INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30.9.2012

(In accordance with International Accounting Standard 34)

Athens,
21 December 2012

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Interim Consolidated Financial Statements as at 30.9.2012
(In accordance with IAS 34))

Interim Consolidated Income Statement

(Thousands of Euro)

	Note	From 1 January to 30.9.2012	30.9.2011	From 1 July to 30.9.2012	30.9.2011
Interest and similar income		2,541,781	2,769,366	806,883	969,570
Interest expense and similar charges		(1,428,968)	(1,438,729)	(473,183)	(518,293)
Net interest income		1,112,813	1,330,637	333,700	451,277
Fee and commission income		235,110	257,346	81,650	85,570
Commission expense		(36,993)	(40,850)	(16,886)	(13,418)
Net fee and commission income		198,117	216,496	64,764	72,152
Dividend income		594	3,612	52	136
Gains less losses on financial transactions	6	(288,788)	132,021	(12,679)	76,034
Other income		49,179	45,986	22,286	13,845
		(239,015)	181,619	9,659	90,015
Total income		**1,071,915**	**1,728,752**	**408,123**	**613,444**
Staff costs		(379,723)	(403,768)	(121,011)	(133,224)
General administrative expenses		(332,338)	(352,805)	(113,909)	(115,474)
Depreciation and amortization expenses	7, 8, 9	(69,034)	(69,702)	(23,279)	(23,517)
Other expenses		(4,645)	(5,647)	(1,027)	(3,392)
Total expenses		**(785,740)**	**(831,922)**	**(259,226)**	**(275,607)**
Impairment losses and provisions to cover credit risk	2	(1,170,427)	(827,419)	(450,018)	(295,242)
Impairment losses on Greek Government bonds	6		(760,085)		(86,809)
Share of profit /(loss) of associates		(2,387)	1,703	(712)	931
Profit/(loss) before income tax		**(886,639)**	**(688,971)**	**(301,833)**	**(43,283)**
Income tax	3	174,948	122,505	52,544	1,468
Profit /(loss) after income tax		**(711,691)**	**(566,466)**	**(249,289)**	**(41,815)**
Profit/(loss) attributable to:					
Equity owners of the Bank		**(711,765)**	**(566,697)**	**(249,333)**	**(41,901)**
Non-controlling interests		74	231	44	86
Earnings/(losses) per share:					
Basic and diluted (€ per share)	4	(1.33)	(1.20)	(0.47)	(0.08)

The attached notes (pages 9-39) form an integral part of these interim consolidated financial statements

Interim Consolidated Balance Sheet

(Thousands of Euro)

	Note	30.9.2012	31.12.2011
ASSETS			
Cash and balances with Central Banks		1,314,436	2,103,588
Due from banks		2,292,749	1,807,079
Securities held for trading		10,200	13,960
Derivative financial assets		753,050	624,447
Loans and advances to customers	5	41,433,455	44,875,706
Investment securities		6,969,367	5,825,990
Investments in associates		40,142	44,855
Investment property	7	297,638	64,688
Property, plant and equipment	8	1,177,472	1,220,949
Goodwill and other intangible assets	9	173,310	181,512
Deferred tax assets		1,718,277	1,466,974
Other assets		814,424	817,751
		56,994,520	59,047,499
Non-current assets held for sale		143,027	100,546
Total Assets		**57,137,547**	**59,148,045**
LIABILITIES			
Due to banks	10	26,130,042	22,521,200
Derivative financial liabilities		1,512,451	1,578,143
Due to customers (including debt securities in issue)		26,276,347	29,399,461
Debt securities in issue held by institutional investors and other borrowed funds	11	853,422	2,188,545
Liabilities for current income tax and other taxes		35,800	51,560
Deferred tax liabilities		370,823	360,993
Employee defined benefit obligations		7,464	58,473
Other liabilities		946,261	927,107
Provisions	12	113,262	96,315
Total Liabilities		**56,245,872**	**57,181,797**
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	13	1,100,281	1,100,281
Share premium		2,757,653	2,757,653
Reserves		8,992	218,893
Retained earnings	13	(3,140,616)	(2,659,574)
		726,310	**1,417,253**
Non-controlling interests		**11,794**	**11,700**
Hybrid securities	14	**153,571**	**537,295**
Total Equity		**891,675**	**1,966,248**
Total Liabilities and Equity		**57,137,547**	**59,148,045**

Interim Consolidated Statement of Comprehensive Income

(Thousands of Euro)

		From 1 January to		From 1 July to	
	Note	30.9.2012	30.9.2011	30.9.2012	30.9.2011
Profit/(Loss), after income tax, recognized in the income statement		**(711,691)**	**(566,466)**	**(249,289)**	**(41,815)**
Other comprehensive income recognized directly in Equity:					
Change in available for sale securities and cash flow hedge reserve		(233,566)	142,190	160,494	(25,535)
Exchange differences on translating and hedging the net investment in foreign operations		(25,615)	(1,663)	(6,987)	2,155
Share of other comprehensive income of associates		500			
Income tax	3	47,925	(40,551)	(31,885)	3,179
Total of other comprehensive income recognized directly in Equity, after income tax	3	**(210,756)**	**99,976**	**121,622**	**(20,201)**
Total comprehensive income for the period, after income tax		**(922,447)**	**(466,490)**	**(127,667)**	**(62,016)**
Total comprehensive income for the period attributable to:					
Equity owners of the Bank		**(922,818)**	**(466,113)**	**(127,847)**	**(61,645)**
Non-controlling interests		371	(377)	180	(371)

Interim Consolidated Statement of Changes in Equity

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total	Non – controlling interests	Hybrid securities	Total
Balance 1.1.2011		**3,451,067**	**406,867**	**104,441**	**1,248,496**	**5,210,871**	**13,413**	**559,650**	**5,783,934**
Changes for the period 1.1 - 30.9.2011									
Loss for the period, after income tax					(566,697)	(566,697)	231		(566,466)
Other comprehensive income recognized directly in Equity, after income tax				100,584		100,584	(608)		99,976
Total comprehensive income for the period, after income tax				**100,584**	**(566,697)**	**(466,113)**	**(377)**		**(466,490)**
Reduction in the nominal value of ordinary shares	13	(2,350,786)	2,350,786						
Purchases/sales and change of ownership interests in subsidiaries					(456)	(456)	(1,024)		(1,480)
Purchases/ sales of hybrid securities, after income tax					10,403	10,403		(19,338)	(8,935)
Dividend distributed for preference shares, after income tax					(75,200)	(75,200)			(75,200)
Dividends paid to hybrid securities owners					(30,546)	(30,546)			(30,546)
Appropriation to reserves				1,534	(1,534)				
Other					(37)	(37)			(37)
Balance 30.9.2011		**1,100,281**	**2,757,653**	**206,559**	**584,429**	**4,648,922**	**12,012**	**540,312**	**5,201,246**
Changes for the period 1.10 - 31.12.2011									
Loss for the period, after income tax					(3,243,472)	(3,243,472)	(11)		(3,243,483)
Other comprehensive income recognized directly in Equity, after income tax				12,333		12,333	73		12,406
Total comprehensive income for the period, after income tax				**12,333**	**(3,243,472)**	**(3,231,139)**	**62**		**(3,231,077)**
Purchases/sales and change of ownership interests in subsidiaries					379	379	(374)		5
Purchases/sales of hybrid securities, after income tax					2,145	2,145		(3,017)	(872)
Dividends paid to hybrid securities owners					(2,729)	(2,729)			(2,729)
Appropriation to reserves				1	(1)				
Other					(325)	(325)			(325)
Balance 31.12.2011		**1,100,281**	**2,757,653**	**218,893**	**(2,659,574)**	**1,417,253**	**11,700**	**537,295**	**1,966,248**

(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**
Changes for the period 1.1 - 30.9.2012									
Loss for the period, after income tax					(711,765)	(711,765)	74		(711,691)
Other comprehensive income recognized directly in Equity, after income tax				(211,053)		(211,053)	297		(210,756)
Total comprehensive income for the period, after income tax		**-**	**-**	**(211,053)**	**(711,765)**	**(922,818)**	**371**	**-**	**(922,447)**
Purchases/sales and change of ownership interests in subsidiaries					(9)	(9)	(277)		(286)
Purchases,redemptions/ sales of hybrid securities, after income tax					232,342	232,342		(383,724)	(151,382)
Appropriation to reserves				1,152	(1,152)				
Other					(458)	(458)			(458)
Balance 30.9.2012		**1,100,281**	**2,757,653**	**8,992**	**(3,140,616)**	**726,310**	**11,794**	**153,571**	**891,675**

The attached notes (pages 9-39) form an integral part of these interim consolidated financial statements

Interim Consolidated Statement of Cash Flows

(Thousands of Euro)

	Note	From 1 January to 30.9.2012	30.9.2011
Cash flows from operating activities			
Profit/(loss) before income tax		(886,639)	(688,971)
Adjustments for:			
Depreciation of fixed assets	7, 8	48,092	47,084
Amortization of intangible assets	9	20,942	22,618
Impairment losses from loans and provisions		1,192,906	864,542
Impairment losses on Greek Government bonds		-	760,085
(Gains)/losses from investing activities		288,286	(61,030)
(Gains)/losses from financing activities		108,829	(131,540)
Share of (profit)/loss from associates		2,387	(1,703)
Other adjustments		18,776	4,997
		793,579	**816,082**
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		515,445	401,424
Securities held for trading and derivative financial assets		(124,842)	(171,930)
Loans and advances to customers		1,458,038	1,241,461
Other assets		(14,889)	26,560
Net increase /(decrease) in liabilities relating to operating activities:			
Due to banks		3,608,842	4,192,203
Derivative financial liabilities		(158,625)	347,187
Due to customers		(4,166,546)	(7,638,578)
Other liabilities		(102,561)	(83,253)
Net cash flows from operating activities before taxes		**1,808,441**	**(868,844)**
Income taxes and other taxes paid		(38,624)	(153,062)
Net cash flows from operating activities		**1,769,817**	**(1,021,906)**
Cash flows from investing activities			
Investments in subsidiaries and associates		(353)	(1,617)
Dividends received		593	3,594
Purchases of fixed and intangible assets		(42,124)	(65,897)
Disposals of fixed and intangible assets		18,206	11,042
Net (increase)/decrease in investment securities		(1,003,153)	(743,982)
Net cash flows from investing activities		**(1,026,831)**	**(796,860)**
Cash flows from financing activities			
Dividends paid		(2,397)	(96,281)
Repayment of debt securities		(371,640)	(163,634)
(Purchases)/sales of hybrid securities		(156,796)	(5,930)
Dividends paid to hybrid securities owners		-	(30,897)
Net cash flows from financing activities		**(530,833)**	**(296,742)**
Effect of exchange rate fluctuations on cash and cash equivalents		(161)	(664)
Net increase /(decrease) in cash and cash equivalents		**211,992**	**(2,116,172)**
Cash and cash equivalents at the beginning of the period		**1,206,083**	**3,151,288**
Cash and cash equivalents at the end of the period		**1,418,075**	**1,035,116**

