to customers since the Bank retains the risks and rewards of the portfolio through entitlement to the deferred consideration. The carrying amounts of securitized mortgage loans and the respective related Bank's liability to Lithos amount to €99,096 and €26,917, respectively. The fair values of loans and bonds are not different from their respective carrying amounts.

b) Sale and repurchase agreements of debt securities

The Bank on 31.12.2013 proceeded with the transfer of Greek Government treasury bills and bonds of other issuers with a repurchase agreement. These securities are still included in the Bank's investment portfolio and the respective figures are presented in the following table:

	31.12.2013		
	Available for sale portfolio		Loans and receivables bonds
	Treasury bills of Greek State	Bonds of other issuers	EFSF Bonds
Carrying amount of trasnferred securities	515,092	108,088	814,339
Carrying amount of related liability	(514,607)	(79,886)	(777,704)
Fair value of transferred securities	515,092	108,088	820,918
Fair value of related liability	(514,607)	(79,886)	(777,704)
Net Equity	**485**	**28,202**	**43,214**

	31.12.2012
	Available for sale portfolio
	Treasury bills of Greek State
Carrying amount of asset	348,516
Carrying amount of liability	(348,454)
Fair value of asset	348,516
Fair value of liability	(348,454)
Net Equity	**62**

38.6. Offsetting financial assets - liabilities

The following tables present derivative transactions under contracts of the International Swaps and Derivatives Association (ISDA), which are signed with credit institutions as counterparties. In accordance with these contracts, the Bank is able to offset its assets and liabilities relating to a counterparty in case of a credit default.

Financial assets subject to offsetting

	31.12.2013					
				Related amounts not offset		
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	689,510		689,510	(160,000)	(23,916)	505,594

	31.12.2012					
				Related amounts not offset		
	Gross amount of recognized financial assets	Gross amount of recognized financial liabilities offset	Net amount of financial assets presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	502,390		502,390	(418,451)	(54,568)	29,371

Financial liabilities subject to offsetting

	31.12.2013					
				Related amounts not offset		
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	1,317,108		1,317,108	(160,000)	(1,120,061)	37,047

	31.12.2012					
				Related amounts not offset		
	Gross amount of recognized financial liabilities	Gross amount of recognized financial assets offset	Net amount of financial liabilities presented in the balance sheet	Financial instruments	Cash collateral received	Net amount
Derivatives	1,325,849		1,325,849	(418,451)	(906,349)	1,049

Reconciliation of the net amount of financial assets and liabilities presented in the balance sheet

	31.12.2013			
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
Type of financial asset				
Derivatives	16	689,510	807,911	118,401

	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
Type of financial liability				
Derivatives	16	1,317,108	1,374,261	57,153

	31.12.2012			
	Note	Net amount presented in the balance sheet	Carrying amount of financial assets in the balance sheet	Financial assets not in scope of offsetting disclosures
Type of financial asset				
Derivatives	16	502,390	740,614	238,224

	Note	Net amount presented in the balance sheet	Carrying amount of financial liabilities in the balance sheet	Financial liabilities not in scope of offsetting disclosures
Type of financial liability				
Derivatives	16	1,325,849	1,529,730	203,881

39. The Bank's recapitalisation framework

On 6.6.2013, the Bank completed the share capital increase procedure, pursuant to the decisions of the second iterative Extraordinary General Meeting of 16.4.2013 and the Board of Directors meeting of 30.4.2013, based on the provisions of Law 3864/2010 amounting to € 4.571 billion, covering in this way, the capital needs of the Group, as these were determined by the Bank of Greece. The increase with pre-emption rights amounting to € 457.1 million was fully covered as well as an additional amount of € 92.9 million which was covered through private placement in institutional and other private investors. An amount of € 4.021 billion was covered by the HFSF, in accordance with the Capital Assistance Plan, by direct placement ("Placing to the HFSF") with the European Banking Stability Fund bond contribution which were measured in accordance with Article 9 C.L. 2190/1920. Accordingly, the statutory minimum participation of the private sector was achieved with more than 10% of the total capitalization amounting to € 4.571 billion.

The issue price for all new ordinary shares issued was set at € 0.44 per share. For each new ordinary share acquired by private investors, they received a document entitled the right to acquire shares («Warrant»), fully negotiable, which provides the right to receive 7.41 shares which are undertaken by the Hellenic Financial Stability Fund, on a six month basis for the next 4.5 years at issue price plus an annual margin.

Along with the completion of the recapitalization, the Fund and the Bank signed the Cooperation Agreement Framework which regulated the relations between them and issues related to the Bank corporate governance and the preparation of the Restructuring Plan.

On 7.3.2014, Alpha Bank's Board of Directors decided that an Extraordinary Meeting of Shareholders will be held on 28 March 2014 and the agenda includes the share capital increase of a total amount of up to €1.2 billion, through payment in cash and cancellation of pre-emption rights. The share capital increase is intended to:

a) contribute to the creation of the conditions necessary to satisfy the provisions of Law 3723/2008 regarding the repayment of preferred shares issued by Bank and owned by the Greek State (article 1 of Law 3723/2008) and their replacement with high quality capital, a fact that will give greater flexibility to the Bank's dividend policy in the future,
b) meet requirements as defined by the results of the diagnostic assessment of the Bank of Greece,
c) improve the quality of the Bank's regulatory capital and accelerate its adaptation to the new regulatory framework of Basel III and
d) to facilitate the Bank's financing from international capital markets under the reinforced creditworthiness. The issue of new shares is expected to be achieved with the participation of international investors, as well as through a public offering to Greek investors. The Bank intends to examine the preferred participation of the existing Shareholders and holders of warrants in this process.

After the completion of the recapitalization, the dispersion of shares issued by the Bank is expected to increase significantly resulting in the enhancement of the shares' marketability and its participation in international stock market indices. Additionally, the Bank's re-privatization and consequently HFSF's repayment are expected to accelerate due to the increase in Alpha Bank share's dispersion combined with its current market price, which is trading higher than the exercise price of the warrant.

40. Capital adequacy

The 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.

Share capital increases are performed after Shareholders' General Meeting or Board of Directors' decisions in accordance with the articles of association or the relevant laws.

Treasury shares are allowed to be purchased based on the terms and conditions of law.

The capital adequacy is supervised by the Bank of Greece, to which reports are submitted every quarter. The minimum requirements regarding Tier I ratio and the capital adequacy ratio of the Bank are stipulated by Bank of Greece Governor's Acts.

From 1.1.2008, capital adequacy calculation is determined under the new regulatory framework (Basel II), which has been incorporated in the Greek legislation by Law 3601/2007. The new regulatory framework significantly amended the measurement of credit risk and introduced capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk related to the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio compares regulatory capital with the risks assumed by the Bank (risk-weighted assets). Regulatory capital includes Tier I capital (share capital, reserves), 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 investment portfolio, the market risk of the trading portfolio and operational risk.

