ALPHA BANK

INTERIM FINANCIAL STATEMENTS AS AT 30.9.2014

(In accordance with International Accounting Standard 34)

Athens,
4 November 2014

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Interim Financial Statements of the Bank as at 30.9.2014
(In accordance with IAS 34)

Interim Income Statement

(Amounts in thousand of Euro)

		From 1 January to		From 1 July to	
	Note	30.9.2014	30.9.2013*	30.9.2014	30.9.2013*
Interest and similar income		2,115,569	1,951,198	691,715	756,701
Interest expense and similar charges		(966,830)	(1,145,541)	(303,933)	(406,315)
Net interest income		1,148,739	805,657	387,782	350,386
Fee and commission income		282,550	223,395	100,936	92,857
Commission expense		(33,756)	(39,677)	(15,615)	(13,181)
Net fee and commission income		248,794	183,718	85,321	79,676
Dividend income		988	642	12	18
Gains less losses on financial transactions		111,294	190,354	16,905	121,950
Other income		14,793	17,729	5,580	2,299
		127,075	208,725	22,497	124,267
Total income		**1,524,608**	**1,198,100**	**495,600**	**554,329**
Staff costs		(393,245)	(310,448)	(126,976)	(140,176)
Provision for voluntary separation scheme	12	(194,500)		(194,500)	
General administrative expenses		(345,872)	(278,101)	(118,192)	(108,869)
Depreciation and amortization	7, 8, 9	(45,312)	(32,779)	(14,921)	(14,797)
Other expenses		(4,586)	(4,348)	(1,034)	(4,266)
Total expenses		**(983,515)**	**(625,676)**	**(455,623)**	**(268,108)**
Impairment losses and provisions to cover credit risk	2	(823,367)	(1,268,759)	(259,599)	(435,565)
Negative goodwill from the acquisition of Emporiki Bank			3,295,718		
Profit/(loss) before income tax		**(282,274)**	**2,599,383**	**(219,622)**	**(149,344)**
Income tax	3	495,900	611,578	60,357	18,606
Profit/(loss) after income tax		**213,626**	**3,210,961**	**(159,265)**	**(130,738)**
Earnings/(losses) per share:					
Basic and diluted (€ per share)	4	0.02	0.62	(0.01)	(0.01)

* *Certain figures of the Interim Income Statement of the comparative periods have been restated due to the finalization of the accounting for the acquisition of Emporiki Bank (note 23).*

Interim Balance Sheet

(Amounts in thousand of Euro)

	Note	30.9.2014	31.12.2013
ASSETS			
Cash and balances with Central Banks		1,464,992	1,006,294
Due from banks		5,308,339	5,036,860
Securities held for trading	6	10,380	7,001
Derivative financial assets		1,002,452	807,911
Loans and advances to customers	5	43,007,873	44,236,465
Investment securities			
- Available for sale	6	3,966,117	4,449,576
- Held to maturity	6	94,413	1,017,694
- Loans and receivables	6	4,311,279	4,308,556
Investments in subsidiaries, associates and joint ventures	20	2,118,327	2,070,735
Investment property	7	31,569	28,205
Property, plant and equipment	8	737,750	754,299
Goodwill and other intangible assets	9	255,983	196,067
Deferred tax assets		3,277,719	2,740,649
Other assets		1,281,757	1,442,735
Total Assets		**66,868,950**	**68,103,047**
LIABILITIES			
Due to banks	10	15,985,002	19,355,329
Derivative financial liabilities		1,673,784	1,374,261
Due to customers		38,234,569	37,504,689
Debt securities in issue and other borrowed funds	11	1,671,484	1,295,445
Amounts due for current income tax and other taxes		20,488	32,781
Employee defined benefit obligations		81,584	74,574
Other liabilities		1,185,238	1,059,717
Provisions	12	513,043	258,945
Total Liabilities		**59,365,192**	**60,955,741**
EQUITY			
Share capital	13	3,830,718	4,216,872
Share premium	13	4,858,216	4,212,062
Reserves		436,149	517,559
Retained earnings	13	(1,621,325)	(1,799,187)
Total Equity		**7,503,758**	**7,147,306**
Total Liabilities and Equity		**66,868,950**	**68,103,047**

Interim Statement of Comprehensive Income

(Amounts in thousand of Euro)

		From 1 January to		From 1 July to	
	Note	30.9.2014	30.9.2013*	30.9.2014	30.9.2013*
Profit/(Loss), after income tax, recognized in the income statement		**213,626**	**3,210,961**	**(159,265)**	**(130,738)**
Other comprehensive income recognized directly in equity:	3				
Amounts that may be reclassified to the income statement					
Change in available for sale securities' reserve		37,662	226,245	(165,504)	131,400
Change in cash flow hedge reserve		(147,677)	126,610	(48,117)	29,130
Income tax		28,605	(77,156)	55,542	(42,578)
		(81,410)	**275,699**	**(158,079)**	**117,952**
Amounts that will not be reclassified to the income statement					
Income tax			1,901		
			1,901		
Total other comprehensive income recognized directly in equity, after income tax	3	**(81,410)**	**277,600**	**(158,079)**	**117,952**
Total comprehensive income for the period, after income tax		**132,216**	**3,488,561**	**(317,344)**	**(12,786)**

* *Certain figures of the Interim Statement of Comprehensive Income of the comparative periods have been restated due to the finalization of the accounting for the acquisition of Emporiki Bank (note 23).*

Interim Statement of Changes in Equity

(Amounts in thousand of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2013		**1,100,281**	**2,757,653**	**213,097**	**(4,501,397)**	**(430,366)**
Changes for the period 1.1- 30.9.2013						
Profit for the period, after income tax					3,210,961	3,210,961
Other comprehensive income recognized directly in equity, after income tax	3			275,699	1,901	277,600
Total comprehensive income for the period, after income tax		**-**	**-**	**275,699**	**3,212,862**	**3,488,561**
Share capital increase through issuance of ordinary shares to Hellenic Financial Stability Fund		2,741,591	1,279,409			4,021,000
Share capital increase paid in cash		375,000	175,000			550,000
Share capital increase expenses, after income tax					(163,582)	(163,582)
Other					14,582	14,582
Balance 30.9.2013		**4,216,872**	**4,212,062**	**488,796**	**(1,437,535)**	**7,480,195**
Changes for the period 1.10- 31.12.2013						
Profit for the period, after income tax					(353,940)	(353,940)
Other comprehensive income recognized directly in equity, after income tax				28,763	(7,466)	21,297
Total comprehensive income for the period, after income tax		**-**	**-**	**28,763**	**(361,406)**	**(332,643)**
Share capital increase expenses, after income tax					(246)	(246)
Balance 31.12.2013		**4,216,872**	**4,212,062**	**517,559**	**(1,799,187)**	**7,147,306**

(Amounts in thousand of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2014		**4,216,872**	**4,212,062**	**517,559**	**(1,799,187)**	**7,147,306**
Changes for the period 1.1 - 30.9.2014						
Profit for the period, after income tax					213,626	213,626
Other comprehensive income recognized directly in equity, after income tax	3			(81,410)		(81,410)
Total comprehensive income for the period, after income tax		**-**	**-**	**(81,410)**	**213,626**	**132,216**
Share capital increase	13a 13b	553,846	646,154			1,200,000
Repayment of preference shares	13a	(940,000)				(940,000)
Share capital increase expenses, after income tax	13c				(35,764)	(35,764)
Balance 30.9.2014		**3,830,718**	**4,858,216**	**436,149**	**(1,621,325)**	**7,503,758**

Interim Statement of Cash Flows

(Amounts in thousand of Euro)

	Note	From 1 January to 30.9.2014	30.9.2013*
Cash flows from operating activities			
Profit/(Loss) before income tax		(282,274)	2,599,383
Adjustments for gain/(losses) before income tax for:			
Depreciation/impairment of fixed assets	7,8	26,065	23,765
Amortization of intangible assets	9	19,247	9,014
Impairment losses from loans, provisions and staff leaving indemnity		1,035,528	1,294,505
Impairment losses from participations			65,103
Negative goodwill from acquisition of Emporiki Bank			(3,295,718)
Fair value adjustments recognized in the income statement		95,594	(7,647)
(Gains)/Losses from investing activities		(105,807)	(110,323)
(Gains)/Losses from financing activities		108,286	(28,061)
Other adjustments			(927)
		896,639	**549,094**
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		589,521	(40,012)
Securities held for trading and derivative financial assets		(197,920)	104,581
Loans and advances to customers		610,339	524,099
Other assets		138,715	100,908
Net increase/(decrease) in liabilities relating to operating activities:			
Due to banks		(3,370,327)	(4,965,621)
Derivative financial liabilities		151,847	(285,005)
Due to customers		(357,739)	(115,102)
Other liabilities		94,756	(34,940)
Net cash flows from operating activities before taxes		**(1,444,169)**	**(4,161,998)**
Income taxes and other taxes paid		(20,696)	(8,290)
Net cash flows from operating activities		**(1,464,865)**	**(4,170,288)**
Cash flows from investing activities			
Investments in subsidiaries, associates and joint ventures		(38,945)	68,718
Acquisition of Emporiki Bank			324,962
Acquisition of the retail banking operations of Citibank		643,943	
Dividends received		988	641
Acquisition of fixed and intangible assets		(34,440)	(44,602)
Disposals of fixed and intangible assets		4,081	1,031
Net (increase) /decrease in investment securities		1,541,850	2,508,183
Net cash flows from investing activities		**2,117,477**	**2,858,933**
Cash flows from financing activities			
Share capital increase	13	1,200,000	550,000
Repayment of preference shares	13	(940,000)	
Share capital increase expenses		(48,328)	(68,054)
Dividends paid to ordinary shareholders		(604)	(1,203)
Proceeds from the issuance of debt securities in issue and other borrowed funds		499,012	150,000
Repayments of debt securities in issue and other borrowed funds		(64,741)	(300,622)
Net cash flows from financing activities		**645,339**	**330,121**
Effect of exchange rate fluctuations on cash and cash equivalents		1,468	910
Net increase /(decrease) in cash flows		**1,299,419**	**(980,324)**
Cash and cash equivalents at the beginning of the period		**748,999**	**2,013,148**
Cash and cash equivalents at the end of the period		**2,048,418**	**1,032,824**

* *Certain figures of the Interim Statement of Cash Flows of the comparative periods have been restated due to the finalization of the accounting for the acquisition of Emporiki Bank (note 23).*

The attached notes (pages 9 - 44) form an integral part of these interim financial statements

Notes to the Interim Financial Statements

GENERAL INFORMATION

Currently, the Bank operates under the brand name of ALPHA BANK A.E. and with the sign of ALPHA BANK. The Bank's registered office is at 40 Stadiou Street, Athens. The Bank is listed in the General Commercial Registry with the number 223701000 (ex record number of Societe Anonyme Companies Registry 6066/06/B/86/05). The Bank's license duration is up to 2100, subject to an extension, following Shareholders' General Meeting decision.