The attached notes (pages 9-39) form an integral part of these interim consolidated financial statements

Notes to the Interim Consolidated 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. The Bank's registered office is 40 Stadiou Street, Athens and it is listed as a sociéte anonyme with registration number 6066/06/B/86/05. 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 30.9.2012 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 C. Aronis

NON-EXECUTIVE MEMBERS

Paul G. Karakostas *
Ioanna E. Papadopoulou **

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis */**
Pavlos A.Apostolides (from 26.6.2012)
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 the 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 */**/*** (from 7.6.2012)

SECRETARY

Hector P. Verykios

The Ordinary General Meeting of Shareholders, held on 29.6.2012, has appointed as auditors of the semi annual and annual financial statements for 2012 the following:

Principal Auditors: Charalambos G. Sirounis
Nikolaos Ch. Tsiboukas

Substitute Auditors: Michael A.Kokkinos
John A. Achilas

of KPMG Certified Auditors A.E.

The Bank's shares have been listed in the Athens Stock Exchange since 1925 and is ranked constantly among companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as, among others, S&P Europe 350, FTSE Med 100 and FTSE4Good.

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 at September 30, 2012 the Bank has 534,269,648 ordinary and 200,000,000 preference shares in issue.

During the nine month period of 2012 an average of 4,625,777 shares have been traded daily.

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

- Moody's: Caa2
- Fitch Ratings: CCC
- Standard & Poor's: CCC

The financial statements have been approved by the Board of Directors on December 21, 2012.

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

1.1 Basis of presentation

The Group has prepared the condensed interim financial statements as at 30.9.2012 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which are measured at fair value:

- Securities held for trading
- Derivative financial instruments
- Available for sale securities

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

The accounting policies applied by the Group in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2011, after taking into account the following amendment which was issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2012:

- **Amendment of International Financial Reporting Standard 7** «Disclosures – Transfers of financial assets» (Regulation 1205/22.11.2011)

The adoption of the above amendment did not have a substantial impact on the Group's financial statements.

The adoption by the European Union, by 31.12.2012, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 1.1.2012, may retrospectively affect the periods presented in these interim financial statements.

1.2 Estimates, decision making criteria and significant sources of uncertainty

The estimates and judgments applied by the Group companies 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 to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised. The main sources of uncertainty relating to estimations used in the preparation of the interim financial statements as at 30.9.2012 relate to the following issues:

1.2.1 Going concern principle

The Group, for the preparation of the interim financial statements as at 30.9.2012, was based on the going concern principle. The main factors that create uncertainties regarding the application of the aforementioned accounting principle relate to the unfavorable economic environment in Greece and internationally, which in turn affects the operation of the financial system. In particular, the sovereign debt crisis in Greece led to the inability of both the Hellenic Republic and the Greek banks to access the capital markets, and eventually it led to the application of a program for the exchange of Greek Government bonds and of loans guaranteed by the Hellenic Republic with terms unfavorable to their holders, a fact that affected significantly the Group's financial position. In addition, the growing recession of the Greek economy and the consequent rise in unemployment led to the increase in impairment losses of loans and advances to customers, which in turn affect the capital adequacy of the Bank and the Group. In parallel, the downgrading of the Hellenic Republic and the subsequent downgrading of the Greek banks as well as the decrease in deposits, as a result of the uncertainty created, adversely affected, in turn, the levels of liquidity of the Greek banks and their access to sources of liquidity or financing from the European Central Bank with collaterals acceptable for refinancing.

The Bank's Board of Directors taking into account:

- the continuing financial support of Greece by the European Commission, the European Central Bank and the International Monetary Fund, which included the financing of the exchange bond program (PSI) and of the recapitalization of the Greek banks,
- the decisions taken at the Eurogroup of 27.11.2012, which include actions that further contribute to the sustainability of the Greek debt, starting with the Greek Government bonds buy-back program, which was completed successfully,
- the approval from the Eurogroup of 13.12.2012 of the disbursement of the second instalment of the second adjustment program of the Greek economy, which includes the amount of € 23.2 billion for the recapitalization of the Greek banks, bringing the total amount available for this purpose to € 50 billion approximately,
- the recognition by the Bank of Greece of the significance of the Bank for the stability of the financial system in Greece and the approval of the business plan drawn up this year by the Bank and of its subsequent updates,

- the actions designed to strengthen the Group's capital adequacy by raising funds from the capital markets and the deleveraging of the balance sheet, as well as by the optional program for the buy-back of bonds and hybrid securities issued by the Group through which Core Tier I was strengthened by € 333 million,
- the commitment of the Hellenic Financial Stability Fund to cover, to the extent necessary, the share capital increase to be made by the Bank and the issuance of convertible bonds in order to meet the required capital adequacy ratios as these are defined by the regulatory authorities,
- the contribution of bonds by the Hellenic Financial Stability Fund, in implementation of the above commitment, amounting to €2.942 billion, as an advance payment for the share capital increase and the issuance of convertible bonds, which formed the Group's Core Tier I ratio to the minimum threshold of 9%,
- the certificate issued by HFSF with which it is committed to provide additional capital support up to the amount of €1.629 billion so that the total capital needs of the Group, amounting to €4.571 billion, as determined by the Bank of Greece, to be covered,
- the possibility of the Bank to access, with acceptable collaterals for refinancing, the mechanisms of liquidity of the Eurosystem,
- the gradual return of deposits in the banking system which is expected to increase further with the completion of the recapitalization of Greek banks, a fact that will lead to the normalization of the liquidity conditions,

considers that the conditions required to confirm the ability of the Bank to continue as a going concern are met and, therefore, prepared the interim financial statements of the Group on a going concern basis.

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

The Group, after the completion of the exchange bond program (PSI), the buy-back program which was approved at the Eurogroup of 13.12.2012 and was completed successfully as well as after the additional actions decided at the Eurogroup of 27.11.2012 for the enhancement of the sustainability of the Greek debt, estimates that no impairment is required for Greek Government bonds and loans guaranteed by the Hellenic Republic held by the Group that did not participate in the exchange program.

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

1.2.3 Recoverability of deferred tax assets

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

The main part of the deferred tax assets relates to the losses from the application of the bond exchange program (PSI), which were recognized for tax purposes in the current period. Specifically, deferred tax assets amounting to € 0.64 billion relate to tax losses from the exchange of bonds which, according to the law 4046/14.2.2012, can be deducted as a "debit difference" in equal installments until the maturity of new bonds received during the exchange and regardless of the time of holding them.

The Group, based on the current tax legislation and on the estimates for the existence of taxable profits in the future, in accordance with the business plan drawn up as part of the recapitalization, estimates that both the above assets as well as others that have been identified as a result of differences in valuation and of tax losses carried forward will be recovered. This estimation will be periodically reassessed at each reporting date.

It is noted that in accordance with the tax bill submitted to the parliament for enactment, the "debit difference", resulting from the restructuring program of the Greek debt, is amortized gradually and equally in 30 years, while the amount of tax corresponding to the annual amortization, to the extent not covered by taxable profits, creates a definite receivable which will be offset against future income tax liabilities. This receivable will continue to exist even in the case of liquidation of the entity and it will be extinguished, if not used, after 30 years.

INCOME STATEMENT

2. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 July to	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
Impairment losses of loans and advances to customers (note 5)	1,167,033	834,755	453,357	294,887
Provisions to cover credit risk relating to off balance sheet items (note 12)	11,125	3,438	(425)	1,715
Recoveries	(7,731)	(10,774)	(2,914)	(1,360)
Total	**1,170,427**	**827,419**	**450,018**	**295,242**

3. Income tax

According to article 14 of Law 3943/2011 "Combating 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 from 1.1.2011 and thereon. In case of profit distribution, a withholding tax is imposed with a 25% tax rate.

The nominal tax rates of years 2011 and 2012 of the subsidiaries and the Bank's branches operating abroad are as follows:

Cyprus	10	
Bulgaria	10	
Serbia	10	
Romania	16	
FYROM	10 [(1)]	
Albania	10	
Ukraine	21 [(2)]	(from 1.1.2012)
Jersey	10	
United Kingdom	24 [(3)]	(from 1.4.2012)

According to Law 84/29.4.2011 an additional tax was imposed on credit institutions operating in Cyprus, which is calculated at a rate of 0.095% on their total deposits as at 31.12.2010 and 31.12.2011 and shall be paid in four installments commencing from 31.5.2011.

In accordance with article 82 paragraph 5 of Law 2238/94, for the year 2011 and thereafter, the certified auditors and audit firms conduct compulsory audits to société anonyme (AE), are obliged to issue an annual tax certificate on the implementation of tax legislation requirements. The above mentioned tax certificate is submitted to the company under 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 General Meeting of the Shareholders.

After eighteen months of the issuance of clean tax certificate and on the precondition that no tax offences have been found from specific audits, performed by the Ministry of Finance, the tax audit of the year is considered complete.

For the year 2011 the Bank and its domestic subsidiaries received the relevant tax certificate without any qualification on the tax issues audited.