The actions that contributed to the enhancement of the capital adequacy of the Bank during 2013 are the following:

- On 1.2.2013 the transfer of the entire share capital of Emporiki Bank A.E. to the Bank by Credit Agricole S.A. was completed, following the relevant agreement signed on 16.10.2012 and the receipt of the required regulatory approvals. As of this date, the Bank controls Emporiki Bank A.E. On 21.3.2013, the Bank and Emporiki Bank signed a Merger Plan Agreement through absorption of the latter by the former. The merger process was completed on 28.6.2013, resulting in the transfer of the net assets of the acquiree to the Bank.
- In 2013, the Bank proceeded with a share capital increase of €4.571 billion, thereby covering the Group's capital needs as those had been determined by the Bank of Greece. The share capital increase by preemption rights issue of €457.1 million was fully covered as well as a private placement for an additional €92.9 million which was covered by selected institutional and other individual investors. According to the Capital Strengthening Plan, the remaining amount of €4.021 billion was covered by direct subscription of the HFSF (''offer to HFSF'') through contribution of bonds issued by the European Financial Stability Facility. For each new share, private sector investors also obtained a separately traded warrant which

permits holders to purchase on a six month basis over the next 4.5 years, up to 9 shares obtained by the HFSF at the issue price plus an annual margin.

- The Bank continues its efforts to improve its capital adequacy ratios through deleveraging its balance sheet, which led to the decrease of its risk weighted assets.
- Finally, the approval of the tender offer on 19 April 2013 for the buy-back program of securities that constitute part of regulatory capital, improved Core Tier I Capital by €103 million before tax.

On 6.3.2014 the Bank of Greece announced the capital needs for the greek banks, taking into account the expected losses as they were defined in the Baseline Scenario of the Blackrock Solutions assessment. The capital needs of Alpha Bank amounted to €262 million and they were the lowest among the Greek systemic Banks.

	31.12.2013 (estimate)	31.12.2012*
Core Tier I (1)	16.2%	8.2%
Tier I	16.3%	8.6%
Capital Adequacy Ratio (Tier I + Tier II)	**16.5%**	**9.1%**

* Capital support by HFSF amounting to €2.9 billion is included.

Since 31.3.2013, besides the 8% capital adequacy ratio limit, new additional limits of 9% and 6% for Core Tier I ratios were set with Act 13/28.3.2013 of the Executive Committee of the Bank of Greece. The above mentioned limits should be satisfied on a standalone and on a consolidated basis. Since 31.12.2013 the new Act 36/28.12.2013 of the Executive Committee has been in effect, abrogating as deductible item, the limit of 20% of the Core Tier I Capital.

The collapse of Lehman Brothers in 2008 and the consequent financial crisis revealed certain limitations of the supervisory framework and reinforced the need to develop a more rigorous definition of capital, short- term and long-term liquidity requirements and the reduction of the leverage of credit institutions. To this direction, the Basel Committee published its final recommendations as well as the timetable for the implementation of the new capital adequacy framework – Basel III, on December 16th, 2010. The recommendations of the Committee were incorporated into European legislation with a Regulation and a Directive that consist what is referred to as the CRD IV. The new framework has been in force since January 1st, 2014. Despite their anticipated gradual application, Alpha Bank is well positioned to follow the new standards. The overall estimated impact on its core Tier I ratio is small and arises from negligible non-controlling interests, limited amount of goodwill and intangibles, no substantial insurance risk and the application of the standardized methodology for credit risk.

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 Rule Book for financial services and on new frameworks for deposit insurance and reforms. To this direction, special tasks have been assigned to European Central Bank (ECB) through the Council Regulation 1024/2013 which concern the precautionary supervision of credit institutions in member-countries whose currency is Euro and which permit to other member countries to establish a close cooperation with ECB.

As it was announced in October 2013, in line with the Regulation's provisions regarding the SSM, ECB will perform a comprehensive assessment of the banking system, in close cooperation with the National Competent Authorities (NCAs). ECB will complete the assessment until October 2014, prior to assuming its new supervisory tasks in November 2014.

The assessment will be comprised of the following stages: a) a supervisory risk assessment, b) an asset quality review, c) a stress test in cooperation with the European Banking Authority.

The Bank, based on the available inputs, the simulation of extreme conditions that it has performed and the assessment of capital adequacy, considers that it has adequate reserves in order, during the upcoming Asset Quality Review of European Central Bank and stress tests, to meet the basic and adverse scenario with required minimum Core Tier I being at 8% and 5.5% respectively.

(1) For 31.12.2012, ratios have been calculated in accordance with the methodology of EBA (Methodological Note 8/12/2011) while from 31.12.2013 onwards the calculation is in accordance with the BoG Act 13/28.3.2013 as it applies.

41. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arms length and are approved by the Bank's committees.

a. The outstanding balances of the Bank transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

	31.12.2013	31.12.2012
Assets		
Loans and advances to customers	77,644	73,249
Liabilities		
Due to customers	74,839	76,215
Employee defined benefit obligations	607	
Total	**75,446**	**76,215**
Letters of guarantee and approved limits	**12,054**	**5,640**

	From 1 January to	
	31.12.2013	31.12.2012
Income		
Interest and similar income	1,427	1,764
Fee and commission income	58	33
Total	**1,485**	**1,797**
Expenses		
Interest expense and similar charges	2,724	3,089
Key management and close family members income	3,472	4,192
Total	**6,196**	**7,281**

b. The outstanding balances of the Bank transactions with subsidiaries, joint ventures and associates as well as the results related to these transactions are as follows:

i. Subsidiaries

	31.12.2013	31.12.2012
Assets		
Due from banks	3,376,298	3,737,606
Derivative financial assets	16,824	4,131
Loans and advances to customers	1,307,156	1,270,161
Available for sale securities	716,926	1,250,564
Other assets	2,637	1,031
Total	**5,419,841**	**6,263,493**

	31.12.2013	31.12.2012
Liabilities		
Due to banks	354,299	798,714
Due to customers	478,519	724,983
Derivative financial liabilities	13,257	11,155
Debt securities in issue and other borrowed funds	1,402,376	2,335,903
Other liabilities	7,710	3,418
Total	**2,256,161**	**3,874,173**
Letters of guarantee and other guarantees	**524,101**	**628,268**

	From 1 January to	
	31.12.2013	31.12.2012
Income		
Interest and similar income	65,776	158,955
Fee and commission income	15,211	12,009
Gains less losses on financial transactions	(8,719)	(91,170)
Other income	1,925	2,497
Total	**74,193**	**82,291**
Expenses		
Interest expense and similar charges	98,505	121,713
Commission expense	2,586	1,230
General administrative expenses	21,219	21,169
Total	**122,310**	**144,112**

ii. Joint Ventures

	31.12.2013	31.12.2012
Assets		
Loans and advances to customers	150,297	147,111
Liabilities		
Due to customers	8,357	18,713