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 Shareholders' General Meeting on 27.6.2014, lasts until 2018.

The Board of Directors as at 30.9.2014 consists of:

CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos (from 29.5.2014)

VICE CHAIRMAN (Non Executive Independent Member)

Minas G. Tanes ***/*/****

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO)
Artemis Ch. Theodoridis
George K. Aronis

NON-EXECUTIVE MEMBERS

Efthimios O. Vidalis (from 29.5.2014)
Ioanna E. Papadopoulou ****

NON-EXECUTIVE INDEPENDENT MEMBERS

Paul A. Apostolidis **/****
Evangelos J. Kaloussis */***
Ioannis K. Lyras */**
Ibrahim S.Dabdoub ** (from 29.5.2014)
Shahzad A.Shahbaz *** (from 29.5.2014)

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 (***)
Member of Corporate Governance and Nominations Committee (****)

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

Panagiota S. Iplixian */**/***/**** (in replacement of Mr Nikolaos G. Koutsos from 30.1.2014)

SECRETARY

Georgios P. Triantafyllidis

The Ordinary General Meeting of 27.6.2014, awarded, in recognition of the significant contribution to the development and progress of the Bank and according to article 8.2 of the Articles of Incorporation, the title of the Honorary Chairman, to the former Member and Chairman of the Board, Yannis S. Costopoulos.

Moreover, the Ordinary General Meeting of Shareholders, has appointed as auditors of the interim and annual financial statements for 2014 the following:

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

of KPMG Certified Auditors A.E.

The Bank's share is listed in the Athens Stock Exchange since 1925 and is constantly included among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, FTSE All World, Stoxx Europe 600 and FTSE Med 100.

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

As a result of the Bank's share capital increase, with cancellation of pre-emption rights which took place in March 2014, the Bank's share capital amounted to 12,769,059,858 ordinary shares. On 17.4.2014, Alpha Bank, fully redeemed to the Hellenic Republic the total amount of preference shares of € 940 million, issued to the latter by the Bank.

In the Athens Stock Exchange, 4,294,971,798 ordinary shares of the Bank are traded while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 8,474,088,060 ordinary, registered, with voting rights, paperless shares or percentage equal to 66.36% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the HFSF shares is subject to restrictions according to Law 3864/2010, article 7a.

In addition, on the Athens Exchange there are 1,143,803,533 warrants that are traded each one incorporating the right of its holder to purchase 7,408683070 new shares owned by the HFSF.

During the nine month period of 2014, the average daily volume per session for shares was € 15,604,343 and for warrants € 4,152,142.

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

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

These interim financial statements were approved by the Board of Directors on 4 November 2014.

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* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*
**** *Member of Corporate Governance and Nominations Committees*

ACCOUNTING POLICIES APPLIED

1.1 Basis of Presentation

The Bank has prepared the condensed interim financial statements as at 30.9.2014 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union.

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 convertible bond issued by the Bank which is included in "Debt securities in issue and other borrowed funds".

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

The accounting policies applied by the Bank in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2013, after taking into account the following amendments to standards as well as Interpretation 21 which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2014:

- **Amendment to International Financial Reporting Standard 10** "Consolidated Financial Statements", to **International Financial Reporting Standard 12** "Disclosure of Interests in Other Entities" and to **International Accounting Standard 27** "Separate Financial Statements": Investment Entities (Regulation 1174/20.11.2013)
- **Amendment to International Accounting Standard 32** "Offsetting Financial Assets and Financial Liabilities" (Regulation 1256/13.12.2012)
- **Amendment to International Accounting Standard 36** "Recoverable amount disclosures for non-financial assets" (Regulation 1374/19.12.2013)
- **Amendment to International Accounting Standard 39** "Novation of derivatives and continuation of hedge accounting" (Regulation 1375/19.12.2013)
- **IFRIC Interpretation 21** "Levies" (Regulation 634/13.6.2014)

The adoption by the Bank of the above amendments as well as of IFRIC 21 had no impact on its financial statements.

The adoption by the European Union, by 31.12.2014, 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 1.1.2014, may affect retrospectively the periods presented in these interim financial statements.

1.2 Estimates, decision making criteria and significant sources of uncertainty

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

Fair value of assets and liabilities

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there are non observable market data, the fair value is determined using data that are based on internal estimates and assumptions e.g. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

Impairment losses of financial assets

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

Impairment losses of non – financial assets

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

Income tax

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

Employee defined benefit obligations

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

Provisions and contingent liabilities

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

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

1.2.1 Going concern principle

On 28.3.2014 the Bank completed successfully its share capital increase amounting to € 1.2 billion, which, as mentioned in detail in note 17, aimed, inter alia, at covering the capital needs of the Group, as determined in March 2014 by the Bank of Greece under a diagnostic study for the capital needs of the banks. In addition, on 9.7.2014 the European Commission approved the Bank's restructuring plan noting that the measures already implemented and those included in the restructuring plan will enable the Bank to return to viability. Furthermore, it is noted that the Bank concluded the European Central Bank comprehensive assessment, the outcome of which was announced on 26.10.2014, exceeding the CET1 hurdle rates 5.5% and 8% of the adverse and baseline scenarios, for both static and dynamic assumptions, ensuring a safe margin ranging between € 1.3 billion and € 3.1 billion. Considering the above the interim financial statements as of 30.09.2014 have been prepared on the going concern principle.

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

Regarding the uncertainties about the estimations for the recoverability of the Bank's total exposure to the Hellenic Republic, there have been no significant changes compared to those disclosed in note 1.29.2 of the annual financial statements as at 31.12.2013. In addition, it is noted that, on 21.5.2014, the Greek Government Bond, of a nominal value of € 0.9 billion, which is related to the issuance of the preference shares of the Hellenic Republic according to Law 3723/2008, was repaid.

1.2.3 Recoverability of deferred tax assets

The Bank recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized. The main categories of deferred tax assets as well as the methodology applied for the estimation of their recoverability are described in detail in note 1.29.3 of the annual financial statements as at 31.12.2013.

The Bank, based on the approved by the European Commission restructuring plan, taking also into consideration the effect of factors that may adversely affect its figures and by extending the period of assessment of the future profitability for a limited number of years compared to the restructuring plan, with respect to the temporary differences arising from the impairment of loans, for which there are no restrictions as to their recoverability, estimates that the total deferred tax assets of the Bank derived both from temporary differences and from tax losses carried forward are recoverable. In this context, during the second quarter it recognized the amount of € 422 million of deferred tax assets, which had not been recognized and which is derived from temporary differences arising from the impairment/valuation of loans from the acquisition of former Emporiki Bank.

In addition, due to the enactment of Law 4303/2014, the recoverability of deferred tax assets arising from the PSI debit difference and from the accumulated provisions and other general losses due to credit risk, regarding outstanding receivables as at 31.12.2014, is enhanced since, under the above Law, in case the after tax accounting result for the period is a loss, the aforementioned deferred tax asset is converted into a final and settled claim against the Greek State, as it is described in detail in note 3.

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

INCOME STATEMENT

2. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 July to	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Impairment losses on loans and advances to customers (note 5)	764,042	1,269,009	192,102	431,294
Provisions to cover credit risk relating to off balance sheet items (note 12)	72,076	15,882	71,941	15,883
Recoveries	(12,751)	(16,132)	(4,444)	(11,612)
Total	**823,367**	**1,268,759**	**259,599**	**435,565**

3. Income tax

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

After eighteen months from the issuance of an Unqualified Tax Compliance Report, and on the precondition that no tax violations have been identified by audits performed by the Ministry of Finance, the tax audit of the year is considered finalized.

In the year 2011, following the expiry of the deadline set by Ministry of Finance circular (POL 1236/18.10.2013), is considered audited, except some cases (e.g. receiving or issuing fake tax documents, additional information from other sources, etc) for which the Ministry of Finance can require re-examination.

For years 2012 and 2013 the Bank's Tax Audit has been completed without findings and it has obtained an Unqualified Tax Certificate.

Income tax expense is analyzed as follows:

	From 1 January to		From 1 July to	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Deferred tax	(495,900)	(611,578)	(60,357)	(18,606)
Total	**(495,900)**	**(611,578)**	**(60,357)**	**(18,606)**

The Bank, in the context of deferred tax assets recoverability control, has recognized within the current period, additional deferred tax asset of € 422,034 from impairment/valuation of loans derived from the acquisition of Emporiki Bank that were not recognized on 31.12.2013.