The income tax expense is analyzed as follows:

	From 1 January to		From 1 July to	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
Current	12,200	40,113	602	20,266
Deferred	(187,148)	(10,601)	(53,146)	(4,372)
	(174,948)	**29,512**	**(52,544)**	**15,894**
Deferred tax due to the impairment of Greek Government bonds		(152,017)		(17,362)
Total	**(174,948)**	**(122,505)**	**(52,544)**	**(1,468)**

(1) From 1.1.2009 non distributable profits are not subject to tax. When distributed they are taxed at the rate applicable on the date of distribution.

(2) For the year 2010 up to 31.3.2011 the tax rate was 25%. From 1.4.2011 up to 31.12.2011 was 23%.

(3) For the year 2011 up to 31.3.2012 the tax rate was 26%.

The current tax for the nine month period of 2012 includes amount attributed to prior year (2011) current tax difference.

The current tax for the nine month period of 2011 includes an additional tax arising from the Bank's tax audit for the years 2008 and 2009, and in both periods an additional tax of Cyprus Credit Institutions is included.

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

	From 1 January to		From 1 July to	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
Debit difference of Law 4046/2012	(608,587)		8,383	
Write offs and depreciation of fixed assets	1,828	3,899	(81)	1,953
Valuation of loans	(6,008)	23,353	380	46,118
Suspension of interest accruals	78,885	29,233	33,989	8,893
Loans impairment	163,736	(63,166)	(58,774)	(18,705)
Employee defined benefit obligations	(1,222)	1,934	(384)	(454)
Valuation of derivatives	3,970	(10,137)	(378)	(34,910)
Application of effective interest rate	(424)	(5,471)	(4,359)	297
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(3,797)	1,155	(84)	(1,771)
Valuation/Impairment of bonds and other securities	255,860	13,570	(2,431)	6,201
Tax losses carried forward	(86,084)	(6,635)	(31,627)	(1,067)
Other temporary differences	14,695	1,664	2,220	(10,927)
	(187,148)	**(10,601)**	**(53,146)**	**(4,372)**
Impairment of Greek Government bonds		(152,017)		(17,362)
Total	**(187,148)**	**(162,618)**	**(53,146)**	**(21,734)**

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

	From 1 January to			
	30.9.2012		30.9.2011	
	%		%	
Profit/(loss) before income tax		**(886,639)**		**(688,971)**
Income tax (nominal tax rate)	20.45	(181,247)	19.90	(137,094)
Increase/(decrease) due to:				
Non taxable income	1.45	(12,613)	0.15	(1,024)
Non deductible expenses	(1.23)	10,701	(0.74)	5,106
Additional tax on income from fixed assets	(0.01)	113	(0.14)	982
Other differences	(0.93)	8,098	(1.38)	9,525
Income tax (effective tax rate)	**19.73**	**(174,948)**	**17.79**	**(122,505)**

	From 1 July to			
	30.9.2012		30.9.2011	
	%		%	
Profit/(loss) before income tax		**(301,833)**		**(43,283)**
Income tax (nominal tax rate)	19.26	(58,128)	19.52	(8,448)
Increase/(decrease) due to:				
Non taxable income	0.52	(1,578)	0.02	(7)
Non deductible expenses	(1.91)	5,761	(3.78)	1,636
Additional tax on income from fixed assets	(0.01)	40	0.11	(48)
Other differences	(0.46)	1,361	(12.47)	5,399
Income tax (effective tax rate)	**17.40**	**(52,544)**	**3.40**	**(1,468)**

The tax rate of 20.45% for the nine month period of 2012 and 19.9% for the nine month period of 2011, is the weighted average nominal tax rate based on the nominal income tax rate and the profit before tax of the Group's subsidiaries.

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	30.9.2012			30.9.2011		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities and cash flow hedge reserve	(233,566)	48,325	(185,241)	142,190	(31,944)	110,246
Tax rate effect (Law 3943/2011)					(9,357)	(9,357)
Exchange differences on translating and hedging the net investment in foreign operations	(25,615)	(400)	(26,015)	(1,663)	750	(913)
Share of other comprehensive income of associates	500		500			
Total	**(258,681)**	**47,925**	**(210,756)**	**140,527**	**(40,551)**	**99,976**

	From 1 July to					
	30.9.2012			30.9.2011		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities and cash flow hedge reserve	160,494	(31,013)	129,481	(25,535)	2,887	(22,648)
Exchange differences on translating and hedging the net investment in foreign operations	(6,987)	(872)	(7,859)	2,155	292	2,447
Total	**153,507**	**(31,885)**	**121,622**	**(23,380)**	**3,179**	**(20,201)**

For the nine month period of 2012 a deferred tax credit of € 4,351 thousand resulting from purchases/sales of hybrid securities, is included in retained earnings. The respective amount for 2011 was a deferred tax debit of the amount of € 2,306 thousand.

4. Earnings/(losses) per share

a. Basic

Basic earnings/(losses) per share are calculated by dividing the profit/(loss) after income tax attributable to ordinary equity owners of the Bank, by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by 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 preference dividends 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, basic and diluted earnings/(losses) per share should not differ.

	From 1 January to		From 1 July to	
	30.9.2012	30.9.2011	30.9.2012	30.9.2011
Profit/(losses) attributable to ordinary equity owners of the Bank	(711,765)	(566,697)	(249,333)	(41,901)
Less: Preference share's dividends paid		(75,200)		
Profit/(losses) attributable to ordinary equity owners of the Bank	(711,765)	(641,897)	(249,333)	(41,901)
Weighted average number of outstanding ordinary shares	534,269,648	534,269,648	534,269,648	534,269,648
Basic and diluted earnings/(losses) per share (in €)	(1.33)	(1.20)	(0.47)	(0.08)

The Ordinary General Meeting of Shareholders of the Bank on 29.6.2012 decided the non-distribution to the Hellenic Republic of the return of year 2011 of the preference shares issued by the Bank and owned by the Hellenic Republic, as per article 1 paragraph 3 of Law 3723/2008 (note 13b).

Basic and diluted earnings/(losses) per share as at 30.9.2011 have been adjusted (published basic and diluted earnings/losses per share €(1.17) and €(0.11) for the nine month period and the third quarter of 2011, respectively) so that their calculation is based on the preference shares dividend approved during the period and not on the return relating to the period.

ASSETS

5. Loans and advances to customers

	30.9.2012	31.12.2011
Individuals		
Mortgages	14,018,530	14,185,475
Consumer:		
- Non-Securitized	3,303,739	2,906,913
- Securitized	1,150,204	1,599,358
Credit cards:		
- Non-Securitized	369,802	306,566
- Securitized	550,826	684,851
Other	65,736	60,948
Total	**19,458,837**	**19,744,111**
Companies		
Corporate loans :		
- Non-Securitized	23,222,593	26,397,885
- Securitized	1,352,131	1,542,694
Finance Leasing:		
- Non-Securitized	394,400	691,813
- Securitized	446,617	401,447
Factoring	437,661	493,124
Total	**25,853,402**	**29,526,963**
Receivables from insurance and re-insurance activities	**11,117**	**11,503**
Other receivables	**188,213**	**464,915**
	45,511,569	**49,747,492**
Less:		
Allowance for impairment losses [1]	(4,078,114)	(4,871,786)
Total	**41,433,455**	**44,875,706**

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

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 of 30.9.2012, the balance of the covered bonds amounts to €3.7 billion and the value of mortgage loans provided as coverage for the above mentioned bonds amounted to €4.3 billion.

[1] *In addition to the allowance for impairment losses and advances to customers, a provision of €12,470 (31.12.2011: €9,130) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to credit risk amounts to €4,090,584 (31.12.2011: €4,880,916).*

Allowance for impairment losses

Balance 1.1.2011	**2,219,992**
Changes for the period 1.1. - 30.9.2011	
Impairment losses for the period (note 2)	834,755
Change in present value of the allowance account	134,918
Foreign exchange differences	(2,192)
Loans written-off during the period	(522,019)
Balance 30.9.2011	**2,665,454**
Changes for the period 1.10. - 31.12.2011	
Impairment losses for the period	292,427
Impairment losses of loans guaranteed by the Hellenic Republic eligible to PSI	2,008,479
Change in present value of the allowance account	51,048
Foreign exchange differences	1,117
Loans written-off during the period	(146,739)
Balance 31.12.2011	**4,871,786**
Changes for the period 1.1. - 30.9.2012	
Impairment losses for the period (note 2)	1,167,033
Change in present value of the allowance account	174,623
Foreign exchange differences	(3,936)
Loans written-off during the period [1]	(2,131,392)
Balance 30.9.2012	**4,078,114**

The finance lease receivables by duration are as follows:

	30.9.2012	31.12.2011
Up to 1 year	386,166	410,423
From 1 year to 5 years	202,354	494,860
More than 5 years	455,569	463,926
	1,044,089	**1,369,209**
Non accrued finance lease income	(203,072)	(275,949)
Total	**841,017**	**1,093,260**

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

	30.9.2012	31.12.2011
Up to 1 year	356,133	371,068
From 1 year to 5 years	116,705	361,083
More than 5 years	368,179	361,109
Total	**841,017**	**1,093,260**

6. Investment securities

i. Restructuring of Greek Government Debt (PSI)

Aiming at the reduction of Greek Government debt to 120% of GDP by 2020, a program for the voluntary exchange of Greek Government bonds was implemented. The terms of the program were defined on the 24th of February 2012 with the corresponding invitation sent by the Hellenic Republic to the holders of the bonds that fell within the new program.

Specifically, based on the terms of the invitation, the holders of the bonds that fell within the restructuring program, in which specific loans guaranteed by the Hellenic Republic were also included, were invited to agree to the following

[1] *Includes write-off 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 (note 6).*

exchange terms:

Each of the bonds and loans (eligible to the program) to be exchanged with:

a. twenty new bonds issued by the Hellenic Republic, with a total nominal value equal to 31.50% of the nominal value of the bonds that are exchanged

b. two payment notes issued by EFSF, maturing in one and two years, with a total nominal value equal to 15% of the nominal value of the items that are exchanged

c. a GDP-linked security issued by the Hellenic Republic. This security will pay annual interest of 1% on a notional amount equal to the nominal value of the new bonds issued by the Hellenic Republic, provided that the increase in Greek GDP would reach specific goals. The payment of the additional interest will begin in 2015.