	From 1 January to	
	31.12.2013	31.12.2012
Income		
Interest and similar income	5,155	4,818
Fee and commission income	10	2
Other income	24	5
Total	**5,189**	**4,825**
Expenses		
Interest expense and similar charges	273	577
Commission expense		5,624
General administrative expenses	5,125	
Total	**5,398**	**6,201**

iii. Associates

	31.12.2013	31.12.2012
Assets		
Loans and advances to customers		44
Liabilities		
Due to customers	547	275

	From 1 January to	
	31.12.2013	31.12.2012
Income		
Interest and similar income		37
Expenses		
Interest expense and similar charges	8	2

c. The Supplementary Fund of former Alpha Credit Bank's employees holds bonds of the subsidiary of the Bank Alpha Credit Group Plc of €59,366, while its receivables from Alpha Bank amount to €9,481 and its deposits with Alpha Bank to €109. Additionally, it holds Alpha Bank's shares of €1,449.

d. The Hellenic Financial Stability Fund (HFSF) exerts significant influence on the Bank. In particular, according to Law 3864/2010, HFSF acquired representation in the Board of Directors and other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

As at 31.12.2013, the outstanding balances of the transactions as well as the results related to these transactions are analyzed as follows:

	31.12.2013
Assets	
Investment securities	57,370
Liabilities	
Due to banks	988

	From 1 January to
	31.12.2013
Income	
Interest and similar income	3,119
Expenses	
Interest expense and similar charges	9
Commission expense	12,667
Total	**12,676**

An additional amount of €153 million that the Bank paid to HFSF in accordance with Law 4093/2012 has been recognized directly in equity as share capital increase expense.

42. Auditors' fees

During 2013, the total fees of "KPMG Certified Auditors A.E.", legal auditor of the Bank, are analyzed below, as stated in Article 43a of Codified Law 2190/1920 and as amended by Article 30 of Law 3756/2009.

	1.1-31.12.2013	1.1 - 31.12.2012
Fees for statutory audit	850	500
Fees for the issuance of tax certificate	400	213
Fees for other audit related services	983	30
Fees for other non-audit services	3	93
Total	**2,236**	**836**

43. The acquisition of Emporiki Bank

On 1.2.2013 the transfer of the total share capital of Emporiki Bank S.A. to Alpha Bank by Credit Agricole S.A. was completed, based on the relevant agreement signed on 16.10.2012 and after receiving the necessary regulatory approvals. As of this date, the Bank controls Emporiki Bank S.A. The details of these transactions are depicted in note 46 of the consolidated financial statements as at 31.12.2013.

On 21.3.2013, the Bank and Emporiki Bank signed a Merger Plan Agreement by absorption of the latter from the former. The merger process was completed on 28.6.2013, resulting in the transfer of net assets of the acquiree to the Bank.

The acquisition of a subsidiary by a parent company is a combination of companies under joint control and thus the accounting treatment is not covered under IFRS. In such cases, IAS 8 requires the entity to apply an accounting policy which is relevant and reliable, considering the provisions of IAS for similar and relevant transactions and any relevant provisions of other accounting principles, other than IAS.

The accounting policy of the Bank is the accounting recognition of all business combinations according to IFRS 3 even in the case of companies who were already under the Bank's control. On 30.6.2013, the date of accounting for the merger on the separate financial statements, the process of fair value estimation of the net assets of Emporiki Bank which was performed with a reference date of 1.2.2013, date of acquisition for the purpose of consolidated financial statements, was not completed.

Due to the short time period between the two dates, it is estimated that any changes in the fair value of the net assets of Emporiki Bank will not be significant and thus a new valuation for the net assets of Emporiki Bank, with a reference date of 30.6.2013 was not performed. The combined net assets of Emporiki Bank were recognized as at 30.6.2013, at the values resulting after adjusting their fair value on 1.2.2013 for transactions and results of the period 1.2.2013 – 30.06.2013 for Emporiki Bank.

In the following table the values of the net assets of Emporiki Bank are disclosed, recognized in the Bank's financial statements at 30.6.2013.

(in thousands of Euro)

		Fair value
Net assets		
Assets		
Cash and balances with Central Banks		321,500
Due from banks		2,384,774
Derivative financial assets		157,182
Loans and advances to customers		13,900,626
Investment securities		
- Available for sale		116,333
Investments in subsidiaries, associates and joint ventures		116,273
Property, plant and equipment		205,209
Goodwill and other intangible assets		69,488
Deferred tax assets		670,221
Other assets		646,065
Total Assets		**18,587,671**
Liabilities		
Due to banks		1,605,600
Derivative financial liabilities		168,563
Due to customers		12,455,086
Debt securities in issue and other borrowed funds		420,983
Liabilities for current income tax and other taxes		7,540
Employee defined benefit obligations		44,580
Other liabilities		357,196
Provisions		232,405
Total Liabilities		**15,291,953**
Net Assets		**3,295,718**
Proceeds		
Negative goodwill		**3,295,718**

The fair value of Emporiki Bank's assets and liabilities as at 1.2.2013 was finalized during the last quarter of 2013. The amount which had been recognized as goodwill in the Bank's financial statements as at 30.6.2013 was amended due to adjustments arisen from the provisional fair values which had been initially recognized and from the effect of the retrospectively restated results. The table below presents the adjustment of the provisional amounts that were published for Emporiki Bank in the financial statements of 30.6.2013 and had an effect on the recognized amount of goodwill. The resulting adjustments were recognized retrospectively as if the accounting presentation of the merger had been completed on 30.6.2013.

(in thousands of Euro)

Negative goodwill on financial statements as at 30.6.2013	**2,534,147**
Recognition of new assets and liabilities:	
Recognition of deferred tax assets	670,221
Adjustment of provisional fair value:	
Loans and advances to customers	27,616
Investments securities	
- Available for sale	(283)
Due to customers	34,412
Debt securities in issue and other borrowed funds	29,038
Other liabilities	567
Negative goodwill on financial statements as at 31.12.2013	**3,295,718**

The negative goodwill of €3,295,718 is recognized in a separate caption in the Income Statement and represents the aforementioned significant benefits arising from this transaction combined with the proceeds of one Euro. This amount was not subject to any taxation during the legal merger of Alpha Bank and Emporiki Bank.

The table below reflects the total income, expenses and the profits before and after tax that would have resulted for the Bank if the merger of Emporiki Bank had occured on 1.1.2013. Due to the finalization of the legal merger, the separate presentation of Emporiki Bank results after 30.6.2013 is not feasible.