Deferred tax recognized in the income statement is attributable to temporary differences and tax losses brought forward, the effect of which is analyzed as follows:

	From 1 January to		From 1 July to	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Debit difference of Law 4046/2012	29,959	(215,351)	9,986	9,986
Revaluation/ impairment of fixed assets		(816)		
Depreciation and write-offs of fixed assets	8,332	10,539	3,068	3,456
Valuation/ impairment of loans	(663,598)	(460,325)	(78,010)	(90,572)
Suspension of interest accruals	182,365	183,080	63,146	31,564
Other temporary differences	16,940	3,319	64	(6,759)
Provision for voluntary separation scheme	(50,570)		(50,570)	
Employee defined benefit obligations	22,084	(14,017)	(195)	(386)
Valuation of derivatives	12,546	(13,090)	944	(1,206)
Effective interest rate	(582)	1,646	(252)	454
Fair value change of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,039)	1,488	(839)	(212)
Valuation of investments in subsidiaries due to hedging	1,754	(975)	244	376
Tax losses carried forward	(56,553)	(94,016)	(222)	19,357
Fair value change/impairment of bonds and other securities	5,462	(13,060)	(7,721)	15,336
Total	**(495,900)**	**(611,578)**	**(60,357)**	**(18,606)**

The amounts of 30.9.2013 include the effect from the change in the income tax rate from 20% to 26%.

According to Law 4303/17.10.2014, article 5, "Ratification of the Legislative Act "Emergency legislation to replenish the General Secretary of Revenue upon early termination of office" (A 136) and other provisions", deferred tax assets that have been or will be recognized and are due to debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, with respect to existing amounts up to 31 December 2014, are converted into final and settled claims against the State, if, the accounting result for the period, after taxes, is a loss, according to the audited and approved financial statements by the Ordinary Shareholders' General Meeting. The amount is determined by multiplying the above deferred tax asset with a ratio that represents the accounting loss after tax of the period as a percentage of total equity as shown in the annual financial statements, excluding the accounting loss for the period.

This claim arises at the time that the financial statements are approved and is netted off against the relevant income tax. When the amount of income tax is not sufficient to cover the tax credit, then, a tax receivable is created. In addition, a special reserve equal to 110% of the above tax credit is recorded as well as (free) offer warrant to the State that will result from the capitalization of the abovementioned reserve. These securities are freely transferable and within reasonable period from the date of issue, the shareholders have a call option right based on the proportions of their participation in the share capital at the time of issue of the securities.

The inclusion in the Law is implemented by the Shareholders' General Meeting, concerns tax assets created from 2016 onwards, whereas it is envisaged the end of inclusion in the Law with the same procedure and after obtaining relevant approval from the Supervisory Authority.

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

	From 1 January to			
	30.9.2014		30.9.2013	
	%		%	
Profit/(loss) before income tax		**(282,274)**		**2,599,383**
Income tax (nominal tax rate)	26	(73,391)	26	675,840
Increase/(decrease) due to:				
Non taxable income	0.34	(963)	(0.02)	(485)
Non deductible expenses	(1.33)	3,744	0.33	8,655
Negative goodwill from the acquisition of Emporiki Bank not subject to tax			(32.97)	(856,887)
Effect of changes in tax rates used for deferred tax			(15.82)	(411,118)
Other temporary differences	1.15	(3,256)	(1.06)	(27,583)
Total	**26.16**	**(73,866)**	**(23.54)**	**(611,578)**
Deferred tax asset from impairment/valuation of Emporiki Bank's loans that were not recognized in previous year		(422,034)		
Income tax		**(495,900)**		

	From 1 July to			
	30.9.2014		30.9.2013	
	%		%	
Profit/(loss) before income tax		**(219,622)**		**(149,344)**
Income tax (nominal tax rate)	26	(57,101)	26	(38,829)
Increase/(decrease) due to:				
Non taxable income	0.24	(532)	0.08	(117)
Non deductible expenses	(0.42)	915	(0.27)	403
Other temporary differences	1.66	(3,639)	(13.35)	19,937
Income tax (effective tax rate)	**27.48**	**(60,357)**	**12.46**	**(18,606)**

Income tax of comprehensive income recognized directly in Equity

	From 1 January to					
	30.9.2014			30.9.2013		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified in the Income Statement						
Change in available for sale securities' reserve	37,662	(9,791)	27,871	226,245	(59,467)	166,778
Change in cash flow hedge reserve	(147,677)	38,396	(109,281)	126,610	(32,919)	93,691
Tax rate adjustments Law 4110/2013					15,230	15,230
Amounts that will not reclassified in the Income Statement						
Tax rate adjustments Law 4110/2013					1,901	1,901
Total	**(110,015)**	**28,605**	**(81,410)**	**352,855**	**(75,255)**	**277,600**

	From 1 July to					
	30.9.2014			30.9.2013		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified in the Income Statement						
Change in available for sale securities' reserve	(165,504)	43,032	(122,472)	131,400	(35,004)	96,396
Change in cash flow hedge reserve	(48,117)	12,510	(35,607)	29,130	(7,574)	21,556
Tax rate adjustments Law 4110/2013						
Amounts that will not reclassified in the Income Statement						
Tax rate adjustments Law 4110/2013						
Total	**(213,621)**	**55,542**	**(158,079)**	**160,530**	**(42,578)**	**117,952**

During the nine month period of 2014, in "Retained earnings", there is a deferred tax liability of € 12,564 that was recorded as a result from the share capital increase costs which was recorded in the same account and relate to the share capital increase which was completed during the reporting period (note 13).

The respective amount for the nine month period of 2013 was € 57,475.

4. Earnings/(Losses) per share

a. Basic

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

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

i. The post-tax amount of any preference dividends on non-cumulative preference shares declared in respect of the period and

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

The Bank has issued non-cumulative preference shares, according to Law 3723/2008, which were repaid on 17.4.2014.

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Bank does not have dilutive potential ordinary shares and additionally, based on the issuance terms of the preference shares possessed up to 17.4.2014 and the convertible bond loan with Credit Agricole S.A., basic and dilutive earnings/(losses) per share should not differ.

	From 1 January to		From 1 July to	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Profit/(loss) attributable to equity owners of the Bank	213,626	3,210,961	(159,265)	(130,738)
Weighted average number of outstanding ordinary shares	12,187,487,584	5,196,573,367	12,769,059,858	10,922,906,012
Basic and diluted earnings/(losses) per share (in €)	0.02	0.62	(0.01)	(0.01)

The weighted average number of ordinary shares, on 30.9.2014, is calculated based on the days during which the ordinary shares are in issue compared to the total number of days of the reporting period, taking into account the new total number of ordinary shares resulting from the share capital increase of Bank on 28.3.2014 (note 13)

ASSETS

5. Loans and advances to customers

	30.9.2014	31.12.2013
Individuals:		
Mortgages		
- Non-Securitized	16,877,338	16,680,013
- Securitized		99,096
Consumer:		
- Non-Securitized	3,103,154	3,147,784
- Securitized	1,468,697	1,319,169
Credit cards:		
- Non-Securitized	529,531	464,973
- Securitized	591,618	471,800
Other	5,779	13,765
Total	**22,576,117**	**22,196,600**
Companies:		
Corporate loans:		
- Non-Securitized	25,434,267	25,705,409
- Securitized	1,374,293	1,480,643
Other receivables	268,894	413,204
	49,653,571	**49,795,856**
Less:		
Allowance for impairment losses [1]	(6,645,698)	(5,559,391)
Total	**43,007,873**	**44,236,465**

The Bank has proceeded in securitizing consumer, corporate loans, mortgage loans, credit cards and finance leases through special purpose entities controlled by them.

The amount of € 99,096 as of 31.12.2013 refers to securitized mortgage loans of Emporiki Bank. The transaction was withdrawn on 24.2.2014 after the exercise of the respective option of the Bank.

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

The Bank has proceeded with the direct issuance of covered bonds, secured by mortgage loans. As of 30.9.2014, the balance of the covered bonds amounts to € 3.7 billion and the book value of mortgage loans provided as coverage for the above mentioned bonds amounted to € 4.6 billion.

[1] *In addition to the allowance for impairment losses and advances to customers, a provision of € 265,419 (31.12.2013: € 193,343) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to € 6,911,117 (31.12.2013: € 5,752,734).*

Allowance for impairment losses

Balance 1.1.2013	**3,607,221**
Changes for the period 1.1 - 30.9.2013	
Impairment losses for the period (note 2)	1,269,009
Change in present value of the allowance account	237,130
Foreign exchange differences	271
Loans written-off during the period	(32,168)
Balance 30.9.2013	**5,081,463**
Changes for the period 1.10 - 31.12.2013	
Impairment losses for the period	219,667
Change in present value of the allowance account	97,891
Foreign exchange differences	1,821
Other adjustments for credit risk	174,416
Loans written-off during the period	(15,867)
Balance 31.12.2013	**5,559,391**
Changes for the period 1.1 - 30.9.2014	
Impairment losses for the period (note 2)	764,042
Change in present value of the allowance account	341,521
Foreign exchange differences	78
Loans written-off during the period	(19,334)
Balance 30.9.2014	**6,645,698**

6. Investment securities

a. Held for trading securities

Securities held for trading amounted to € 10.4 million on 30.9.2014 (31.12.2013: € 7 million) of which Greek Government Bonds € 10.4 million (31.12.2013: € 6.5 million).

b. Available for sale

The available for sale portfolio amounts to € 4 billion as at 30.9.2014 (31.12.2013: € 4.4 billion). This amount includes securities issued by the Greek State that amount to € 2.8 billion as at 30.9.2014 (31.12.2013: € 3.3 billion) out of which € 1.2 billion (31.12.2013: € 2.5 billion) relate to Greek Government treasury bills. On 11.9.2014 the Bank participated in the exchange offer of Greek Government treasury bills with Greek Government Bonds with three and five years maturity. Specifically, the Bank exchanged Greek Government treasury bills of total nominal value of € 367 million with a bond of nominal value of € 104.2 million maturing on 17.7.2017 and a bond of nominal value of € 250.8 million maturing on 17.4.2019.

c. Held to maturity

The held to maturity portfolio amounts to € 94.4 million as at 30.9.2014 (31.12.2013: € 1 billion). The Greek Government bond of € 0.9 billion that was transferred to the Bank's ownership for the issuance of the preference shares of the Greek state according to Law 3723/2008, matured on 21.5.2014.

d. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (E.F.S.F.) at a nominal value of € 3,960,544 received by the Bank as a result of the share capital increase which was completed on 6.6.2013 and of nominal value of € 284,628 which were transferred to the Bank from the Hellenic Financial Stability Fund for the undertaking of customer deposits from the former Cooperative Banks of West Macedonia, Evia and Dodecanese in December 2013. The total carrying amount of these bonds as at 30.9.2014 amounted to € 4.3 billion (31.12.2013: € 4.3 billion).

e. Exposure to the peripheral eurozone countries debt

The Bank holds in its available for sale portfolio, a bond of Cyprus Popular Bank (senior term) with a book value of € 1.6 million after impairment of € 31.8 million recognized in 2013 income statement.