Based on the above, the impairment of the existing bonds, in nominal value terms, amounted to 53.5%

In addition, the invitation clarified the following:

- Accrued interest on existing bonds and loans until 24.2.2012 will be paid through six month zero coupon bonds issued by EFSF.
- The new bonds issued by the Hellenic Republic will have a maturity from 11 to 30 years, while their annual coupon, with the interest rate period beginning on 24.2.2012, will be as follows: 2% up to 2015, 3% up to 2020, 3.65% in 2021 and 4.3% thereafter.
- The new bonds issued by the Hellenic Republic will be governed by English law.

On 12.3.2012, the first phase of the restructuring of the Greek public debt was completed successfully with the exchange of bonds governed by Greek law, while the second phase was completed on 11 April 2012 with the exchange of bonds governed by foreign law as well as of loans guaranteed by the Hellenic Republic. The Group participated in the aforementioned restructuring program by exchanging the total of the eligible Greek Government bonds and loans guaranteed by the Hellenic Republic that it held with new bonds, in accordance with the terms described above. The Group was bound for the above mentioned exchange on 8.3.2012. On this date the Group responded positively to the invitation of the Hellenic Republic, by offering its bonds for exchange. This offer, according to the terms of the invitation, could not be recalled. The Hellenic Republic, with a press release issued on 9.3.2012, expressed its intention to complete the exchange of bonds since the terms and conditions have been achieved.

At the date of the exchange, the Group proceeded with the derecognition of the bonds that were exchanged and the recognition of the new bonds that were acquired at their fair value. This treatment was based on the fact that the terms of the new bonds were considered significantly different from the terms of the existing bonds.

Taking into account that the participation in this program with terms unfavourable to the holders of the eligible bonds and loans is an objective evidence of impairment of the value of the specific securities and considering that this event, although it took place during 2012, was an adjusting event for the results of 2011, the Group recognised, in the fourth quarter of 2011, a respective impairment loss, which was calculated based on the difference between the carrying amount of the eligible securities and the present value of the new securities that were acquired after the exchange. Furthermore, in the published financial statements of the first quarter of 2012 an additional loss was recognized in gains less losses on financial transactions amounting to €23.8 million before tax, due to the difference between the fair value of the new bonds received and the book value of the old available for sale bonds, which as at 31.12.2011 had been valued based on current market prices of the old bonds on that date.

The impairment test on 31.12.2011 as well as, the above mentioned additional loss which was recognized in the first quarter of 2012 were based on the assumption that the market for the new Greek Government Bonds is inactive and thus the value of the new bonds was calculated based on a valuation model. However, based on the re-estimation of the market conditions on the second quarter of 2012, it was considered that the market for the new bonds is active and that the valuation of the new bonds will need to be based on current prices at the transaction date. This event had as a result the recognition of an additional loss resulting from the exchange amounting to €264.5 million before tax which was recognized in gains less losses on financial transactions in the first quarter of 2012. Additionally, the new bonds were classified in the available for sale portfolio and the subsequent valuation at fair value is recorded directly in Equity.

ii. Exposure to the peripheral eurozone countries debt

The book value of bonds and treasury bills issued by the Republic of Cyprus as at 30.9.2012, amounts to € 28.6 and € 19.8 million, respectively. The treasury bills matured in the fourth quarter of 2012. Moreover, as at 30.9.2012, the Group had no exposure to bonds issued by Spain, Portugal, Ireland and Italy.

7. Investment property

	Land and Buildings
Balance 1.1.2011	
Cost	79,426
Accumulated depreciation	(7,697)
1.1.2011-30.9.2011	
Net book value 1.1.2011	71,729
Additions	82
Reclassification to "Property, plant and equipment"	(6,334)
Foreign exchange differences	38
Depreciation charge for the period	(580)
Net book value 30.9.2011	**64,935**
Balance 30.9.2011	
Cost	71,925
Accumulated depreciation	(6,990)
1.10.2011 - 31.12.2011	
Net book value 1.10.2011	64,935
Additions	88
Disposals	(52)
Reclassification to "Property, plant and equipment"	(87)
Foreign exchange differences	(33)
Depreciation charge for the period	(163)
Net book value 31.12.2011	**64,688**
Balance 31.12.2011	
Cost	71,811
Accumulated depreciation	(7,123)
1.1.2012 - 30.9.2012	
Net book value 1.1.2012	64,688
Additions	1,048
Additions from companies consolidated for the first time in 2012	227,733
Disposals	(4,741)
Reclassification from "Non current assets held for sale"	10,841
Foreign exchange differences	(73)
Depreciation charge for the period	(1,858)
Net book value 30.9.2012	**297,638**
Balance 30.9.2012	
Cost	306,530
Accumulated depreciation	(8,892)

8. Property, plant and equipment

	Land and bulidngs	Leased equipment	Equipment	Total
Balance 1.1.2011				
Cost	1,425,109	7,419	491,675	1,924,203
Accumulated depreciation	(304,813)	(2,973)	(375,759)	(683,545)
1.1.2011 - 30.9.2011				
Net book value 1.1.2011	1,120,296	4,446	115,916	1,240,658
Foreign exchange differences	756	(31)	(22)	703
Additions	11,849	207	11,816	23,872
Disposals/Write-offs	(5,511)	(602)	(329)	(6,442)
Reclassifications	6,334	(122)	13,502	19,714
Depreciation charge for the period	(22,474)	(753)	(23,277)	(46,504)
Net book value 30.9.2011	**1,111,250**	**3,145**	**117,606**	**1,232,001**
Balance 30.9.2011				
Cost	1,435,363	6,281	509,552	1,951,196
Accumulated depreciation	(324,113)	(3,136)	(391,946)	(719,195)
1.10.2011 - 31.12.2011				
Net book value 1.10.2011	1,111,250	3,145	117,606	1,232,001
Foreign exchange differences	(548)	(11)	(74)	(633)
Additions	1,300	4	5,615	6,919
Disposals/Write-offs	(762)	(159)	(293)	(1,214)
Reclassifications	(113)	4	196	87
Depreciation charge for the period	(7,478)	(207)	(8,526)	(16,211)
Net book value 31.12.2011	**1,103,649**	**2,776**	**114,524**	**1,220,949**
Balance 31.12.2011				
Cost	1,432,399	6,119	518,352	1,956,870
Accumulated depreciation	(328,750)	(3,343)	(403,828)	(735,921)
1.1.2012 - 30.9.2012				
Net book value 1.1.2012	1,103,649	2,776	114,524	1,220,949
Foreign exchange differences	(5,487)	134	(1,489)	(6,842)
Additions	12,702	213	10,934	23,849
Disposals/Write-offs	(13,273)	(764)	(648)	(14,685)
Reclassifications	1,550	204	(204)	1,550
Impairment charge for the period	(1,115)			(1,115)
Depreciation charge for the period	(21,213)	(755)	(24,266)	(46,234)
Net book value 30.9.2012	**1,076,813**	**1,808**	**98,851**	**1,177,472**
Balance 30.9.2012				
Cost	1,422,648	4,508	519,509	1,946,665
Accumulated depreciation	(345,835)	(2,700)	(420,658)	(769,193)

On 12.2.2012 during the riots that took place in the center of Athens, two historical buildings of Alpha Bank where Central Divisions were located and the Athinas Street Branch, suffered serious damages by a fire.

The major part of the total cost of the repair, the amount of which is expected to be finalized until the end of the year, is covered by the insurance compensation.

9. Goodwill and other intangible assets

	Goodwill	Software	Other intangible	Total
Balance 1.1.2011				
Cost	44,831	307,642	51,252	403,725
Accumulated amortization		(189,198)	(21,336)	(210,534)
1.1.2011 - 30.9.2011				
Net book value 1.1.2011	44,831	118,444	29,916	193,191
Foreign exchange differences	1,733	179	(180)	1,732
Additions		20,491	1,503	21,994
Disposals		(2)		(2)
Reclassifications to "Property, plant and equipment"		(13,464)	84	(13,380)
Amortization charge for the period		(20,115)	(2,503)	(22,618)
Net book value 30.9.2011	**46,564**	**105,533**	**28,820**	**180,917**
Balance 30.9.2011				
Cost	46,564	314,272	53,438	414,274
Accumulated amortization		(208,739)	(24,618)	(233,357)
1.10.2011 - 31.12.2011				
Net book value 1.10.2011	46,564	105,533	28,820	180,917
Foreign exchange differences	(1,480)	(203)	225	(1,458)
Additions		8,289	731	9,020
Disposals		84	(84)	
Amortization charge for the period		(5,585)	(1,382)	(6,967)
Net book value 31.12.2011	**45,084**	**108,118**	**28,310**	**181,512**
Balance 31.12.2011				
Cost	45,084	318,800	53,566	417,450
Accumulated amortization		(210,682)	(25,256)	(235,938)
1.1.2011 - 30.9.2012				
Net book value 1.1.2012	45,084	108,118	28,310	181,512
Foreign exchange differences	(3,913)	(299)	(275)	(4,487)
Additions		17,161	66	17,227
Reclassifications		(1,306)	1,306	-
Amortization charge for the period		(18,716)	(2,226)	(20,942)
Net book value 30.9.2012	**41,171**	**104,958**	**27,181**	**173,310**
Balance 30.9.2012				
Cost	41,171	333,823	53,425	428,419
Accumulated amortization		(228,865)	(26,244)	(255,109)

LIABILITIES

10. Due to banks

	30.9.2012	31.12.2011
Deposits:		
- Current accounts	46,076	39,574
- Term deposits:		
Central Banks	25,553,855	20,209,013
Other credit institutions	158,213	56,684
Sale and repurchase agreements (Repos)		1,755,849
Borrowing funds	371,898	460,080
Total	**26,130,042**	**22,521,200**

11. Debt securities in issue and other borrowed funds

i. Issues guaranteed by the Greek State (Law 3723/2008)

According to Law 3723/2008 for the enhancement of the Greek economy's liquidity program, the Bank issued on 22.2.2012 a senior debt security guaranteed by the Greek State amounting to €2 billion, with a three month duration and bearing an interest rate of 13.5%.