	Results of Bank
	1.1 - 31.12.2013
Total income	4,941,150
Total expenses	(2,786,882)
Profit before income tax	**2,154,268**
Profit after income tax	**2,835,142**

44. Corporate events

a. On 15.1.2013 the Bank participated in the share capital increase of its subsidiary, Oceanos A.T.O.E.E., by contributing €1 million.

b. On 1.2.2013, pursuant to the acquisition agreement regarding the sale of Emporiki Bank A.E. from Credit Agricole S.A. to Alpha Bank AE, and the approvals by the Greek and Cypriot Central Banks and anti-trust authorities, the transfer of the entire share capital of Emporiki Bank to Alpha Bank from Credit Agricole was completed.

Following the execution of the Share Purchase Agreement and a subsequent transaction related adjustment, Credit Agricole has completed the capital injection of Emporiki by contributing a total of €2.9 billion and has subscribed to €150 million of convertible bonds issued by Alpha Bank and redeemable in shares. The latter comes as a direct investment in Alpha Bank, supporting its regulatory capitals in addition to the transferred share capital of Emporiki.

c. On 29.3.2013 the Bank participated in the share capital increase of its subsidiary, Ionian Equity Participations Ltd, by contributing €6.9 million.

d. On 13.6.2013 the Bank participated in the share capital increase of its subsidiary, A.P.E. Fixed Assets A.E., by contributing €0.2 million.

g. On 28.6.2013 the merger of the Bank with and by absorption of Emporiki Bank A.E. was completed, according to the law.

f. On 2.7.2013 the Bank participated proportionally in the share capital increase of the joint venture APE Investment Property A.E. by contributing €10.9 million.

g. On 18.7.2013 the Bank signed a contract to sell the total number of shares of its subsidiary JSC Astra Bank to the Delta Bank Ukrainian Group for €82 million.

h. On 19.9.2013 the sale of the total number of shares of the Bank's subsidiary JSC Astra Bank was completed.

i. On 31.10.2013 the Bank's subsidiary, Alpha Bank Cyprus Ltd. completed a share capital increase of €129 million by issuing common shares amounting to €65 million and convertible securities amounting to €64 million. The share capital increase was fully subscribed by the Bank.

j. On 8.12.2013, the Bank acquired the total deposits of Cooperative Banks of Evia, Dodecanese and Macedonia, after the completion of the competition process according to article 63D of Law 3601/2007. The Bank, according to the respective decisions of BoG and transfer contracts that were signed with each Cooperative Bank, undertook:

a) all contractual relationships, regarding the opening of savings bank account, sight account or/and other similar accounts, among the Cooperative and third parties until its liquidation,

b) third parties' claims towards the Cooperative which derive from time deposit contracts of capital and accrued interest payment,

c) due to banks,

d) liabilities (i.e. refund of advances for participating at the capital increase) towards investors due to their participation to the capital increase of the Cooperative and

e) all the rights and liabilities of Cooperative towards Hellenic Deposit and Investment Guarantee Fund (HDIGF).

The difference of value among the transferred liabilities and transferred assets, as referred to in the respective decisions of BoG, amounts, on an aggregate basis, to €426.94 million, according to the provisional valuation of BoG on 8.12.2013. The final valuation will be performed after the submission of the relative valuation report according to paragraph 4 of article 63D of Law 3601/2007. A part of the difference has already been deposited to the Bank by the Hellenic Financial Stability

Fund, via transfer of bonds issued by the European Financial Stability Facility.

The Bank paid a price amounting to € 9.09 million, for all the three Cooperatives, which represents the benefit derived from the acquired deposit base and it was classified as intangible asset.

k. On 16.12.2013 the Bank acquired 30.44% of Olganos Akiniton Ltd, at a cost of € 30.4 thousand.

l. On 18.12.2013, the Bank participated in the share capital increase of its subsidiary Alpha Group Investments Ltd. by contributing €14.2 million.

45. Restatement of financial statements

a. The main impact from the amendment of IAS 19 is the removal of the option to defer actuarial gains and losses. Actuarial gains and losses are recognized directly in equity and are not subsequently reclassified in profit or loss. The retrospective adoption of the amendment resulted in the recognition of actuarial losses, which had not been recorded as of 31.12.2011, in the balane of retained earnings of 1.1.2012. Moreover, losses of 2012 were reduced due to the non recognition of the portion of the actuarial losses and the change in the method for interest cost calculation. Specifically, interest cost is determined by applying the rate used to discount post-employment benefit obligation, on the net defined benefit liability (asset).

b. In addition, basic and diluted earnings/(losses) per share have been adjusted in order to illustrate the impact from the share capital increase in price lower than the theoretical price (note 12).

c. The finalization of valuation at fair value of the assets and liabilities of Emporiki Bank at the acquisition date, took place in the 4th quarter of 2013. This fact, led to the retrospective accounting recognition of the merger as if it was completed at the acquisition date (note 43). As a result, the Interim Financial Statements 2013 were restated and are presented at the tables below.

It is noted that there is no restated balance sheet for the Bank at the opening of the comparative period since the effect of the above retrospective applications from 1.1.2012 is not considered significant.

The restated income statement and statement of comprehensive income for the period up to 31.12.2012 and the restated balance sheet as at 31.12.2012 are presented below.

Income Statement

(in thousands of Euro)

	From 1 January to 31.12.2012		
	Published Amounts	**Restated Amounts**	**Restatements**
Interest and similar income	2,806,242	2,806,242	
Interest expense and similar charges	(1,780,274)	(1,780,274)	
Net interest income	1,025,968	1,025,968	
Fee and commission income	253,843	253,843	
Commission expense	(41,633)	(41,633)	
Net fee and commission income	212,210	212,210	
Dividend income	494	494	
Gains less losses on financial transactions	(444,990)	(444,990)	
Other income	12,372	12,372	
	(432,124)	(432,124)	
Total income	**806,054**	**806,054**	
Staff costs	(408,144)	(402,886)	5,258
General administrative expenses	(352,522)	(352,522)	
Depreciation and amortization expenses	(60,270)	(60,270)	
Other expenses	(26,680)	(26,680)	
Total expenses	**(847,616)**	**(842,358)**	**5,258**
Impairment losses and provisions to cover credit risk	(1,374,711)	(1,374,711)	
Profit/(Loss) before income tax	**(1,416,273)**	**(1,411,015)**	**5,258**
Income tax	279,133	278,081	(1,052)
Profit/(loss) after income tax	**(1,137,140)**	**(1,132,934)**	**4,206**
Earnings/(losses) per share:			
Basic and diluted (€ per share)	(2.13)	(2.12)	0.01

Balance Sheet

(in thousands of Euro)