As at 30.9.2014 the Bank had no exposure to bonds issued by Italy, Spain, Portugal and Ireland.

7. Investment property

	Land and Buildings
Balance 1.1.2013	
Cost	41,076
Accumulated depreciation and impairment losses	(9,393)
1.1.2013 - 30.9.2013	
Net book value 1.1.2013	31,683
Additions	409
Depreciation for the period	(271)
Net book value 30.9.2013	**31,821**
Balance 30.9.2013	
Cost	41,485
Accumulated depreciation and impairment losses	(9,664)
1.10.2013 - 31.12.2013	
Net book value 1.10.2013	31,821
Additions	2
Impairments	(3,526)
Depreciation for the period	(92)
Net book value 31.12.2013	**28,205**
Balance 31.12.2013	
Cost	41,487
Accumulated depreciation and impairment losses	(13,282)
1.1.2014 - 30.9.2014	
Net book value 1.1.2014	28,205
Reclassification from "Property, plant and equipment"	2,659
Reclassification from "Assets held for sale"	984
Depreciation for the period	(279)
Net book value 30.9.2014	**31,569**
Balance 30.9.2014	
Cost	45,207
Accumulated depreciation and impairment losses	(13,638)

8. Property, plant and equipment

	Land and buildings	Leased equipment	Equipment	Total
Balance 1.1.2013				
Cost	812,090	39	360,448	1,172,577
Accumulated depreciation and impairment losses	(260,014)	(6)	(315,563)	(575,583)
1.1.2013 -30.9.2013				
Net book value 1.1.2013	552,076	33	44,885	596,994
Additions	5,846	745	7,691	14,282
Disposals/write-offs	(11,063)		(342)	(11,405)
Reclassifications	795			795
Reclassification from "Equipment" to "Land and buildings"	18		(18)	-
Additions from the acquisition of Emporiki Bank	188,675		16,534	205,209
Depreciation for the period	(13,900)	(3)	(9,591)	(23,494)
Net book value 30.9.2013	**722,447**	**775**	**59,159**	**782,381**
Balance 30.9.2013				
Cost	995,242	784	377,715	1,373,741
Accumulated depreciation and impairment losses	(272,795)	(9)	(318,556)	(591,360)
1.10.2013-31.12.2013				
Net book value 1.10.2013	722,447	775	59,159	782,381
Additions	5,248		1,425	6,673
Impairments	(15,922)			(15,922)
Disposals/write-offs	(2,195)		(21)	(2,216)
Reclassifications	(6,640)			(6,640)
Depreciation for the period	(6,156)	(27)	(3,794)	(9,977)
Net book value 31.12.2013	**696,782**	**748**	**56,769**	**754,299**
Balance 31.12.2013				
Cost	986,066	784	378,803	1,365,653
Accumulated depreciation and impairment losses	(289,284)	(36)	(322,034)	(611,354)
1.1.2014-30.9.2014				
Net book value 1.1.2014	696,782	748	56,769	754,299
Additions	8,696		7,004	15,700
Disposals/write-offs	(3,576)		(265)	(3,841)
Reclassification to "Investment property"	(2,659)			(2,659)
Additions from the acquisition of Citibank (note 21)	37			37
Depreciation for the period	(15,147)	(81)	(10,558)	(25,786)
Net book value 30.9.2014	**684,133**	**667**	**52,950**	**737,750**
Balance 30.9.2014				
Cost	982,685	784	382,021	1,365,490
Accumulated depreciation and impairment losses	(298,552)	(117)	(329,071)	(627,740)

9. Goodwill and other intangible assets

	Software	Goodwill	Other	Total
Balance 1.1.2013				
Cost	291,987	1,785	69	293,841
Accumulated amortization and impairment losses	(198,577)	(1,785)	(50)	(200,412)
1.1.2013 - 30.9.2013				
Net book value 1.1.2013	93,410		19	93,429
Additions	29,911			29,911
Additions from the acquisition of Emporiki Bank	23,388		46,100	69,488
Disposals/write-offs	(2,727)			(2,727)
Amortization charge for the period	(7,085)		(1,929)	(9,014)
Net book value 30.9.2013	**136,897**	**-**	**44,190**	**181,087**
Balance 30.9.2013				
Cost	342,255	1,785	46,169	390,209
Accumulated amortization and impairment losses	(205,358)	(1,785)	(1,979)	(209,122)
1.10.2013 - 31.12.2013				
Net book value 1.10.2013	136,897		44,190	181,087
Additions	10,619			10,619
Additions from acquisitions of Cooperative Banks			9,094	9,094
Disposals/write-offs	776			776
Amortization charge for the period	(3,586)		(1,923)	(5,509)
Net book value 31.12.2013	**144,706**	**-**	**51,361**	**196,067**
Balance 31.12.2013				
Cost	352,865	1,785	55,263	409,913
Accumulated amortization and impairment losses	(208,159)	(1,785)	(3,902)	(213,846)
1.1.2014 - 30.9.2014				
Net book value 1.1.2014	144,706		51,361	196,067
Additions	18,740			18,740
Additions from the acquisition of Citibank (note 21)			60,423	60,423
Amortization charge for the period	(10,067)		(9,180)	(19,247)
Net book value 30.9.2014	**153,379**	**-**	**102,604**	**255,983**
Balance 30.9.2014				
Cost	371,605	1,785	115,686	489,076
Accumulated amortization and impairment losses	(218,226)	(1,785)	(13,082)	(233,093)

An amount of € 60.4 million derives from the acquisition of Retail Banking operations of Citibank and concerns the recognition of an intangible asset as a temporary estimation of the value to be attributed to the customer relationships of the wealth management sector and the acquired deposit base (note 21).

LIABILITIES

10. Due to banks

	30.9.2014	31.12.2013
Deposits:		
- Current accounts	97,912	60,894
- Term deposits		
Central Banks	12,618,806	17,177,209
Other credit institutions	1,180,738	834,858
Cash collateral for derivative margin accounts	149,621	27,628
Sale of repurchase agreements (Repos)	1,691,086	857,589
Borrowing funds	246,839	397,151
Total	**15,985,002**	**19,355,329**

11. Debt securities in issue and other borrowed funds

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

Under the programme for the enhancement of the Greek economy's liquidity, according to Law 3723/2008, as at 30.09.2014, the total balance of senior debt securities guaranteed by the Greek State amounts to € 8.2 billion (31.12.2013: € 9.8 billion).

During the period the Bank proceeded in issuing the following senior debt securities with a floating interest rate of three month Euribor plus a spread of 12%:

- On 17.2.2014, issued bond amounting to € 950 million maturing on 17.3.2015.
- On 15.5.2014, issued bond amounting to € 2.6 billion which matured on 15.8.2014.
- On 16.6.2014, issued bond amounting to € 2.3 billion which matured on 16.9.2014.
- On 13.8.2014, issued bond amounting to € 1.6 billion maturing on 13.11.2014.
- On 9.9.2014, issued bond amounting to € 2 billion maturing on 9.3.2015.

During the period, bonds guaranteed by the Greek State of notional amount of € 11.1 billion which had been issued under the Pillar II of the Programme for the Enhancement of the Greek Economy's Liquidity, matured.

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

ii. Covered bonds [1]

Covered bonds issued by the Bank as at 30.9.2014 amounts to € 3.7 billion.

Covered bonds are not included in caption "Debt securities in issue and other borrowed funds" as the corresponding securities are held by the Bank.

iii. Short term securities

Balance 1.1.2014	**37,521**
Changes for the period 1.1 - 30.9.2014	
New issues	101,329
Maturities/Redemptions	(111,058)
Accrued interest	655
Foreign exchange differences	2,820
Balance 30.9.2014	**31,267**

[1] *Financial disclosures regarding covered bond issues, as determined by the 2620/28.08.2009 directive of Bank of Greece are published at the Bank's website.*

The amount of "new issues" consists of the following:

- On 12.3.2014, the Bank issued short term securities of nominal value of USD 5 million and USD 45 million which matured on 14.4.2014 and 11.6.2014 respectively.
- On 12.6.2014, the Bank issued short term securities of nominal value of USD 5 million and USD 37.8 million which matured on 10.7.2014 and 10.9.2014 respectively.
- On 11.7.2014, the Bank issued short term securities of nominal value USD 3.5 million and USD 1.5 million which matured on 11.8.2014 and 10.9.2014 respectively.
- On 11.9.2014, the Bank issued short term securities of nominal value of USD 2.5 million and USD 37 million maturing on 9.10.2014 and 10.12.2014 respectively.

On 30.9.2014, the total balance of short term securities amounts to USD 39.5 million.

During the period, short term securities of nominal value of USD 149.8 million matured.

iv. Senior debt securities

Balance 1.1.2014	**1,067,285**
Changes for the period 1.1 - 30.9.2014	
New issues	499,012
Maturities/Redemptions	(136,546)
Change in fair value	2,723
Accrued interest	22,506
Foreign exchange differences	224
Balance 30.9.2014	**1,455,204**

The amount of "new issues" consists of the following:

- On 17.6.2014, the Bank issued senior debt securities of nominal value of €500 million with three-year maturity and a fixed annual interest rate of 3.375%.
- On 21.8.2014, the Bank issued senior debt securities of nominal value of USD 3 million with ten-year maturity, a step-up annual interest rate of 4.6% and annual increase of 20 basis points.

v. Securitization of mortgage loans

Balance 1.1.2014	**26,917**
Maturities/Redemptions	(27,383)
Accrued interest	466
Balance 30.9.2014	**-**

These obligations occurred after the acquisition of Emporiki Bank and refer to the special purpose entity Lithos Mortgage Financing Plc. The transaction was recalled on 24.2.2014 after the exercise of the respective option of the Bank.