The outstanding balance of the senior debt securities guaranteed by the Greek State as at 30.9.2012 amounts to €9.8 billion.

The above mentioned securities are not presented in the "Debt securities in issue and other borrowed funds", as they are held by the Bank.

ii. Covered bonds

The balance of covered bonds issued by the Bank as at 30.9.2012 amounts to €3.7 billion.

The covered bonds are not included in the "Debt securities in issue and other borrowed funds" as they are held by the Bank[1].

iii. Senior debt securities

Balance 1.1.2012	**2,630,362**
Changes for the period 1.1 - 30.9.2012	
New issues	308,401
(Purchases)/sales by Group companies	(339,942)
Maturities	(1,519,752)
Fair value change due to hedging	(286)
Accrued interest	5,893
Foreign exchange differences	481
Balance 30.9.2012	**1,085,157**

The following securities are included in the amount of "new issues":

- value of €0.7 million maturing on 1.2.2017, bearing a floating interest rate of three month Euribor plus a spread of 2%.
- value of €49.6 million maturing on 27.4.2024 and bearing a fixed annually interest rate of 2%.
- value of €257.1 million maturing on 20.5.2017 and bearing a fixed annually interest rate of 6%.
- value of €1 million maturing on 20.6.2022 and bearing a fixed annually interest rate of 2.5%.

[1] *Financial disclosure regarding covered bond issues, as determined by the 2620/28.08.09 directive of Bank of Greece, will be published at the Bank's website.*

iv. Subordinated debt

Balance 1.1.2012	**537,884**
Changes for the period 1.1 - 30.9.2012	
(Purchases)/sales by Group companies	(19,860)
Maturities/Redemptions	(272,817)
Accrued interest	985
Balance 30.9.2012	**246,192**

On 20.4.2012 Alpha Group Limited a wholly owned subsidiary announced a tender offer of buying back Upper Tier II Securities and Lower Tier II Securities at purchase price of 60% for cash.

The participation in the above offer was 60%.

The redemptions of subordinated debt securities include an amount of €130.1 million and €125.3 million Lower Tier II securities with ten years duration issued on 1.2.2007 and 8.3.2007 respectively and additionally, an amount of €17.4 million Upper Tier II perpetual securities issued on 27.7.2007. The redemptions are related to the buy-back program. The result of the buy-back of subordinated debt enhanced Group's Core Tier I Capital by €109 million.

Total of Debt securities in issue and other borrowed funds	**1,331,349**

Of the above debt securities in issue amounted to €1,331,349, an amount of €477,927 (31.12.2011: €979,701) held by Bank customers has been reclassified to "Due to customers". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 30.9.2012, amounts to €853,422 (31.12.2011: €2,188,545).

In addition, bonds of €4.3 billion from the securitization of consumer and corporate loans, credit cards and finance lease loans are not presented in "Debt securities in issue and other borrowed funds" since these securities, issued by Group companies, are held by the Group.

12. Provisions

	30.9.2012	31.12.2011
Insurance provisions	86,998	78,357
Provisions to cover credit risk and other provisions	25,776	16,587
Restructuring program provisions	488	1,371
Total	**113,262**	**96,315**

a. Insurance provisions

	30.9.2012	31.12.2011
Non-life insurance		
Unearned premiums	5,763	5,729
Outstanding claim reserves	7,330	6,556
Total	**13,093**	**12,285**
Life insurance		
Mathematical reserves	50,551	41,948
Outstanding claim reserves	2,435	2,466
Total	**52,986**	**44,414**
Reserves for investments held on behalf and at risk of life insurance policy holders	**20,919**	**21,658**
Total	**86,998**	**78,357**

b. Provisions to cover credit risk and other provisions

Balance 1.1.2011	**7,918**
Changes for the period 1.1. - 30.9.2011	
Provisions to cover credit risk relating to off-balance sheet items(note 2)	3,438
Other provisions	662
Provisions used during the period	(275)
Foreign exchange differences	49
Balance 30.9.2011	**11,792**
Changes for the period 1.10. - 31.12.2011	
Provisions to cover credit risk relating to off-balance sheet items	5,261
Other provisions	1,957
Reversal of other provisions	(2,335)
Provisions used during the period	(8)
Foreign exchange differences	(80)
Balance 31.12.2011	**16,587**
Changes for the period 1.1. - 30.9.2012	
Provisions to cover credit risk relating to off-balance sheet items (note 2)	11,125
Other provisions[1]	473
Provisions used during the period	(2,278)
Foreign exchange differences	(131)
Balance 30.9.2012	**25,776**

c. Restructuring program provisions

Balance 1.1.2011	**7,381**
Changes for the period 1.1. - 30.9.2011	
Provisions used during the period	(5,706)
Balance 30.9.2011	**1,675**
Changes for the period 1.10. - 31.12.2011	
Provisions used during the period	(304)
Balance 31.12.2011	**1,371**
Changes for the period 1.1. - 30.9.2012	
Provisions used during the period	(883)
Balance 30.9.2012	**488**

[1] *The amount of other provisions charged to profit and loss account is included in "Other expenses" of the income statement.*

EQUITY

13. Share capital and Retained earnings

a. Share capital

As of 30.6.2012 Bank's share capital, after the Second Iterative General Meeting of Shareholders held on 15.7.2011 which decided the reduction of the nominal value of the ordinary shares with voting rights to €0.30 from €4.70, amounts to €1,100,280,894.40 divided into 734,269,648 shares of which 534,269,648 are ordinary, registered, with voting rights, non paper shares of nominal value €0.30 each and 200,000,000 are preference, registered, non-voting, paper and redeemable shares of nominal value €4.70 each.

The preference shares have been issued according to Law 3723/2008 "program for the enhancement of Greek Economy's liquidity" since 21.5.2009.

According to article 39 of Law 3844/3.5.2010 which amended Law 3723/9.12.2008, the return on preference shares has a set-up feature of 2% annually, if after five years following the issuance, the preference shares have not been redeemed (note 22m).

On 22.5.2012 the Second Repeat Extraordinary General Meeting of Shareholders, among other issues, approved the revocation of all resolutions of the Second Repeat Extraordinary General Meeting dated 15 November 2011, ratifying the decisions of the Second Repeat General meeting of Shareholders held on 15.7.2011 in respect of the following:

- The ability to raise funds by way of an increase of share capital of the Bank, up to the amount of the current issued and paid-in common share capital, on the date of approval by the General Meeting, through a payment in cash and the issuance of ordinary registered non paper shares with voting rights.
- The ability to issue a bond, convertible to ordinary shares, with voting rights of an amount up to 10% of the current issued and paid-in share capital of the Bank, on the date of approval by the General Meeting, together with a disapplication of the preemption rights of ordinary and preferred shareholders.

b. Retained earnings

Due to the fact that the Bank presented losses for the year 2011 and, therefore, article 44a of Codified Law 2190/1920 applies, Bank's Ordinary General Meeting of Shareholders held on 29.6.2012 decided the following:

- The non payment to the Greek State of the respective return for the year 2011 on its preference shares under article 1 paragraph 3 of Law 3723/2008.
- Not to distribute dividends to common shareholders of the Bank for the year 2011.

14. Hybrid securities

On 20.1.2012 was announced the non payment of dividend for the CMS Hybrid security (ISIN: DE000A0DX3M2) without an interest step up clause which bears the characteristics of a preference share having the benefit of a subordinate guarantee from the Bank, since the requirement for non existence of sufficient distributable funds for 2011 is fulfilled. For the same reason, the non payment of dividend was also announced for the innovative hybrid security with an interest step up feature (ISIN: XS0159153823) on 5.3.2012, 5.6.2012, 5.9.2012 and 5.12.2012.

On 20.4.2012 Alpha Group Limited a wholly owned subsidiary announced a tender offer of buying back Tier I Securities at purchase price of 40% for cash.

The tender offer acceptance was 70% and the buy back program was successfully completed. The result of the buyback program was an increase of Core Tier I Capital by €224 million.

ADDITIONAL INFORMATION

15. 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.

There are no pending legal cases or issues in progress which may have a material impact on the financial statements or operations of the Bank and other companies of the Group.

For the above, the Group recorded a provision amounting to €7.3 million.

b. Tax issues

Alpha Bank has been audited by the tax authorities for the year up to and including 2009, while has received a tax certificate for the year 2011. The Bank's branches in London and Bulgaria have been audited by the tax authorities for the years 2008 and 2007 respectively.

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)	2009
2. Alpha Bank Cyprus Ltd	2007
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank AD Skopje (the years 1998 – 2006 have not been audited by the tax authorities)	2009
5. Alpha Bank Srbija A.D.	2004
6. JSC Astra Bank	2011
7. Alpha Bank Albania SH.A.	2009
Leasing companies	
1. Alpha Leasing A.E. **	2007
2. Alpha Leasing Romania IFN S.A.	2007
3. ABC Factors A.E. **	2008
4. Alpha Asset Finance C.I. Ltd (voluntary settlement of tax obligation)	2009
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 2003 – 2007)	2002
3. Alpha A.E. Ventures **/***	2009
4. Alpha A.E. Ventures Capital Management - AKES **/***	2009
Asset Management	
1. Alpha Asset Management A.E.D.A.K. **/***	2009
2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)	2009
Insurance	
1. Alpha Insurance Agents A.E. **/***	2009
2. Alpha Insurance Ltd	2008
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 year 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. (tax audit is in progress for years from 2006 – 2009) **	2005
3. Oceanos A.T.O.E.E. **/***	2009
4. Alpha Real Estate D.O.O. Beograd	2008
5. Alpha Astika Akinita D.O.O.E.L. Skopje	2007
6. Alpha Real Estate Bulgaria E.O.O.D. (commencement of operation 2006)	*
7. Chardash Trading E.O.O.D. (commencement of operation 2006)	*
8. Alpha Astika Akinita Romania S.R.L.	1998
9. Alpha Investment Property Chalandriou A.E. (commencement of operation 2012)	*
10. Alpha Investment Property Lamias 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)	*
Special purpose and holding entities	
1. Alpha Credit Group Plc (voluntary settlement of tax obligation)	2009
2. Alpha Group Jersey Ltd (voluntary settlement of tax obligation)	2009
3. Alpha Group Investments Ltd (commencement of operation 2007)	*
4. Ionian Holdings A.E. **/***	2009
5. Ionian Equity Participations Ltd (commencement of operation 2006)	*
6. ABL Holdings Jersey Ltd (voluntary settlement of tax obligation)	2009
7. Katanalotika Plc (voluntary settlement of tax obligation)	2010
8. Epihiro Plc (voluntary settlement of tax obligation)	2010
9. Irida Plc (voluntary settlement of tax obligation)	2010
10. Pisti 2010 - 1 Plc (voluntary settlement of tax obligation)	2010
11. AGI – BRE Participations 1 Ltd (commencement of operation 2010)	*
12. AGI – RRE Participations 1 Ltd (commencement of operation 2010)	*
13. AGI – RRE Participations 1 S.R.L. (commencement of operation 2010)	*
14. AGI – BRE Participations 1 E.O.O.D. (commencement of operation 2010)	*
15. Stockfort Ltd (commencement of operation 2010)	*
16. Alpha Group Ltd (commencement of operation 2012)	*
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)	*