	31.12.2012		
	Published Amounts	Restated Amounts	Restatements
ASSETS			
Cash and balances with Central Banks	770,193	770,193	
Due from banks	6,623,503	6,623,503	
Securities held for trading	14,119	14,119	
Derivative financial assets	740,614	740,614	
Loans and advances to customers	32,796,574	32,796,574	
Investment securities			
- Available for sale	6,171,283	6,171,283	
- Held to maturity	1,082,215	1,082,215	
Investments in subsidiaries, associates and joint ventures	2,150,455	2,150,455	
Investment property	31,683	31,683	
Property, plant and equipment	596,994	596,994	
Goodwill and other intangible assets	93,429	93,429	
Deferred tax assets	1,780,276	1,786,612	6,336
Other assets	947,321	915,685	(31,636)
Total Assets	**53,798,659**	**53,773,359**	**(25,300)**
LIABILITIES			
Due to banks	25,825,551	25,825,551	
Derivative financial liabilities	1,529,730	1,529,730	
Due to customers	23,191,009	23,191,009	
Debt securities in issue and other borrowed funds	2,317,252	2,317,252	
Liabilities for current income tax and other taxes	22,774	22,774	
Deferred tax liabilities	372,468	372,468	
Employee defined benefit obligations	48,672	48,719	47
Other liabitlities	866,049	866,049	
Provisions	30,173	30,173	
Total liabilities	**54,203,678**	**54,203,725**	**47**
Equity			
Share capital	1,100,281	1,100,281	
Share premium	2,757,653	2,757,653	
Reserves	213,097	213,097	
Retained earnings	(4,476,050)	(4,501,397)	(25,347)
Total Equity	**(405,019)**	**(430,366)**	**(25,347)**
Total Liabilities and Equity	**53,798,659**	**53,773,359**	**(25,300)**

Statement of Comprehensive Income

(in thousands of Euro)

	From 1 January to 31.12.2012		
	Published Amounts	**Restated Amounts**	**Restatements**
Profit/(loss), after income tax, recognized in the Income Statement	**(1,137,140)**	**(1,132,934)**	**4,206**
Other comprehensive income recognized directly in Equity:			
Amounts that may be reclassified in the Income Statement			
Change in available for sale securities' reserve	314,249	314,249	
Change in cash flow hedge reserve	(140,082)	(140,082)	
Exchange differences on translating foreign operations	3	3	
Income tax	(34,843)	(34,843)	
	139,327	**139,327**	
Amounts that will not be reclassified in the Income Statement			
Actuarial gains/(losses) of defined benefit obligations		3,114	3,114
Income tax		(623)	(623)
Total other comprehensive income recognized directly in Equity, after income tax	**139,327**	**141,818**	**6,697**
Total comprehensive income for the period, after income tax	**(997,813)**	**(991,116)**	**6,697**

Income Statement

(in thousands of Euro)

	From 1 January to 30.6.2013			From 1 April to 30.6.2013		
	Published Amounts	**Emporiki Bank acquisition**	**Restated**	**Published Amounts**	**Emporiki Bank acquisition**	**Restated**
Interest and similar income	1,194,497		1,194,497	595,005		595,005
Interest expense and similar charges	(739,226)		(739,226)	(351,042)		(351,042)
Net interest income	455,271		455,271	243,963		243,963
Fee and commission income	130,538		130,538	71,312		71,312
Commission expense	(26,496)		(26,496)	(13,597)		(13,597)
Net fee and commission income	104,042		104,042	57,715		57,715
Dividend income	624		624	616		616
Gains less losses on financial transactions	68,404		68,404	(61,896)		(61,896)
Other income	15,430		15,430	13,336		13,336
	84,458		84,458	(47,944)		(47,944)
Total income	**643,771**		**643,771**	**253,734**		**253,734**
Staff costs	(170,272)		(170,272)	(84,456)		(84,456)
General administrative expenses	(169,232)		(169,232)	(85,499)		(85,499)
Depreciation and amortization expenses	(17,982)		(17,982)	(2,377)		(2,377)
Other expenses	(82)		(82)	(40)		(40)
Total expenses	**(357,568)**		**(357,568)**	**(172,372)**		**(172,372)**
Impairment losses and provisions to cover credit risk	(833,194)		(833,194)	(399,148)		(399,148)
Negative goodwill of Emporiki Bank acquisition	2,534,147	761,571	3,295,718	2,534,147	761,571	3,295,718
Profit/(Loss) before income tax	**1,987,156**	**761,571**	**2,748,727**	**2,216,361**	**761,571**	**2,977,932**
Income tax	592,972		592,972	120,207		120,207
Profit/(Loss) after income tax	**2,580,128**	**761,571**	**3,341,699**	**2,336,568**	**761,571**	**3,098,139**
Earnings/(Losses) per share						
Basic and diluted (€ per share)	1.13		1.46	0.65		0.86

(in thousands of Euro)

	From 1 January to 30.9.2013			From 1 July to 30.9.2013		
	Published Amounts	**Emporiki Bank acquisition**	**Restated**	**Published Amounts**	**Emporiki Bank acquisition**	**Restated**
Interest and similar income	1,951,198		1,951,198	756,701		756,701
Interest expense and similar charges	(1,153,188)	7,647	(1,145,541)	(413,962)	7,647	(406,315)
Net interest income	798,010	7,647	805,657	342,739	7,647	350,386
Fee and commission income	223,395		223,395	92,857		92,857
Commission expense	(39,677)		(39,677)	(13,181)		(13,181)
Net fee and commission income	183,718		183,718	79,676		79,676
Dividend income	642		642	18		18
Gains less losses on financial transactions	190,354		190,354	121,950		121,950
Other income	17,729		17,729	2,299		2,299
	208,725		208,725	124,267		124,267
Total income	**1,190,453**	**7,647**	**1,198,100**	**546,682**	**7,647**	**554,329**
Staff costs	(310,448)		(310,448)	(140,176)		(140,176)
General administrative expenses	(278,101)		(278,101)	(108,869)		(108,869)
Depreciation and amortization expenses	(32,779)		(32,779)	(14,797)		(14,797)
Other expenses	(4,348)		(4,348)	(4,266)		(4,266)
Total expenses	**(625,676)**		**(625,676)**	**(268,108)**		**(268,108)**
Impairment losses and provisions to cover credit risk	(1,268,759)		(1,268,759)	(435,565)		(435,565)
Negative goodwill of Emporiki Bank acquisition	2,574,085	721,633	3,295,718			
Profit/(Loss) before income tax	**1,870,103**	**729,280**	**2,599,383**	**(156,991)**	**7,647**	**(149,344)**
Income tax	613,566	(1,988)	611,578	20,594	(1,988)	18,606
Profit/(Loss) after income tax	**2,483,669**	**727,292**	**3,210,961**	**(136,397)**	**5,659**	**(130,738)**
Earnings/(Losses) per share						
Basic and diluted (€ per share)	0.48		0.62	(0.01)		(0.01)

Statement of Comprehensive Income

(in thousands of Euro)