Additional liabilities arising from the securitisation of consumer loans, corporate loans and credit cards are not included in "Debt securities in issue and other borrowed funds" since these securities amounting to a nominal value €3.7 billion, were issued by special purpose entities, held by the Bank.

vi. Subordinated debt

Balance 1.1.2014	**88,625**
Changes for the period 1.1 - 30.9.2014	
Accrued interest	(3)
Balance 30.9.2014	**88,622**

vii. Hybrid securities

Balance 1.1.2014	**35,497**
Changes for the period 1.1 - 30.9.2014	
Maturities/Redemptions	(3,700)
Accrued interest	(6)
Balance 30.9.2014	**31,791**

On 21.5.2014 an amount of € 3.7 million of nominal value from the CMS Hybrid Security (ISIN:DE000A0DX3M2) without interest step up clause has been cancelled.

Since the requirement for non existence of distributable funds for 2013 is fulfilled, on 17.1.2014 the non payment of dividend for the CMS hybrid security (ISIN: DE000A0DX3M2) which does not have an interest step up clause was announced for 18.2.2014.

viii. Convertible bond loan

Balance 1.1.2014	**39,600**
Changes for the period 1.1 - 30.9.2014	
Change in fair value	25,000
Balance 30.9.2014	**64,600**

The increase in the liability of the convertible bond amounting to € 25 million was recognized in gain less losses on financial transactions.

Total debt securities in issue and other borrowed funds on 30.9.2014	**1,671,484**

12. Provisions

Balance 1.1.2013	**30,173**
Changes for the period 1.1 - 30.9.2013	
Reversal of other provisions	(339)
Other provisions	61
Other provisions used during the period	(2,888)
Provisions to cover credit risk relating to off-balance sheet items (note 2)	15,882
Provisions to cover credit risk relating to off-balance sheet items from the acquisition of Emporiki Bank	37,423
Other provisions from the acquisition of Emporiki Bank	194,982
Reclassification to "Loans and advance to customers" and "Other assets"	(143,910)
Balance 30.9.2013	**131,384**
Changes for the period 1.10 - 31.12.2013	
Reversal of other provisions	(49)
Write-offs	(1,478)
Other provisions	213
Other provisions used during the period	(129)
Provisions to cover credit risk relating to off-balance sheet items	129,367
Reclassification to "Loans and advance to customers" and "Other assets"	(363)
Balance 31.12.2013	**258,945**
Changes for the period 1.1 - 30.9.2014	
Other provisions	56
Other provisions used during the period	(2,844)
Reclassification to "Other liabilities"	(9,807)
Provisions to cover credit risk relating to off-balance sheet items (note 2)	72,076
Provision for voluntary separation scheme	194,500
Other provisions from the acquisition of Retail Banking operations of Citibank	117
Balance 30.9.2014	**513,043**

- The amounts of other provisions charged to profit and loss account is included in the account "Other expenses" of the income statement.

  On 30.9.2014 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 265.4 million and other provisions to € 53.1 million out of which € 27.2 million concerns legal cases.

- The Bank prepared a voluntary separation scheme for their employees in Greece, in order to achieve substantial benefits to operating costs, as provided in the approved Restructuring Plan of the Bank by the European Competition Committee. Upon receiving the relevant approvals from the Financial Stability Fund and its Board of Directors, the Bank has set the date for commencement of the Scheme on 15.9.2014 with acceptance period until 3.10.2014.The Scheme addressed to all employees of the Bank in Greece for a target up to 2,300 employees to leave. The employees were divided into seven age groups which receive 100% of the statutory compensation, plus incentives which depends on the age and increases for the population outside urban centers of Athens and Thessaloniki. This design aims to maximize separations where the greater overlap occurs and there is a reduced possibility of utilization within the Group.

  Since the Bank reserved the right to evaluate and approve submitted by personnel requests to participate in the scheme, the financial statements of 30.9.2014 assessed the cost of the scheme, which amounted to € 194.5 million and recognized an equal provision in the balance sheet against period's income statement.

EQUITY

13. Share capital, Share premium and Retained earnings

a. Share capital

The Bank's share capital as at 30.9.2014 is analyzed as follows:

		Changes for the period from 1.1. to 30.9.2014 (units)				
	Opening balance of shares as at 1.1.2014	Share capital increase	Warrants exercise	Repayment of preference shares	Balance of shares as at 30.9.2014	Paid-in capital as at 30.9.2014
a. Ordinary shares						
Number of ordinary shares	1,997,638,231		451,179,721		2,448,817,952	734,645
Number of ordinary shares owned by the Hellenic Financial Stability Fund	8,925,267,781		(451,179,721)		8,474,088,060	2,542,227
Share capital increase		1,846,153,846			1,846,153,846	553,846
Balance 30.9.2014	**10,922,906,012**	**1,846,153,846**			**12,769,059,858**	**3,830,718**
b. Preference shares						
Number of preference shares	200,000,000			(200,000,000)	-	-
Total	**11,122,906,012**	**1,846,153,846**		**(200,000,000)**	**12,769,059,858**	**3,830,718**

On 28.3.2014 the share capital increase of the Bank was completed through payment in cash, cancelation of pre-emption rights of existing ordinary and preference shares and distribution of all new shares through a private placement to qualified investors, as specified in article 2 paragraph 1 of Law 3401/2005. An amount of € 1.2 billion was raised through the increase while the share capital increased by € 553.8 million. A total amount of 1,846,153,846 new ordinary shares with voting right were registered and issued of par value € 0.30 and a offer price of € 0.65 each.

The share capital increase intended, among other things, to create the conditions for satisfaction of the terms of Law 3723/2008 for the repayment of preference shares issued by the Bank and owned by the Hellenic Republic and its replacement with high quality capital.

On 17.4.2014, the Bank fully redeemed to the Hellenic Republic the total amount of preference shares of Euro 940 million, issued to the latter by the Bank.

On 16.6.2014 under the procedures of the exercise of warrants on the shares of bank and holder of EFSF, 60,899,318 warrants which accounted for 451,179,721 ordinary shares, brought by ordinary shareholders, resulting in increased shares in circulation.

Thus, on 30.9.2014 the Bank's share capital amounts to € 3,830,718, divided to 12,769,059,858 shares, out of which:

a) 4,294,971,798 ordinary, registered, voting, non-paper shares of nominal value of € 0.30 each and

b) 8,474,088,060 ordinary, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non paper shares owned by the Hellenic Financial Stability Fund of nominal value of € 0.30 each.

b. Share premium

At 28.3.2014 after the share capital increase and the issuance of 1,846,153,846 new ordinary shares with a nominal amount of € 0.30 and an offer price of € 0.65, the total difference of € 646.2 between the nominal value and the shares' offer price increased the caption "Share Premium".

c. Retained earnings

a) Since the Bank has no distributable profits for 2013 and in accordance with article 44a of Codified Law 2190/1920 the Ordinary General Meeting of Shareholders on 27.6.2014 decided:

- the non payment to the Greek State of the respective return for 2013 on its preference shares under article 1 paragraph 3 of Law 3723/2008 and
- the non-distribution of dividends to ordinary shareholders of the Bank for 2013.

b) The caption "Retained Earnings" as of 30.9.2014 includes expenses concerning the share capital increase, which are referred to note 13a, amounting to € 35.8 net of tax.

ADDITIONAL INFORMATION

14. Contingent liabilities and commitments

a. Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. According to the estimations of the legal department, the ultimate settlement of these matters is not expected to have a material effect on the financial position or operations of the Bank.

The Bank on 30.9.2014 has recorded a provision for pending legal cases amounting to € 27.2 million which is included in the caption "Provisions" in Balance Sheet.

b. Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009. The year 2011 is considered final while a tax compliance report with no qualifications was issued for 2012 and 2013. Former Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. The year 2011 is considered final while a tax compliance report with no qualifications was issued for 2012 and 2013.

The Bank's branches in London and Bulgaria have been audited by the tax authorities for the years 2011 and 2007 respectively. Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations (2011).

Additional taxes and penalties may be imposed for the unaudited years due to the fact that some expenses may not be recognized as deductible by the tax authorities.

c. Operating leases

The Bank as lessee

The Bank has various obligations with respect to leases of buildings which are used as branches or for administrative purposes.

The duration of the lease agreements is initially for twelve years with a renewal or extension option according to the lease agreements. The policy of the Bank is to renew these contracts.

The minimum future lease payments are:

	30.9.2014	31.12.2013
Less than one year	34,502	37,630
Between one and five years	103,412	110,500
More than five years	101,551	125,967
Total	**239,465**	**274,097**

The total lease expenses for the nine month period of 2014 relating to rental of buildings amounted to € 26,479 (nine month period of 2013: € 22,806) and are included in "General administrative expenses".

The Bank as a lessor

The Bank's receivables from leases relate to leases from buildings either to group companies or third parties.

The minimum future lease fees are:

	30.9.2014	31.12.2013
Less than one year	3,063	2,548
Between one and five years	7,192	4,640
More than five years	7,769	2,571
Total	**18,024**	**9,759**

The lease revenues for the nine month period of 2014 amounted to € 2,385 (nine month period of 2013: € 1,668) are included in "Other income".

d. Off balance sheet liabilities

The Bank pursuant to its normal operations, is bound by contractual commitments, that in the future may result to changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee, undrawn credit facilities and credit limits, as well as guarantees provided for bonds issued by subsidiaries and other guarantees to subsidiaries.

In addition, contingent liabilities for the Bank arise from undrawn loan commitments and credit limits that may not be fulfilled immediately or may be partly fulfilled as long as the agreed upon requirements are fulfilled by counterparties.