Additional taxes and penalties may be imposed for the unaudited years.

c. Operating leases

The Group’s minimum future lease payments are:

	30.9.2012	31.12.2011
- less than one year	41,194	46,572
- between one and five years	119,406	147,936
- more than five years	128,805	174,525
Total	**289,405**	**369,033**

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

** *These companies received tax certificate for the year 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 tax audits.*

The minimum future lease revenues are:

	30.9.2012	31.12.2011
- less than one year	3,587	4,390
- between one and five years	5,429	8,090
- more than five years	1,272	2,413
Total	**10,288**	**14,893**

d. Off balance sheet liabilities

The Group pursuant to its normal operations, is binded 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:

	30.9.2012	31.12.2011
Letters of credit	24,713	40,071
Letters of guarantee and other guarantees	4,021,159	4,537,427

Additionally, contingent liabilities for the Group arise from the undrawn loan agreements 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 30.9.2012 amounts to €198.2 million (31.12.2011: €247.1 million) and are included in the calculation of risk weighted assets.

e. Assets pledged

The assets pledged, amounting to € 29.3 billion as at 30.9.2012, include:

- Deposits pledged amounting to € 0.2 billion, concerning guarantees given to the Greek State.
- Loans and advances to customers amounting to € 16.4 billion out of which:
  - i. an amount of €15.6 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 that amount to € 0.5 billion, in accordance with Law 3723/2008.
  - iii. an amount of € 0.2 billion has been pledged to the Republic of Cyprus from Alpha Bank Cyprus Ltd in order for the Bank to receive securities of € 0.2 billion issued by the Republic of Cyprus in accordance with Law 118(I)/ 2009.
- Securities held for trading and investment securities portfolio as well as securities from Reverse Repos amounting to € 12.7 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 €4.6 billion relates to Greek Government bonds and other bonds.
  - iii. an amount of € 4.3 billion relates to bonds issued as a result of the securitization of corporate, consumer loans, credit cards and finance lease receivables of the Group
  - iv. an amount of € 0.1 billion concerns corporate bonds owned by Alpha Bank Cyprus Ltd.

The aforementioned securities, and additionally:

i. an amount of € 9.8 billion relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008 and are held by the Group,

ii. an amount of € 1.9 billion relates to bonds issued by the European Financial Stability Facility (EFSF) that the Bank received from the Hellenic Financial Stability Fund (HFSF) in the context of its participation to the Bank's future share capital increase according to the agreement among EFSF, HFSF and the Banks and is recorded in off balance sheet accounts.

are pledged as collateral to Central Banks for participation in main refinancing operations to the Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET), to the Athens Derivatives Exchange Clearing House, as well as to the European Investment Bank.

f. Other guarantees

On 7.5.2008 the Bank completed a new 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 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.

16. 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 %	
		30.9.2012	31.12.2011
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A.	Romania	99.92	99.92
4. Alpha Bank AD Skopje	FYROM	100.00	100.00
5. Alpha Bank Srbija A.D. (21f)	Serbia	100.00	100.00
6. JSC Astra Bank	Ukraine	100.00	100.00
7. Alpha Bank Albania SH.A. (20l), (20q)	Albania	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	Jersey	100.00	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 Ventures A.E.	Greece	100.00	100.00
4. Alpha A.E. Ventures Capital Management - AKES	Greece	100.00	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

Name	Country of incorporation	Group's ownership interest % 30.9.2012	31.12.2011
Real Estate and Hotel			
1. Alpha Astika Akinita A.E.	Greece	92.67	92.41
2. Ionian Hotel Enterprises A.E.	Greece	97.27	97.24
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Alpha Real Estate D.O.O. Beograd	Serbia	92.67	92.41
5. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	92.67	92.41
6. Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	92.67	92.41
7. Chardash Trading E.O.O.D.	Bulgaria	92.67	92.41
8. Alpha Astika Akinita Romania S.R.L.	Romania	92.67	92.41
9. Alpha Investment Property Chalandriou A.E. (20b)	Greece	100.00	
10. Alpha Investment Property Lamias A.E. (20b), (21c)	Greece	100.00	
11. Alpha Investment Property Attikis A.E. (20b)	Greece	100.00	
12. Alpha Investment Property Attikis II A.E. (20m)	Greece	100.00	
13. Alpha Investment Property Amaroussion I A.E. (20b)	Greece	100.00	
14. Alpha Investment Property Amaroussion II A.E. (20b)	Greece	100.00	
15. Alpha Investment Property Elaiona A.E. (20m)	Greece	100.00	
16. AGI – RRE Zeus S.R.L. (20k)	Romania	100.00	
17. Romfelt Real Estate S.A. (20s)	Romania	95.86	
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 (20r), (21e)	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Ionian Equity Participations Ltd (20d)	Cyprus	100.00	100.00
6. ABL Holdings Jersey Ltd	Jersey	100.00	100.00
7. Alpha Covered Bonds Plc (20a)	United Kingdom		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. AGI – RRE Participations 1 S.R.L.	Romania	100.00	100.00
11. AGI – BRE Participations 1 E.O.O.D.	Bulgaria	100.00	100.00
12. Stockfort Ltd (20c), (20f), (20h), (20i)	Cyprus	100.00	100.00
13. Alpha Group Ltd (20g)	Cyprus	100.00	
14. Katanalotika Plc	United Kingdom		
15. Epihiro Plc	United Kingdom		
16. Irida Plc	United Kingdom		
17. Pisti 2010-1 Plc	United Kingdom		
18. AGI – RRE Athena Ltd (20j), (20p)	Cyprus	100.00	
19. AGI – RRE Poseidon Ltd (20j), (20p), (20s)	Cyprus	100.00	
20. AGI – RRE Hera Ltd (20j), (20p)	Cyprus	100.00	
21. Umera Ltd (20o)	Cyprus	100.00	
22. AGI – RRE Athena S.R.L. (20p)	Romania	100.00	
23. AGI – RRE Poseidon S.R.L. (20p)	Romania	100.00	
24. AGI – RRE Hera S.R.L. (20p)	Romania	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. (21b)	Greece	100.00	100.00
6. Real Car Rental A.E.	Greece	100.00	100.00
7. Zerelda Ltd (20e)	Cyprus	100.00	

B. JOINT VENTURES

Name	Country of incorporation	Group's ownership interest % 30.9.2012	Group's ownership interest % 31.12.2011
1. Cardlink A.E.	Greece	50.00	50.00
2. APE Fixed Assets A.E.	Greece	60.10	60.10
3. APE Commercial Property A.E.	Greece	72.20	72.20
4. APE Investment Property A.E.	Greece	67.42	67.42
5. Alpha TANEO A.K.E.S.	Greece	51.00	51.00

C. ASSOCIATES

1. Evisak A.E.	Greece	27.00	27.00
2. AEDEP Thessalias & Stereas Ellados	Greece	50.00	50.00
3. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
4. EL.P.ET. Valkaniki A.E.	Greece	26.71	26.71
5. Kritis Gi - Tsatsakis A.B.E.E.	Greece	22.95	22.95
6. Biokid A.E.	Greece	40.29	34.53
7. Piraiki Zythopiia A.E.	Greece	36.72	28.07
8. Dipirites Chandakos A.E.	Greece		22.55
9. Rosequeens Properties Ltd. (20r)	Cyprus	33.33	

The subsidiaries are fully consolidated, joint ventures are consolidated under the proportionate method, while the associates are accounted under the equity method.

The consolidated financial statements do not include the Commercial Bank of London Ltd which is a dormant company and Prismatech Hellas S.A, which has been fully impaired and is 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 the functional currency of the subsidiaries.

17. Operating segment

(Amounts in millions of Euro)

	1.1 - 30.9.2012						
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Group
Net interest income	637.3	396.6	9.0	(215.1)	283.5	1.5	1,112.8
Net fee and commission income	78.1	67.8	16.3	0.2	36.2	(0.5)	198.1
Other income	9.2	8.4	5.6	56.4	28.6	(85.1)	23.1
Additional losses from initial recognition of new Greek Government Bonds (note 6)						(264.5)	(264.5)
Total income	**724.6**	**472.8**	**30.9**	**(158.5)**	**348.3**	**(348.6)**	**1,069.5**
Total expenses	**(394.8)**	**(94.9)**	**(20.1)**	**(15.7)**	**(216.2)**	**(44.0)**	**(785.7)**
Impairment losses	(523.0)	(427.2)			(220.3)		(1,170.5)
Profit/(loss) before income tax	**(193.2)**	**(49.3)**	**10.8**	**(174.2)**	**(88.2)**	**(392.6)**	**(886.7)**
Income tax							175.0
Profit/(loss) after income tax							**(711.7)**

(Amounts in millions of Euro)

	1.1 - 30.9.2011						
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Group
Net interest income	652.1	349.3	11.7	9.8	306.2	1.5	1,330.6
Net fee and commission income	84.3	61.2	22.9	1.1	47.4	(0.4)	216.5
Other income	5.0	5.0	2.8	122.2	27.8	20.5	183.3
Total income	**741.4**	**415.5**	**37.4**	**133.1**	**381.4**	**21.6**	**1,730.4**
Total expenses	**(414.4)**	**(101.1)**	**(23.9)**	**(21.0)**	**(228.7)**	**(42.8)**	**(831.9)**
Impairment losses	(340.4)	(295.5)			(191.5)	(760.1)	(1,587.5)
Profit/(loss) before income tax	**(13.4)**	**18.9**	**13.5**	**112.1**	**(38.8)**	**(781.3)**	**(689.0)**
Income tax							122.5
Profit/(loss) after income tax							**(566.5)**

The amount of €760.1 million included in the operating segment as "Other" relates to impairment losses on Greek Government Bonds.