	From 1 January to 30.6.2013			From 1 April to 30.6.2013		
	Published Amounts	Emporiki Bank acquisition	Restated	Published Amounts	Emporiki Bank acquisition	Restated
Profit/(loss), after income tax, recognized in the Income Statement	**2,580,128**	**761,571**	**3,341,699**	**2,336,568**	**761,571**	**3,098,139**
Other comprehensive income recognized directly in Equity:						
Amounts that may be reclassified in the Income Statement						
Change in available for sale securities' reserve	94,845		94,845	117,096		117,096
Change in cash flow hedge reserve	97,480		97,480	65,882		65,882
Exchange differences on translating foreign operations						
Income tax	(34,578)		(34,578)	(47,425)		(47,425)
	157,747		**157,747**	**135,553**		**135,553**
Amounts that will not be reclassified in the Income Statement						
Actuarial gains/(losses) of defined benefit obligations						
Impact due to the change in the income tax rate	1,901		1,901			
	1,901		**1,901**			
Total other comprehensive income recognized directly in Equity, after income tax	**159,648**		**159,648**	**135,553**		**135,553**
Total comprehensive income for the period, after income tax	**2,739,776**	**761,571**	**3,501,347**	**2,472,121**	**761,571**	**3,233,692**

(in thousands of Euro)

	From 1 January to 30.9.2013			From 1 July to 30.9.2013		
	Published Amounts	**Emporiki Bank acquisition**	**Restated**	**Published Amounts**	**Emporiki Bank acquisition**	**Restated**
Profit/(loss), after income tax, recognized in the Income Statement	**2,483,669**	**727,292**	**3,210,961**	**(136,397)**	**5,659**	**(130,738)**
Other comprehensive income recognized directly in Equity:						
Amounts that may be reclassified in the Income Statement						
Change in available for sale securities' reserve	226,245		226,245	131,400		131,400
Change in cash flow hedge reserve	126,610		126,610	29,130		29,130
Exchange differences on translating foreign operations						
Income tax	(77,156)		(77,156)	(42,578)		(42,578)
	275,699		**275,699**	**117,952**		**117,952**
Amounts that will not be reclassified in the Income Statement						
Actuarial gains/(losses) of defined benefit obligations						
Income tax	1,901		1,901			
	1,901		**1,901**			
Total other comprehensive income recognized directly in Equity, after income tax	**277,600**		**277,600**	**117,952**		**117,952**
Total comprehensive income for the period, after income tax	**2,761,269**	**727,292**	**3,488,561**	**(18,445)**	**5,659**	**(12,786)**

46. Events after the balance sheet date

a. On 3.2.2014, the Bank announced the signing of an agreement with Amundi Hellas S.A. regarding the subscription for units of international collective investment funds managed by Amundi S.A., one of the ten largest asset managers globally.

b. On 6.3.2014, Bank of Greece announced the capital needs for each bank as those were determined according to the Baseline Scenario of Black Rock Solutions' study. The EU wide stress-test which will be carried out by EBA in 2014 is expected to be performed under the same method. According to the Baseline Scenario, the Bank's capital needs amounted to €262 million and they are considered as the best result of the independent diagnostic study which concerned the loan portfolio of Greek systemic banks.

c. On 7.3.2014, the Bank's Board of Directors decided that an Extraordinary General Meeting of Shareholders will be held on 28 March 2014 and the agenda includes the share capital increase of a total amount up to €1.2 billion, through payment in cash and cancellation of pre-emption rights (note 39).

Athens, 19 March 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	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	VASILEIOS E. PSALTIS I.D. No AI 666591	MARIANNA D. ANTONIOU I.D. No X 694507

FINANCIAL INFORMATION OF ALPHA BANK A.E. AND THE GROUP

For the year from January 1, 2013 to December 31, 2013
(Published in accordance with Codified Law 2190/20, article 135 concerning businesses that prepare annual financial statements, consolidated or not, in accordance with I.F.R.S.)
(Amounts in thousands of Euro)

The financial information derived from the financial statements, provide a general presentation of the financial position and results of Alpha Bank A.E. and the Group.
Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank www.alpha.gr, where the financial statements, as well as the auditor's report are available.

INFORMATION OF ALPHA BANK

Registered office:	40 Stadiou Street - 102 52, ATHENS
R.N.S.A.:	6066/06/B/86/05
G.C.R. Number:	223701000
Supervising authority:	Bank of Greece, Ministry of Development and Competitiveness
Date of approval of the Financial Statements by the Board of Directors (from which the financial information were derived):	March 19, 2014
Certified Auditors:	Marios T. Kyriacou (A.M. SOEL 11121) Charalambos G. Syrounis (A.M. SOEL 19071)
Audit Firm:	KPMG Certified Auditors A.E. (A.M. SOEL 114)
Type of Auditors' Report:	Unqualified opinion
Website address:	www.alpha.gr

MEMBERS OF THE BOARD OF DIRECTORS:

CHAIRMAN
(Executive Member)
Yannis S. Costopoulos

VICE CHAIRMAN
(Non-Executive Independent Member)
Minas G. Tanes

MANAGING DIRECTOR
(Executive Member)
Demetrios P. Mantzounis (CEO)

EXECUTIVE DIRECTORS AND GENERAL MANAGERS
(Executive Members)
Spyros N. Filaretos (COO)
Artemis Ch. Theodoridis
Georgios C. Aronis

NON-EXECUTIVE MEMBERS
Paul G. Karakostas
Ioanna E. Papadopoulou

NON-EXECUTIVE INDEPENDENT MEMBERS
George E. Agouridis
Pavlos A. Apostolides
Thanos M. Veremis
Evangelos J. Kaloussis
Ioannis K. Lyras

NON-EXECUTIVE MEMBER
(in accordance with Law 3723/2008)
Sarantis-Evangelos G. Lolos

NON-EXECUTIVE MEMBER
(in accordance with Law 3864/2010)
Mrs. Panagiota S.Iplixian
(replacing Mr. Nikolaos Koutsos on 30.1.2014)

BALANCE SHEET

	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 CASH FLOWS

	Consolidated		Alpha Bank	
	From 1 January to		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

	Consolidated		Alpha Bank	
	From 1 January to		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)**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	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
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 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 (€ per share)	0.4401	(1.1206)	0.4303	(1.1732)
Basic and diluted from continuing operations (€ per share)	0.4487	(1.1267)		
Basic and diluted from discontinued operations (€ per share)	(0.0086)	0.0061		

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 19.9.13 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 mil. and Euro 29.7 mil. respectively, as well as other provisions amounting to Euro 246.8 mil. and Euro 229.2 mil. 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) recognized directly in Equity Euro 153 mil.