The outstanding balances are as follows:

	30.9.2014	31.12.2013
Letters of credit	41,394	42,029
Letters of guarantee and other guarantees	4,458,786	6,200,228
Guarantees relating to bonds issued by subsidiaries of the Bank	1,990,552	1,635,190

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods locally or abroad, by undertaking the direct payment on behalf of the third party bound by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 30.9.2014 amounts to € 248.5 million (31.12.2013: € 279.2 million) and are included in the calculation of risk weighted assets.

e) Assets pledged

Assets pledged, amounting to € 18.4 billion as at 30.9.2014 include:

- Deposits pledged amounting to € 0.2 billion concerning guarantees granted and provided for on behalf of the Hellenic Republic.
- Deposits pledged to credit institutions amounting to € 1.2 billion which have been provided as guarantee for derivative transactions.
- Loans and advances to customers amounting to € 7 billion of which:
  - i. an amount of € 4.8 billion has been pledged as collateral to Central Banks for liquidity purposes.
  - ii. an amount of € 2.2 billion has been granted as collateral to the Hellenic Republic in order for the Bank to receive securities issued by the Hellenic Republic amounting to € 1.6 billion in accordance with Law 3723/2008.
- Securities held for trading and investment securities amounting to € 10 billion of which:
  - i. an amount of € 2.2 billion that is part of the € 3.7 billion covered bond issue secured by mortgage loans amounting to € 4.6 billion, is pledged as collateral in repo transactions.
  - ii. an amount of € 3.6 billion relates to Greek Government Bonds and other issuers' bonds of which € 3.3 billion is pledged as collateral in Central Banks for participation in main refinancing operations, in the Bank of Greece for participation in the TARGET system (Intra-Europe clearing of payments system on ongoing time), in the Athens Derivatives Exchange Clearing House and in the European Investment Bank and € 0.3 billion is pledged as collateral in repo transactions.
  - iii. an amount of € 4.2 billion relates to securities issued by the European Financial Stability Facility (EFSF), that the Bank received by the HFSF in the context of a) its participation to the Bank's share capital increase that was completed on 6.6.2013 and b) due to the coverage of the difference between the values of assets and liabilities transferred from Cooperative Banks, of which an amount of € 4 billion is pledged as collateral to Central Banks for participation in main refinancing operations and an amount of € 0.2 billion is pledged as collateral in repo transactions.

In addition, an amount of € 8.2 billion that relates to securities issued with the guarantee of the Hellenic Republic in accordance with Law 3723/2008 which are held by the Bank is pledged as collateral to Central Banks for participation in main refinancing operations.

15. Operating segments

(Amounts in million of Euro)

	1.1 - 30.9.2014						
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Total
Net interest income	601.1	501.8	1.6	21.2	23.0		1,148.7
Net fee and commission income	112.7	111.7	18.7	1.1	4.6		248.8
Other income	4.1	4.5	0.6	72.5	3.7	41.7	127.1
Total income	**717.9**	**618.0**	**20.9**	**94.8**	**31.3**	**41.7**	**1,524.6**
Total expense	**(594.9)**	**(107.3)**	**(13.6)**	**(13.9)**	**(24.7)**	**(34.6)**	**(789.0)**
Impairment losses	(254.3)	(563.6)			(5.5)		(823.4)
Provision for voluntary separation scheme						(194.5)	(194.5)
Profit/(loss) before income tax	**(131.3)**	**(52.9)**	**7.3**	**80.9**	**1.1**	**(187.4)**	**(282.3)**
Income tax							495.9
Profit/(loss) after income tax	**(131.3)**	**(52.9)**	**7.3**	**80.9**	**1.1**	**(187.4)**	**213.6**
Assets 30.9.2014	29,120.5	16,044.7	115.8	14,714.5	754.8	6,118.6	66,868.9
Liabilities 30.9.2014	30,743.1	7,189.4	1,471.9	18,940.2	576.6	443.9	59,365.1

Total expenses include expenses relating to mergers amounting to € 10.2 million.

In addition in the context of operating integrations the Bank made capital expenditure of € 6.8 million.

(Amounts in million of Euro)

	1.1 - 30.9.2013						
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Total
Net interest income	509.1	389.4	(0.9)	(118.9)	27.0		805.7
Net fee and commission income	89.9	81.5	14.0	(5.3)	3.6		183.7
Other income	3.8	4.9	1.0	66.0	0.4	132.6	208.7
Total income	**602.8**	**475.8**	**14.1**	**(58.2)**	**31.0**	**132.6**	**1,198.1**
Total expense	**(450.6)**	**(92.9)**	**(10.6)**	**(11.4)**	**(25.1)**	**(35.1)**	**(625.7)**
Impairment losses	(712.2)	(542.2)			(14.3)		(1,268.7)
Negative goodwill from the acquisition of Emporiki Bank						3,295.7	3,295.7
Profit/(loss) before income tax	**(560.0)**	**(159.3)**	**3.5**	**(69.6)**	**(8.4)**	**3,393.2**	**2,599.4**
Income tax						611.6	611.6
Profit/(loss) after income tax	**(560.0)**	**(159.3)**	**3.5**	**(69.6)**	**(8.4)**	**4,004.8**	**3,211.0**
Assets 31.12.2013	29,499.1	16,800.2	147.7	15,660.1	758.0	5,237.9	68,103.0
Liabilities 31.12.2013	30,357.7	6,687.1	1,468.9	21,715.7	541.2	185.1	60,955.7

i. Retail

Includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad, except from South-Eastern Europe countries.

The Bank, 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 of the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division and shipping corporations operating in Greece. The Bank offers working capital facilities, corporate loans, and letters of guarantee of the above customers.

iii. Asset Management/Insurance

Consists of a wide range of asset management services offered through the Bank's private banking units. In addition, it includes commissions received from the sale of a wide range of insurance products to individuals and companies

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. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South Eastern Europe

Consists of the Bank's branches operating in South Eastern Europe

vi. Other

This segment consists of the Bank's administration section and the Bank's income and expenses that are not related to its operating activities or that are not repetitive and are due to external factors.

16. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	30.9.2014		31.12.2013	
	Fair value	Carrying amount	Fair value	Carrying amount
Assets				
Loans and advances to customers	42,471,131	43,007,873	43,954,363	44,236,465
Investment securities				
- Held to maturity [(1)]	93,264	94,413	985,062	1,017,694
- Loans and receivables	4,386,409	4,311,279	4,333,574	4,308,556
Liabilities				
Due to customers	37,844,902	38,234,569	37,414,504	37,504,689
Debt securities in issue [(2)]	1,650,509	1,606,884	1,132,806	1,255,845

The table above presents the carrying amounts and fair values of financial assets and liabilities which are carried at amortized cost.

The fair value of loans is estimated based on the interbank market yield curves by adding a liquidity premium and spread per loan category and business unit for the expected loss. The fair value of deposits is estimated based on the interbank market yield curves by deducting customer's spread depending on the type of deposit. In both of these cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

The fair value of held to maturity securities and of debt securities in issue is calculated using market prices, as long as the market is active. In all other cases as well as for the loan portfolio, the discounted cash flows method is used and all significant variables are based either on observable market data or unobservable data.

The fair value of other financial assets and liabilities which are valued at amortized cost does not differ materially from the respective carrying amount.

[(1)] *On 31.12.2013 investment securities portfolio includes an amount of €891.6 million which relates to the security transferred to the Bank's ownership for the issuance of preference shares of the Greek State in the context of Law 3723/2008, which expired on 21.5.2014.*

[(2)] *Debt securities in issue do not include the convertible bond loan issued by the Bank in the context of the agreement with Credit Agricole S.A. regarding the acquisition of Emporiki Bank since this security is measured at fair value.*

Hierarchy of financial instruments measured at fair value

	30.9.2014			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	23,833	978,613	6	1,002,452
Securities held for trading				
- Bonds and treasury bills	10,380			10,380
Available for sale securities				
- Bonds and treasury bills	3,156,320	750,997	15,089	3,922,406
- Shares	15,543		16,366	31,909
- Other variable yield securities	11,802			11,802
Derivative financial liabilities	12	1,670,662	3,110	1,673,784
Debt securities in issue				
- Convertible bond		64,600		64,600

	31.12.2013			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	23,751	784,096	64	807,911
Securities held for trading				
- Bonds and treasury bills	7,001			7,001
Available for sale securities				
- Bonds and treasury bills	3,596,047	779,736	12,942	4,388,725
- Shares	19,810		17,912	37,722
- Other variable yield securities	23,129			23,129
Derivative financial liabilities	178	1,373,437	646	1,374,261
Debt securities in issue				
- Convertible bond		39,600		39,600

The tables above present the fair value hierarchy of financial instruments which are measured at fair value based on the inputs used for the fair value measurement.

Securities which are traded in an active market and exchange-traded derivatives are classified as Level 1.

The available for sale securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2. Level 3 classification includes the fair value of securities with complex cash flows, estimated using significant unobservable inputs, for which external market makers do not provide indicative prices in the market as well as securities traded in a market which is considered inactive due to lack of liquidity. The fair value of non listed shares, as well as of shares not traded in an active market is determined based on the estimations made by the Bank which relate to the future profitability of the issuer taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as a discount rate. Given that the above parameters are mainly non observable, the valuation of these shares is classified as Level 3.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. Valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified as Level 3 otherwise as Level 2.

The Bank recognizes the transfer between fair value hierarchy Levels at the end of the reporting period.

Within the period, € 9.8 million were transferred from Level 1 to Level 2 that relate to Greek corporate bonds, as the liquidity margin (bid-ask spread) moved above the limit set for the characterization of market as active.