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 branch 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 to the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division (Corporate) 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 Group companies (Alpha Finance A.E.P.E.Y., Alpha Ventures A.E.). 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 subsidiaries of the Group 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 Bank's operating activities or they are non-recurring and deriving from external factors.

18. Capital adequacy

The policy of the Group is to maintain a strong capital base in order to maintain investors, creditor and market confidence and to sustain future development.

Share capital increases are performed through Shareholders' General Meeting or Board of Directors' decisions in accordance with articles of incorporation or relevant laws.

The Group is allowed to purchase treasury shares based on the terms and conditions of law.

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

The calculation of capital adequacy from 1 January 2008 is determined under the new regulatory framework (Basel II), which has been transposed into Greek law by Law 3601/2007. The new regulatory framework significantly amends the measurement of credit risk and introduces capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk of the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio compares the Group's regulatory capital with the risks that the Group undertakes (risk weighted assets). Regulatory capital includes Tier I capital (share capital, reserves, non controlling interest), 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 the operational risk.

Alpha Bank participated in the attempt to ensure the long-term sustainability of Greek Government debt through the Greek Bond exchange program (PSI). With the completion of the PSI and its final accounting impact, the Bank of Greece (BoG) assessed the Group's capital needs. In order to assess the required capital, apart from PSI, the Blackrock project results were considered. The Group has already submitted to the Bank of Greece a corporate plan which includes ways for capital enforcement.

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. Additionally, the approval of the tender offer on 20 April 2012 for the buy-back program of securities that constitute part of capital enhanced Core Tier I Capital by €333 million.

In addition, the Hellenic Financial Stability Fund proceeded in the distribution of funds in the form of EFSF bonds to the four largest Greek Banks, increasing their regulatory capital. In particular, the Hellenic Financial Stability Fund provided to Alpha Bank EFSF bonds of a nominal value €2.9 billion, resulting in the shaping of the aforementioned ratios as prescribed below (note 21n):

	30.9.2012 (estimate)	31.12.2011
Core Tier I*	9.0%	7.3%
Tier I	9.4%	8.5%
Capital adequacy ratio (Tier I + Tier II)	**9.9%**	**9.8%**

* According to the definition of EBA

The Basel Committee on December 16th, 2010 published its final recommendations for the new capital adequacy framework –Basel III. Alpha Bank is in a preferable position in relation to its compliance with the above mentioned directive. The relatively low impact is due to the minimum amounts of non-controlling interests, goodwill and intangible assets included in its capital base. Furthermore, the fact that the group has not undertaken substantial risk arising from insurance related activities while at the same time the use of the standardized approach rather than the internal rating method for the calculation of capital requirements, discharge Alpha Bank from potential capital burdens due to the upcoming implementation of Basel III.

19. 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 key management personnel since 30.6.2012 is composed by members of the Bank's Board of Directors and Bank's Executive Committee. Prior period key management personnel included all members of Board of Directors and General Managers of Group companies and of the Bank.

The outstanding balances of the Group transactions with key management personnel, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

	30.9.2012	31.12.2011	Published amounts on 31.12.2011
Assets			
Loans and advances to customers	**74,514**	**164,669**	**165,606**
Liabilities			
Due to customers	77,317	60,250	72,328
Debt securities in issue	15,685	23,027	23,027
Total	**93,002**	**83,277**	**95,355**
Letters of guarantee	**3,686**	**6,044**	**6,044**

	From 1 January to		
	30.9.2012	30.9.2011	Published amounts on 30.9.2011
Income			
Interest and similar income	1,428	4,769	4,789
Fee and commission income	24		
Other income			55
Total	**1,452**	**4,769**	**4,844**
Expenses			
Interest expense and similar charges	2,911	2,673	3,668
Compensation of key management personnel and close family members [1]	2,472	2,273	7,728
Other expenses	11		
Total	**5,394**	**4,946**	**11,396**

b. The outstanding balances with associates and the results related to these transactions are as follows:

	30.9.2012	31.12.2011
Assets		
Loans and advances to customers		**1,214**
Liabilities		
Due to customers	**541**	**317**

(1) *The fees increased due to the addendum of two new members in the Executive Committee of the Bank.*

	From 1 January to	
	30.9.2012	30.9.2011
Income		
Interest and similar income		**1**
Expenses		
Interet expense and similar charges	1	2
Other expenses	1,123	1,649
Total	**1,124**	**1,651**

c. The Supplementary Fund of former Alpha Credit Bank's employees holds bonds of the subsidiary of the Bank Alpha Credit Group Plc of €82.6 million, while its receivables from Alpha Bank amount to €17.3 million and its deposits with Alpha Bank to €0.2 million. Additionally it holds Alpha Bank's shares of €0.4 million, while interest income of €0.7 million has been recognized. The Group has recognized in its income statement the amount of €1.2 million that relates to the accrued expense of the new group insurance plan in collaboration with AXA Insurance.

20. Corporate events

a. On 8.2.2012 the liquidation process of the Bank's subsidiary Alpha Covered Bonds Plc was completed.

b. On 22.2.2012 the Bank's subsidiary Alpha Group Investments Ltd established the companies Alpha Investment Property Amaroussion I A.E., Alpha Investment Property Amaroussion II A.E., Alpha Investment Property Chalandriou A.E., Alpha Investment Property Attikis A.E., and Alpha Investment Property Lamias A.E.

c. On 14.3.2012 the Bank's subsidiary Stockfort Ltd increased its share capital by €530 thousand.

d. On 23.3.2012 the Bank's 100% owned subsidiary Ionian Equity Participations Ltd increased its share capital by €3.27 million.

e. On 30.3.2012, the Bank's subsidiary Alpha Group Investments Ltd acquired the total shares of Zerelda Ltd. established in Cyprus, for the amount of €1.8 thousand.

f. On 30.3.2012, the subsidiaries of Stockfort Ltd, Sheinovo Offices E.O.O.D., Serdica 2009 E.O.O.D. and Pernik Logistics Park E.O.O.D., established in Bulgaria increased their share capital by €745.4 thousand.

g. On 2.4.2012 the Bank purchased 100% of the shares of Tripurius Trading Ltd, for an amount of €1.8 thousand. The company was renamed to Alpha Group Ltd on 18.4.2012.

h. On 9.4.2012, Sheinovo Residence E.O.O.D., a subsidiary of Stockfort Ltd, registered in Bulgaria, increased its share capital by €21.2 thousand.

i. On 17.4.2012, Sheinovo Apartments E.O.O.D., a subsidiary of Stockfort Ltd, resgistered in Bulgaria, increased its share capital by €21.2 thousand.

j. On 24.4.2012, the Bank's subsidiary Alpha Group Investments Ltd acquired the total number of the shares of the companies Markandeya Ltd., Rawatino Holdings Ltd., Nishoko Holdings Ltd. established in Cyprus for a total amount of €5.4 thousand. On 2.5.2012 the companies were renamed to AGI-RRE Athena Ltd., AGI-RRE Poseidon Ltd. and AGI-RRE Hera Ltd. respectively.

k. On 13.5.2012 the company AGI-RRE Athena Ltd. established the company AGI-RRE Zeus SRL based in Romania.

l. On 17.5.2012 the transformation of the Bank's branch in Albania to a subsidiary named Alpha Bank Albania SH.A. was completed.

m. On 18.5.2012 the Bank's subsidiary Alpha Group Investments Ltd, established the companies Alpha Investment Properties Elaiona A.E. and Alpha Investment Properties Attikis II A.E..

n. On 22.5.2012, following the invitation to the Extraordinary General Meeting which was announced on 3.4.2012, the second Repeat Extraordinary General Meeting of Shareholders among others decided:

- The cease of operations relating to the merger of "Alpha Bank SA" by way of absorption of "EFG Eurobank Ergasias SA"
- Bank's disengagement from all contractual commitments towards or in favor of "EFG Eurobank Ergasias SA" relating to the merger.
- The revocation of all decisions made on 15.11.2011 by the second Repeat Extraordinary General Meeting of the Bank's Shareholders thus bringing into force the decisions of the second Iterative General Meeting of 15.7.2011 re-

garding the ability to raise funds by way of an increase of the share capital and the ability to issue a bond loan convertible in ordinary shares with voting rights..

o. On 31.5.2012, the Bank's subsidiary Alpha Group Investments Ltd acquired all the shares of Umera Ltd established in Cyprus for the amount of €1.2 thousand.

p. On 2.7.2012 the companies AGI-RRE Poseidon Ltd., AGI-RRE Athena Ltd. and AGI-RRE Hera Ltd., established the companies AGI-RRE Poseidon SRL, AGI-RRE Athena SRL and AGI-RRE Hera SRL, respectively, established in Romania.

q. On 19.7.2012 the Bank's 100% owned subsidiary, Alpha Bank Albania SH.A. increased its share capital by €10 million.

r. On 1.8.2012, the Bank's subsidiary, Alpha Group Investments Ltd, purchased 33.33% of shares of Rosequeens Properties Ltd., registered in Cyprus, for an amount of €0.3 thousand.

s. On 19.9.2012, AGI-RRE Poseidon Ltd, purchased 95.86% of shares of Romfelt Real Estate S.A., registered in Romania, for an amount of €1.4 thousand.