   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 recognized directly in Equity are analyzed 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 Credit Agricole S.A. on the sale of Emporiki Bank from Credit Agricole S.A. to Alpha Bank AE, 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 Credit Agricole was completed. Additionally, on the same day Credit Agricole was subscribed for €150 mil. 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 finalized.
12. On 6.6.2013 the share capital increase of Alpha Bank was realized, in accordance with the decision of the Second Extraordinary General Meeting of Shareholders on 16.4.2013 and the Law 3864/2010. A total amount of €4.571 bil. was raised, which resulted to a final share capital increase of €3.117 bil. €375 mil. were paid in cash and the remaining part €2.742 bil. was covered by the HFSF (Hellenic Financial Stability Fund) 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 March 2014 and the agenda includes, among others, the raising of funds by share capital increase through cash payment, cancelation 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's Group assets and liabilities. whereas for the Group this was also due to the characterization of JSC Astra Bank's results as discontinued. This 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

Report on the use of funds raised from the share capital increase through cash payment with pre-emption and over subscription rights in favor of existing common shareholders

In accordance with the decision of the Athens Stock Exchange 25/17.7.2008 and the Hellenic Capital Market Commission Board of Director's decision 7/448/11.10.2007 it is hereby notified that from the Bank's share capital increase through cash payment which was completed on the basis of the decision of the Bank's Board of Directors meeting held on 19.10.2009, an amount of €986.3 million was raised. The costs of the issue amounted to €43.7 million.

From the share capital increase 123,292,996 new common, non paper, registered, with voting rights shares were issued of a nominal value €4.70 each which were listed for trading on the Athens Stock Exchange on 7.12.2009.

The Bank's share capital increase was confirmed by the Board of Directors meeting held on 30.11.2009.

The Bank intends to use the net proceeds of the share capital increase solely for the full redemption followed by cancellation of the 200,000,000 preference, registered, without voting rights redeemable shares with nominal value €4.70 each which were issued pursuant to article 1 of Law 3723/2008.

TABLE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

	Amount of funds raised	Funds utilized until 31.12.2013	Balance of funds as at 31.12.2013
Amounts in millions of Euro	986.3	43.7	942.6

The amount of €43.7 million utilized up to 31.12.2013 relates to issue costs, before tax.

The net amount of € 943 million of the raised funds enhances the regulatory capital of the Bank, on a standalone and on a consolidated basis. With the approval of the Bank of Greece it will be used for the (partial or total) acquisition of the Greek State's preference shares, when the conditions of the Greek economy and the market allow this to happen.

Report on the use of funds raised from the share capital increase of ALPHA BANK AE partially through cash payment with pre-emption and over subscription rights in favor of existing common shareholders and partly through the contribution in kind by the Hellenic Financial Stability Fund.

In accordance to the Second Iterative Extraordinary General Meeting of Shareholders on 16.4.2013, approved by the Special Meeting of Preferred Shareholders held on the same date and by the Bank's Board of Directors meeting held on 6.6.2013, which was approved by the Athens Stock Exchange on 7.6.2013.

It is confirmed that in accordance with article 4.1.2 of the Athens Stock Exchange regulation, the Athens Stock Exchange Board of Director's 25/17.7.2008 decision, of the Hellenic Capital Market Commission Board of Director's decision 7/448/11.10.2007 and pursuant to Law 3864/2010, it is hereby notified that the Bank's share capital increased through cash payment and contribution in kind by Euro 4,571,000,000.16 according to the decision of the Bank's Second Iterative Extraordinary General Meeting of Shareholders held on 16.4.2013 and pursuant to Law 3846/2010.

From the share capital increase 10,388,636,364 new shares were issued (1,250,000,000 new ordinary, non paper, registered, with voting rights shares were issued of nominal value Euro 0.30 each and 9,138,636,364 ordinary, registered, with voting rights, pursuant to the restrictions of article 7a of Law 3864/2010, non paper shares of nominal value Euro 0.30 owned by the Hellenic Financial Stability Fund).

Issue costs before taxes amounted to Euro 221,389,013.43 and were covered entirely by the funds raised from the share capital increase.

The Bank's share capital increase was confirmed by the Board of Directors meeting held on 6.6.2013. The issuance of new shares of 10,388,636,364 were approved for trading by the Athens Stock Exchange on 7.6.2013. The new shares were listed on the Athens Stock Exchange on 11.6.2013.

TABLE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

(in Euro)

Description of the use of raised funds	Amount of funds raised	Funds utilized until 31.12.2013	Balance of funds as at 31.12.2013
Enhance capital adequacy ratios	4,571,000,000.16	4,571,000,000.16	-
Issue costs of new shares	(221,389,013.43)	(221,389,013.43)	-
Total	**4,349,610,986.73**	**4,349,610,986.73**	-

Athens, 19 March 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	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	VASILEIOS E. PSALTIS I.D. No AI 666591	MARIANNA D. ANTONIOU I.D. No X 694507

Report of factual findings

(Translation from the original in Greek)

To the Board of Directors of
Alpha Bank A.E.

According to the instructions received from the Board of Directors of Alpha Bank (the Bank) we have performed the agreed upon procedures enumerated below with respect to the data of the “Table for the use of proceeds from the share capital increase” (the Table). Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements. We have agreed to perform the following procedures and report to you the factual findings resulting from our work.

Procedures performed

Our procedures are summarized as follows:

1) Compare the amounts reported as allocated funds in the attached “Table for the use of proceeds from the share capital increase” with the respective amounts recorded in the Bank’s books and records during the related period.

2) Compare the consistency of Table’s data with the Prospectus issued by the Bank on 2 May 2013 for this purpose as well as with the relative announcements and decisions from the responsible bodies of the Bank.

We report our findings below:

a) With respect to item 1 we found that the allocated funds per year as shown in the attached “Table for the use of proceeds from the share capital increase” agree with the Bank’s books and records for the respective periods.

b) With respect to item 2 the amounts in the column “Description of the use of raised funds” are the same as those indicated in the prospectus of ALPHA BANK AE published on 2 May 2013.

Since the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements we do not express any assurance in addition to those mentioned above.

Had we performed additional procedures or had we performed an audit or review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report in compliance with the obligations to the Supervisory Authorities, and is not be used for any other purpose.

This report relates only to the data specified above and does not extend to any financial statements of the Bank, taken as a whole.