The table below presents the valuation methods used for the measurement of Level 3 fair value:

	30.9.2014			
	Total fair value	Fair value	Valuation method	Significant non-observable inputs
Derivative Financial Assets	6	6	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	15,089	15,089	Based on issuer price	Price
Available for sale shares	16,366	16,366	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
Derivative Financial Liabilities	3,110	20	Discounted cash flows - Black Scholes valuation model with shares basket being the underlying instrument	Coefficient of variation and correlation coefficient between shares
		3,090	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends

For all financial instruments measured at fair value classified as Level 3 due to the limited exposure of the Bank on the specific financial instruments, a reasonable variation in non-observable inputs would not affect significantly the results of the Bank.

A reconciliation for the movement of financial instruments measured at fair value in Level 3 is depicted below.

	30.9.2014		
	Assets		Liabilities
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities
Opening balance 1.1.2014	**30,854**	**64**	**(646)**
Total gain or loss recognized in the income statement	831	(58)	(2,482)
Total gain or loss recognized directly in equity	2,424		
Purchases/Issues	206		
Sales/Repayments/Settlements	(3,574)		18
Transfers to Level 3 from Level 2	714		
Balance 30.9.2014	**31,455**	**6**	**3,110**
Amounts included in the income statement related to financial instruments included in the balance sheet at the end of the reporting period (1.1-30.9.2014)	853	(58)	(2,482)

During the period, the transfer to Level 3 from Level 2 of available for sale securities refers to securitized bond for which no observable inputs is used for valuation purposes.

	31.12.2013		
	Assets		Liabilities
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities
Opening balance 1.1.2013	**12,357**	**1,880**	**(4,022)**
Changes for the period 1.1 - 30.9.2013			
Total gain or loss recognized in the income statement	(11,106)	(799)	1,566
Total gain or loss recognized directly in equity	728		
Purchases/Issues	5,354		
Sales/Repayments/Settlements	(2,373)	(237)	282
Transfers to Level 3 from Level 1	2		
Transfers to Level 3 from Level 2	13,670		(2,425)
Transfers from Level 3 to Level 1	(1,549)		
Transfers from Level 3 to Level 2	(39)		
Balance 30.9.2013	**17,044**	**844**	**(4,599)**
Changes for the period 1.10 - 31.12.2013			
Total gain or loss recognized in the income statement	200	36	712
Total gain or loss recognized directly in equity	9,874		
Purchases/Issues	149		
Sales/Repayments/Settlements	(218)		
Transfers to Level 3 from Level 1	3,824		
Transfers to Level 3 from Level 2	1,602		2,425
Transfers from Level 3 to Level 2	(1,621)	(816)	816
Balance 31.12.2013	**30,854**	**64**	**(646)**
Amounts included in the income statement related to financial instruments included in the balance sheet at the end of the reporting period (1.1 - 30.9.2013)	(11,185)	(799)	1,566

17. The Bank's recapitalization framework

On 6.6.2013, the Bank completed the share capital increase in accordance with the decisions made by the second iterative Extraordinary General Meeting of 16.4.2013 and the Board of Directors meeting of 30.4.2013, based on the provisions of Law 3864/2010 amounting to € 4.571 billion, thus covering the capital needs of the Group, as determined by the Bank of Greece.

After the completion of the recapitalization, the Coordination Framework between the HFSF and the Bank was signed, which determines the relations between the parties and other issues, related to corporate governance of the Bank and the preparation of the Restructuring Plan.

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

On 7.3.2014, Alpha Bank's Board of Directors decided the invitation of the Extraordinary Meeting of Shareholders that was held on 28.3.2014 and the agenda included the share capital increase of a total amount of up to € 1.2 billion, through payment in cash and cancellation of pre-emption rights. The share capital increase intended to:

a) contribute to the creation of the conditions necessary to satisfy the provisions of Law 3723/2008 regarding the repayment of preferred shares issued by Bank and owned by the Greek State (article 1 of Law 3723/2008) and their replacement with high quality capital, a fact that will give greater flexibility to the Bank's dividend policy in the future,

b) meet requirements as defined by the results of the diagnostic assessment of the Bank of Greece,

c) improve the quality of the Bank's regulatory capital and accelerate its adaptation to the new regulatory framework of Basel III and

d) to facilitate the Bank's financing from international capital markets under the reinforced creditworthiness.

The share capital increase of the Bank amounting to € 1.2 billion was completed on 28.3.2014 through a private placement of qualified investors. On 17.4.2014, the Bank fully redeemed to the Hellenic Republic the total amount of preference shares of € 940 million, issued to the latter by the Bank.

Additionally it is noted that the assessment conducted by the European Central Bank was completed and according to the results announced on 26.10.2014 there are no capital requirements for the Bank.

18. Capital adequacy

The policy of the Bank is to maintain a strong capital base to ensure investors, creditors and market confidence and to sustain future development of the business.

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

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

The Bank's 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 Bank are determined by the Bank of Greece Governor's Acts.

The capital adequacy ratio compares the Bank's regulatory capital with the risks that it undertakes (risk weighted assets). Regulatory capital includes Tier I capital (share capital, reserves, non-controlling interests), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt, real estate properties revaluation reserves). Risk-weighted assets include the credit risk of the investment portfolio, the market risk of the trading book and operational risk.

From 1.1.2008 to 31.12.2013, calculation of the capital adequacy ratios was determined under the regulatory framework known as Basel II, which has been incorporated in the Greek legislation by Law 3601/2007 and several Acts of the Governor of Bank of Greece. These Acts were amended during 2010 in order to adopt the corresponding changes of EU Directives on risk management, own funds, capital adequacy and large exposures, and some of them were further amended during 2012. Since January 1, 2014 the above EU Directives have been repealed by virtue of EU Directive 2013/36/EU dated June 26, 2013 along with the EU Regulation 575/2013/EU, dated June 26, 2013 and effective as of January 1, 2014. The Directive and the Regulation gradually introduce the new capital adequacy framework (Basel III) of credit institutions.

As of 31.12.2013 with the effect of the new BoG Executive Committee Act 36/23.12.2013 the 20% limit on the deduction of deferred tax assets from Common Equity Tier I was abolished. From 1.1 to 31.12.2014, besides the 8% capital adequacy limit, new limits of 4.5% for Common Equity Tier I ratio and 6.0% for Tier I ratio were set according to the Regulation 575/2013 and the transitional provisions/ for the calculation of own funds as adopted by the Bank of Greece. These limits should be satisfied on a standalone and on a consolidated basis.

	30.9.2014 (estimate)	31.12.2013
Common Equity Tier I [1]	15.6%	16.3%
Tier I	15.6%	16.3%
Capital adequacy ratio	**15.8%**	**16.5%**

On 6.3.2014 the Bank of Greece announced the capital needs for the Greek banks, taking into account the expected losses as defined in the Baseline Scenario of the Blackrock Solutions assessment. The capital needs of Alpha Bank amounted to € 262 million. The amount of € 262 million was covered from the recent share capital increase of the Bank amounted to € 1.2 billion that was completed on March 2014, while on April 2014 the preference shares of Hellenic Republic were repaid.

On October 2014 Alpha Bank concluded the 2014 ECB Comprehensive Assessment ("CA") exceeding the CET1 hurdle rates 5.5% and 8% for the adverse and baseline scenarios for both static and dynamic assumptions with a safe margin ranging between € 1.3 and € 3.1 billion. This includes the

[1] On 31.12.2013 under PEE13/28.3.2013 of BoG, while 1.1.2014 the ratios have been calculated in accordance with Basel III.

results of the Asset Quality Review ("AQR"), the Stress Test and the "join-up" methodology. The AQR adjustment after tax to the 31.12.2013 CET1 was only 1.8% or Euro 942 million and it was mainly related to credit losses from loans and advances.

The above amount was calculated according to the methodology applied by the ECB, for the purposes of determining the capital requirements of the banks which participated in the Comprehensive Assessment.

The Bank has not been informed by the supervising authorities that the adjustments resulted from an incorrect application of International Accounting Standards.

The Bank, in the financial statements of 30.9.2014, has not changed its accounting policy regarding the recognition of impairment losses on loans and advances to customers as a result of the AQR.

However, the Bank reassesses its estimates and judgments in order to take into account current conditions as well as possible improvements in the particular parameters used for monitoring and managing risks.

Additional management actions not incorporated in the adverse static scenario provide further cushions to our capital position:

- 50 bps arising from the capital increase which concluded in March 2014 and the subsequent repayment of the Hellenic Republic's preference shares, further enhancing the quality of capital,
- 204 bps positive effect from the implementation of Law 4303/2014 related to the conversion of DTAs to tax credits.

Comprehensive Assessment Summary [1]

	Reported [2]	Static		Dynamic	
	2013	2016		2015 [3]	2016
		Baseline	Adverse	Baseline	Adverse
CET1 (€mn)	8,211	7,216	4,189	7,694	5.013
RWAs (€mn)	51,754	52,261	51,918	57,764 [4]	59,316 [4]
CET1 (%)	15.9%	13.81%	8.07%	13.32%	8.45%
Hurdle rates		8.0%	5.5%	8.0%	5.5%
Capital surplus (€mn)		3,035	1,334	3,073	1,750
Capital surplus (bps)		581	257	532	295

19. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arm's length and are approved by the Bank's committees.

a. The outstanding balances of the Bank's transactions with key management personnel, which consist of members of the Board of Directors and the Bank's Executive Committee, their close family members and the entities controlled by them, as well as, the results related to those transactions are as follows:

	30.9.2014	31.12.2013
Assets		
Loans and advances to customers	**33,456**	**77,644**
Liabilities		
Due to customers	43,999	74,839
Employee defined benefit obligations	642	607
Total	**44,641**	**75,446**
Letters of guarantee and approved limits	**10,529**	**12,054**

(1) After AQR/Stress Test/Join Up, in accordance with the official notifications of ECB and EBA.

(2) The starting point of the Comprehensive Assessment is adapted to Basel III (in accordance with the methodology of EBA).

(3) As a final result is considered the lowest level of capital for a period of three (3) years, i.e. 31.12.2015.

(4) Based on European Banking Authority methodology and other related adjustments.