21. Events after the balance sheet date

a. On 2.10.2012 the Bank, as a representative of bondholding lenders, acquired 100% of the limited voting rights of the shares of AEGEK Constructions and 25% of the shares of AEGEK A.E. respectively, for the exercise of which certain contractual conditions should be fulfilled. In addition, the Bank acquired 7% of AEGEK A.E. shares without voting rights in the General Assembly Meeting. Therefore the total voting rights that the Bank holds amounts to 32.84% of the overall voting rights. The acquisition of the additional voting rights in AEGEK A.E. as well as the 100% of the voting rights in AEGEK Construction was initiated by the Bank for the purpose of higher collateral value of the syndicated bond loan issued by 'AEGEK A.K.E.' and not for the purpose or the intention to control or partially control the above mentioned companies.

b. On 5.10.2012 the Bank participated proportionally in the share capital increase of its subsidiary Alpha Supporting Services A.E. by paying directly or indirectly the amount of €53.7 million

c. On 15.10.2012, the Bank's subsidiary, Alpha Group Investments Ltd, sold 100% of shares of Alpha investment property Lamias A.E., registered in Greece, for an amount of €60 thousand.

d. On 16.10.2012 the Bank signed an agreement with Credit Agricole S.A. for the acquisition of the entire share capital of Emporiki Bank S.A. owned by Credit Agricole S.A.

e. On 22.10.2012, Bank's subsidiary, Alpha Group Investments Ltd, purchased 100% of shares issued by Futonsal Ltd., Helkinvest Ltd., Mantolarus Holdings Ltd., Kepovest Ltd., Ravinzel Holdings Ltd. which are based on Cyprus, at a total cost of €1.8 thousand each. As at 24.10.2012 companies were renamed to AGI-RRE Apollo Ltd., AGI-BRE Participations 2 Ltd., AGI-RRE Ares Ltd., AGI-BRE Participations 3 Ltd. and AGI-BRE Participations 4 Ltd. respectively.

f. On 5.11.2012 the Bank's 100% owned subsidiary, Alpha Bank Srbija A.D., increased its share capital by €50 million.

g. On 9.11.2012 the Bank announced an invitation to the Extraordinary General Meeting of Shareholders with the following agenda:

- Issuance by the Bank and private placement with Credit Agricole S.A. or a affiliated company, of a bond loan, in paper form, of total principal amounting up to €150 million, convertible by the bondholder into common voting shares of the Bank and redeemable by the latter, upon cancellation of the pre-emption rights of the existing (common and preferred) shareholders of the Bank.
- Delegation of authority, in accordance with articles 13 and 3a of Codified Law 2190/1920, as the case may be, by the General Meeting of shareholders to the Board of Directors of the Bank:
  - i. to increase the share capital of the Bank, through the issuance and distribution of new shares, the amount of which shall be paid in cash and/or by contribution in kind, and
  - ii. to issue one or more bonds convertible into Bank shares.

h. On 9.11.2012 a cabinet act was issued for the recapitalization of credit institutions in the context of article 7 of law 3864/2010 which defines the terms according to which:

i. The Hellenic Financial Stability Fund will cover for any of the unsubscribed shares which will be issued in accordance with Law 3864/2010 in the context of the share capital increase. The amount of the share capital increase should at least cover the amount needed so that the Bank's Core Tier I ratio to amount at least to 6%, while it should not exceed the amount equivalent to the credit institution's capital requirements as they are defined by the Bank of Greece.

ii. The Hellenic Financial Stability Fund will cover for the contingently convertible bonds that the credit institution will issue. The total amount of contingently convertible bonds and the amount of the share capital increase mentioned in the above paragraph should at least cover the minimum amount required to meet the credit institution's capital requirements, as they are defined by the Bank of Greece.

iii. The Hellenic Financial Stability Fund will issue warrants for the common shares it will receive as described in point i above if the minimum participation percentage of the private sector in the share capital increase is achieved, in accordance with paragraph 1 article 7a of Law 3864/2010.

i. Further to the enactment of Law 4093/2012 "Approval of the mid-term framework of fiscal strategy 2013-2016-Urgent measures for the implementation of Law 4046/2012 and mid-term framework of fiscal strategy 2013-2016":

i. The retirement limit has increased and the termination indemnity for employees with an employment relationship of indefinite duration was amended. The aforementioned is anticipated to have an impact on the calculation of "Employee defined benefit obligations" while the impact on Group's income statement will be assessed according to a new actuarial study and will be reflected in the financial statements as at 31.12.2012.

ii. The paragraph 3 of article 1 of Law 3723/2008 was amended and now defined that the 10% return on the preference shares is always payable and is not subject to any restriction, of Codified Law 2190/1920, except article 44A, except cases where the above payment would result in a reduction of the Bank's Core Tier I ratio below the minimum threshold required. The Group is currently evaluating the implications of the above amendments and the conditions under which the return is payable as well as the classification of preference shares of law 3723/2008 within Equity and the classification of other securities which is related to the preference shares.

iii. Paragraph 7 was added to article 16C of Law 3864/2010 "Establishment of Financial Stability Fund" in which it is mentioned that financial institutions, which receive capital funding according to the aforementioned law, should deposit to the Fund, in one installment, an amount of € 555.6 million. The amount attributed to the Bank amounts to € 153 million, as it was defined in the presubscription agreement signed with the HFSF on 21.12.2012.

j. On 3.12.2012 the subsidiary AGI-BRE Participations 2 Ltd, set up AGI-BRE Participations 2 E.O.O.D. and AGI-BRE Participations 2BG E.O.O.D, both registered in Bulgaria.

k. On 3.12.2012 the subsidiaries AGI-BRE Participations 3 Ltd. and AGI-BRE Participations 4 Ltd set up AGI-BRE Participations 3 E.O.O.D. and AGI-BRE Participations 4 E.O.O.D. respectively, both registered in Bulgaria.

l. In the context of the decisions of the Eurozone's Finance Ministers council as at 27.11.2012 it was agreed, among others, that the Greek public debt should be reduced through the repurchase of bonds from the private sector.

For the implementation of the above agreement the Hellenic Republic issued an invitation on 3.12.2012 to the holders of new Greek Bonds (Predetermined Securities) to submit their exchange offers, through a separate modified Dutch type auction by specifying the titles subject to the invitation, the timeframe and the detailed terms of the exchange.

The aforementioned exchange relates to the predetermined titles (including the accrued and unpaid interest up to settlement date which was on 18.12.2012). The above titles will be replaced by short term zero coupon titles of a six month duration which will be issued by the European Financial Stability Facility (EFSF) under English law and their total nominal value will amount to €10 billion.

The offer submission deadline after the extension granted was set to 10.12.2012.

On 7.12.2012 the Bank's Board of Directors announced its unanimous decision to participate in the above mentioned exchange.

On 12.12.2012 the Hellenic Republic announced the total amount of titles to participate in the exchange which amounts to €31.9 billion with an average price of approximately 33.8%. In addition the Hellenic Republic informed its official/state creditors on its intention to accept all the Predefined Titles from all series offered validly by clarifying that the exchange will be subject to specific financial prerequisites which also include the increase of the total amount of the titles to be issued by the EFSF by €1.29 billion if approved.

In the context of the Hellenic Republic's invitation as at 3.12.2012 concerning the buy – back of Greek Government bonds, the Group participated in the aforementioned program, that had as an offer submission deadline the 10.12.2012, with bonds of a nominal value of € 1.5 billion and a carrying amount of € 0.5 billion which had been classified at the available for sale portfolio.

From the above transaction a gain of € 117.7 million before tax was recorded, which will limit the losses of the current year amounting to € 288.3 million from the Greek government bond exchange program to total losses from the restructuring programs of Greek government debt amounting to € 170.6 million.

The aggregate nominal and book value of the Greek Government bonds, that the Group holds from any source (ie, including bonds contributed by the Hellenic Republic, in accordance with article 1 of Law 3723/2008 and the Greek Bond issued by ETEAN) amounts, at the date of publication of these financial statements, to € 2.2 billion and € 1.3 billion respectively of which, correspondingly, an amount of € 1.3 billion and of € 0.4 billion has been classified at the available for sale portfolio and an amount of € 0.9 billion and of € 0.9 billion at the held to maturity portfolio.

m. A new tax bill, submitted for voting to the Parliament includes, among other, the following:

i. The corporate tax rate for S.A. and Ltd companies will increase from 20% to 26% and the tax rate on profit distribution will decrease from 25% to 10% from 1.1.2013 and onwards.

ii. The debit difference for legal entities that participated in the exchange of Greek Government Bonds or the corporate bonds guaranteed by the Hellenic Republic, in accordance with the restructuring program of the Greek debt, is deductible in 30 equal annual installments starting from the year in which the exchange of Greek securities occurred.

iii. The income tax that relates to the above annual debit difference to the extent that it is not set off against taxable profits of the legal entity is considered a receivable from the Greek State. The receivable is recognized upon the timely submission of its income tax return, can be settled against income tax of following years and it is written off 30 years after its initial recognition. This receivable exists even if the legal entity goes bankrupt or set under liquidation.

n. Pursuant to the provisions of Law 3864/2010, as currently in force, the Bank signed on 21.12.2012 an amendment of the presubscription agreement, originally signed on 28.5.2012 with the Hellenic Financial Stability Fund (HFSF) and the European Financial Stability Facility (EFSF). Under the amended agreement, the HFSF contributed securities issued by the EFSF, of a nominal value € 1.042 billion, as an advance payment for its participation in the capital raising program of the Bank. With this contribution, taking into account the already paid contribution of EFSF bonds of a nominal value of € 1.9 billion since 28.5.2012, the aggregate advance payment amounts to € 2.942 billion, forming Core Tier I ratio of the Group to the minimum threshold of 9%. In addition, upon a relative request made by the Bank, the HFSF issued a certificate with which it is committed to provide additional capital support up to the amount of € 1.629 billion in order to cover the total capital needs of the Group, amounting to € 4.571 billion, as determined by the Bank of Greece. Based on the amended presubscription agreement, the Bank paid the amount of € 153 million to HFSF in accordance with article 16C of Law 3864/2010, as this was added with Law 4093/2012 (note 21 i iii).

Athens, December 21, 2012

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