Athens, 19 March 2014

KPMG Certified Auditors AE
AM SOEL 114

Harry Sirounis, Certified Auditor Accountant
AM SOEL 19071

Information Pursuant to article 10 of Law 3401/2005

Corporate announcements of the year 2013 are available on the website of the Bank
http://www.alpha.gr/page/default.asp?la=18id=10657

Subject	Date
Final results of the exercise of the Titles Representing Share Ownership Rights (Warrants)	17.12.2013
Results of the excercise process of the titles representing share ownership rights (Warrants)	11.12.2013
Alpha Bank undertakes the deposits of three Cooperative Banks	08.12.2013
Exercise process of the titles representing share ownership rights (warrants) and settlement process of participation orders	29.11.2013
Nine month 2013 Results After Tax at Euro-102 million	28.11.2013
Nine Month 2013 Results Announcement scheduled for November 28, 2013	07.11.2013
Announcement for mandatory purchace	19.09.2013
First Half 2013 Results Net profit after tax at Euro 126.7 million Shareholders' Equity at Euro 7.9 billion following successful recapitalization in Q2 2013	30.08.2013
First Half 2013 Results Announcement scheduled for August 30, 2013	13.08.2013
New interest rates by Alpha Bank	09.08.2013
Announcement for mandatory purchase	05.08.2013
Announcement	19.07.2013
Announcement	09.07.2013
Announcement	01.07.2013
Resolutions of the Ordinary General Meeting of the Shareholders of Alpha Bank on 29.6.2013 (article 32 para. 1 of codified law 2190/1920, para. 4.1.3.3. of the Athens Exchange Regulations)	29.06.2013
Ordinary General Meeting of the Shareholders of Alpha Bank, of June 29, 2013	29.06.2013
Announcement	28.06.2013
New interest rates by Alpha Bank	21.06.2013
Announcement of mandatory purchase	20.06.2013
Notification of important changes concerning voting rights under L.3556/2007	19.06.2013
Notification of important changes concerning voting rights under L.3556/2007	17.06.2013
Notification of important changes concerning voting rights under L.3556/2007	17.06.2013
Announcement on the share capital and the number of shares of ALPHA BANK A.E.	14.06.2013
Final Terms of Listing and Characteristics of the Titles Representing Shares Ownership Rights (Warrants) that Resulted from the Concluded Share Capital Increase	10.06.2013
Commencement of Trading of New Shares and Warrants Pursuant to the Rights Issue - Specific Characteristics of Warrants	07.06.2013
Invitation to the Ordinary General Meeting	07.06.2013
Full Subscription by the Private Sector of the Right Issue	03.06.2013
Publication of Prospectus Supplement	28.05.2013
Results of tender offer for Hybrid Capital and Subordinated Debt	10.05.2013
Announcement	10.05.2013
First Quarter 2013 Results Fully underwritten Euro 457 million Rights Offering from the private sector currently underway Core Tier I capital pro-forma for the Capital Strengthening Plan at Euro 7.8 billion Profit Before Tax of Euro -228.4 million	10.05.2013
Capital Increase: Ex-rights date and Trading Period of Pre-emption Rights	09.05.2013
Publication of Prospectus	09.05.2013
First Quarter 2013 Results Announcement scheduled for May 10, 2013	08.05.2013
Fully underwritten Euro 457 million Rights Offering from the private sector as part of the Euro 4,571 million total capital strengthening, resulting in 13.7% pro forma CTI	01.05.2013
Announcement	22.04.2013

Subject	Date
Announcement of tender offer for Hybrid Capital and Subordinated Debt	19.04.2013
Announcement	18.04.2013
Summary of the Draft Merger Agreement of «ALPHA BANK A.E.» by absorption of «EMPORIKI BANK OF GREECE S.A.»	17.04.2013
Announcement	17.04.2013
Resolutions of the Second Iterative Extraordinary General Meeting of Shareholders of Alpha Bank on 16.4.2013 (article 32 para. 1 of codified law 2190/1920, para. 4.1.3.3. of the Athens Exchange Regulations)	16.04.2013
Second Iterative Extraordinary General Meeting of the Shareholders of Alpha Bank, on April 16 2013	16.04.2013
Resolutions of the First Iterative Extraordinary General Meeting of Shareholders of Alpha Bank on 11.4.2013 (article 32 para. 1 of codified law 2190/1920, para. 4.1.3.3. of the Athens Exchange Regulations)	11.04.2013
First Iterative Extraordinary General Meeting of the Shareholders of Alpha Bank on April 11, 2013	11.04.2013
Resolutions of the Extraordinary General Meeting of Shareholders of Alpha Bank on 6.4.2013 (article 32 para. 1 of codified law 2190/1920, para. 4.1.3.3. of the Athens Exchange Regulations)	06.04.2013
Extraordinary General Meeting of the Shareholders of Alpha Bank, on Aril 6,2013	06.04.2013
Alpha Bank – Euro 4,571 million Capital Strengthening Plan – Euro 457.1 million rights issue Euro 7.9 billion pro forma Core Tier I Capital	02.04.2013
Invitation to the Extraordinary General Meeting	29.03.2013
Announcement	28.03.2013
Full Year 2012 Results Net income of Euro -747.1 million following impairments of Euro 1.7 billion Completion of Emporiki acquisition leading to a pro-forma Tangible Equity of Euro 2.1 billion Pro-forma for full recapitalisation, our Core Tier I stands at Euro 7.9 billion	27.03.2013
Full Year 2012 Results Announcement scheduled for March 27, 2013	22.03.2013
Announcement	22.03.2013
Announcement	06.03.2013
Completion of the transfer of Emporiki Bank's entire share capital to Alpha Bank	01.02.2013
Resolutions of the Second Iterative Extraordinary General Meeting of Shareholders of Alpha Bank on 31.1.2013 (article 32 para. 1 of codified law 2190/1920, para. 4.1.3.3. of the Athens Exchange Regulations)	31.01.2013
Second Iterative Extraordinary General Meeting of the Shareholders of Alpha Bank, on January 31, 2013	31.01.2013
Resolutions of the First Iterative Extraordinary General Meeting of Shareholders of Alpha Bank on 26.1.2013 (article 32 para. 1 of codified law 2190/1920, para. 4.1.3.3. of the Athens Exchange Regulations)	26.01.2013
First Iterative Extraordinary General Meeting of the shareholders of Alpha Bank on January 26, 2013	26.01.2013
Resolutions of the Extraordinary General Meeting of Shareholders of Alpha Bank on 21.1.2013 (article 32 para. 1 of codified law 2190/1920, para. 4.1.3.3. of the Athens Exchange Regulations)	21.01.2013
Extraordinary General Meeting of the Shareholders of Alpha Bank on January 21, 2013	21.01.2013
Invitation to the Extraordinary General Meeting	11.01.2013
Announcement	04.01.2013

Availability of Annual Financial Report

The Annual Financial Report as at 31.12.2013, which includes:

- The Statement by the Members of the Board of Directors
- The Board of Directors' report
- The Explanatory Report of the Board of Directors
- The Corporate Governance Report
- The Independent Auditors' Report
- The Annual Financial Statements of the Bank and the Group
- The Financial Information of the Bank and the Group
- The Reports on the use of funds

are available on the website address http://www.alpha.gr/page/default.asp?la=1&id=11435

The Annual Financial Statements, the Independent Auditors' report and the Board of Directors' Report of consolidated companies are available on the website address www.alpha.gr/page/default.asp?la=1&id=4153