	From 1 January to	
	30.9.2014	30.9.2013
Income		
Interest and similar income	675	1,018
Fee and commission income	95	24
Total	**770**	**1,042**
Expenses		
Interest expense and similar charges	1,116	2,218
Fees paid to key management and close family members	2,476	2,655
Total	**3,592**	**4,873**

b. The outstanding balances with the Bank's subsidiaries, associates and joint ventures and the results related to these transactions are as follows:

i. Subsidiaries

	30.9.2014	31.12.2013
Assets		
Due from banks	3,553,021	3,376,298
Derivative financial assets	14,462	16,824
Loans and advances to customers	1,478,369	1,307,156
Available for sale securities	752,594	716,926
Other assets	1,585	2,637
Total	**5,800,031**	**5,419,841**
Liabilities		
Due to banks	502,418	354,299
Due to customers	84,450	478,519
Derivative financial liabilities	29,291	13,257
Debt securities in issue and other borrowed funds	1,735,325	1,402,376
Other liabilities	6,393	7,710
Total	**2,357,877**	**2,256,161**
Letters of guarantee and other guarantees	**456,323**	**524,101**

	From 1 January to	
	30.9.2014	30.9.2013
Income		
Interest and similar income	73,167	40,244
Fee and commission income	14,068	10,744
Gains less losses on financial transactions	22,749	(10,662)
Other income	2,982	1,627
Total	**112,966**	**41,953**
Expenses		
Interest expense and similar charges	20,441	58,080
Commission expense	1,356	2,067
General administrative expenses	15,600	17,087
Total	**37,397**	**77,234**

ii. Joint ventures

	30.9.2014	31.12.2013
Assets		
Loans and advances to customers	153,972	150,297
Liabilities		
Due to customers	6,558	8,357
Other liabilities	605	
Total	**7,163**	**8,357**

	From 1 January to	
	30.9.2014	30.9.2013
Income		
Interest and similar income	3,884	3,858
Fee and commission income	3	10
Other income	21	20
Total	**3,908**	**3,888**
Expenses		
Interest expense and similar charges	70	253
General administrative expenses	4,205	3,666
Total	**4,275**	**3,919**

iii. Associates

	30.9.2014	31.12.2013
Liabilities		
Due to customers	240	547

c. The Supplementary Fund of former Alpha Credit Bank's employees holds bonds of the Bank's subsidiary Alpha Credit Group Plc of € 63,859, while its receivables from Alpha Bank amount to € 8,691 and its deposits with Alpha Bank to € 483. It also holds Alpha Bank's shares of € 1,449.

d. The Hellenic Financial Stability Fund (HFSF) exerts significant influence on the Bank. In particular, due to its participation in the recent share capital increase according to Law 3864/2010, HFSF acquired representation in the Board of Directors and other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

The outstanding balances and the results related to these transactions are analyzed as follows:

	30.9.2014	31.12.2013
Assets		
Investment securities		57,370
Other assets		156,666
Total		**214,036**
Liabilities		
Due to banks		988

In June 2014 the HFSF paid in cash to the Bank the amount of € 92.5 million and € 41.2 million in order to cover the difference between the transferred assets and liabilities of the under liquidation Cooperative Banks of Dodecanese and of Evia respectively. In July 2014 the HFSF paid also in cash the amount of € 40.6 million in order to cover the difference between the transferred assets and liabilities of the under liquidation Cooperative Banks of West Macedonia.

	From 1 January to	
	30.9.2014	30.9.2013
Income		
Interest and similar income [1]	289	1,962
Fee and commission income	105	
Total	**394**	**1,962**
Expenses		
Interest expense and similar charges		7
Commissions expense		12,667
Total		**12,674**

[1] *Balance as at 30.9 2014 refers to interest income from transactions with companies controlled by HFSF.*

20. Investments in subsidiaries, associates and joint ventures

	1.1 - 30.9.2014	1.10 - 31.12.2013	1.1 - 30.9.2013
Subsidiaries			
Opening balance	**1,982,262**	**2,051,955**	**2,044,676**
Additions	41,901	143,157	8,155
Disposals		(212,688)	(65,103)
Transfer due to reclassification to assets held for sale			(80,000)
Transfer from joint ventures			30,086
Valuation of investments due to fair value hedge [1]	6,745	(162)	(1,539)
Additions from acquisition of Emporiki Bank			115,680
Closing balance	**2,030,908**	**1,982,262**	**2,051,955**
Associates			
Opening balance	**631**	**74**	**74**
Additions		30	
Transfer from Investment Securities		527	
Closing balance	**631**	**631**	**74**
Joint ventures			
Opening balance	**87,842**	**87,203**	**105,705**
Additions	471	639	11,584
Disposals	(1,525)		
Transfer to subsidiaries			(30,086)
Closing balance	**86,788**	**87,842**	**87,203**
Total	**2,118,327**	**2,070,735**	**2,139,232**

Additions represent: share purchases, participation in share capital increases and acquisitions of shares from mergers.

Disposals represent: sales of shares, return of capital, proceeds arising from the liquidation of companies, contribution in kind and impairments.

The additions in subsidiaries amounting to € 41.9 million relate to:

- € 40 million to the share capital increase of the company Alpha Group Investments Ltd,
- € 1.9 million to the share capital increase of the company Ionian Equity Participations Ltd.

The additions in joint ventures amounting € 0.4 million relate to the Bank's capital contribution to Alpha-TANEO A.K.E.S.

The decrease of joint ventures of € 1.5 million relate to share capital return from Alpha-TANEO A.K.E.S.

[1] *The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investments in its subsidiaries abroad.*

21. Acquisition of the Retail Banking operations of Citibank

On 30.9.2014, the acquisition by the Bank of the Retail Banking operations of Citibank, including the company Diners Club Greece A.E.P.P., was completed, following the agreement signed on 13.6.2014 between the Bank and Citibank International plc (hereinafter "CIP") and Citibank Overseas Investment Corporation (hereinafter "Sellers") and the receipt of the required regulatory approvals.

The transaction includes the operations of Wealth Management with assets under management amounting to € 2 billion, out of which deposits amounting to € 0.9 billion, loans of € 0.4 billion (mainly credit cards), as well as a retail network of 20 branches, that offers services to 480,000 customers. In addition, as a result of the acquisition, the qualified personnel working in the Retail Banking network of Citibank was incorporated into the Bank.

The benefits of this acquisition primarily focus on the following:

- The Bank further strengthens its position in the Greek banking market by building on the expertise of Citibank at Wealth Management operations,
- The partnership with Diners Club, a high quality brand, reinforces the presence of the Bank in the credit cards market.

CIP will continue to be involved in the Corporate Banking sector, through its branch in Greece. The Bank and CIP signed agreements that provide for the exchange of services during the migration of the acquired products from CIP to the Bank's IT systems. Specifically from 30.9.2014 onwards, CIP provides access to its systems, for a fee, for the servicing of the products transferred while the Bank provides access to its network of acquired branches, for a fee, for the servicing of CIP Corporate Banking customers. Revenues and expenses that will arise for the Bank in respect of these agreements will be recognized in the income statement as incurred.

The transfer agreement signed between the parties provided that the acquisition will take the form of two separate transactions, the one relating to the transfer of assets and liabilities as well as of the Retail Banking operations of the CIP branch in Greece (hereinafter "CIP transaction"), and the other to the 100% acquisition of the share capital of Diners Club Greece A.E.P.P (hereinafter "Diners transaction") from the Sellers.

For the purpose of the accounting recognition of the acquisition, the two transactions are treated as two distinct business combinations that should be recognized in accordance with IFRS 3. The following paragraph provides information for the CIP transaction. Diners, is now a subsidiary of the Bank and the figures included in the consolidated financial statements as well as the related to that transaction information is presented in note 23 of the consolidated financial statements as at 30.9.2014.

CIP Transaction

The transaction involves the transfer to the Bank of the Retail Banking operations of CIP branch in Greece, namely of specified assets and liabilities of the branch relating to the above activities (mainly consumer loans and deposits), Wealth Management operations, branches network, as well as the employees of the retail sector. Therefore, it is an acquisition of a full range of activities and assets that meet the definition of "business" in accordance with IFRS 3. The Bank obtained control of the above "business" on 30.9.2014, i.e. the date of transfer of the Retail Banking operations.

As part of the agreement of 13.6.2014, CIP assumed the liability to cover the difference in values between the transferred assets and liabilities of the Retail Banking operations, as these were calculated based on the accounting principles agreed by the two parties, by including in the assets transferred the amount of the difference in cash (funding gap). The difference amounted to € 681.6 million, according to the provisional closing balance sheet of 30.9.2014, of which an amount of € 670.4 million was transferred to the Bank on 30.9.2014. The consideration for the acquisition of Retail Banking operations amounted to € 46.7 million and paid by the Bank on 30.9.2014.

The valuation at fair value of net assets acquired on the acquisition of the retail banking operations of CIP has not been completed due to the short time that elapsed between the completion of the transaction and the publication of these financial statements. For this reason, the assessment for the recognition of any contingent liabilities arising from the transaction has not been completed and information regarding the contractual value of receivables acquired and cash flows not expected to be collected is not disclosed. In intangible assets an amount of € 60.4 million was recognized as a provisional estimation of the value to be attributed to the customer relationships of the Wealth Management sector and the acquired deposit base.

The table below depicts the provisional fair values of net assets acquired as of 30.9.2014:

	Provisional Fair value
Net assets	
Assets	
Cash and balances with Central Banks	20,279
Loans and advances to customers	228,349
Property, plant and equipment	37
Other intangible assets	60,423
Funding gap	681,663
Other assets	3,615
Total Assets	**994,366**
Liabilities	
Due to customers	927,985
Employee defined benefit obligations	2,936
Other liabilities and provisions	16,746
Total liabilities	**947,667**
Net assets	**46,699**
Consideration	(46,699)
Goodwill	**-**

The amount of the consideration paid is recognized as an intangible asset in accordance with the tax legislation and amortized at 10%.

In 2013 the transfer of the entire share capital of Emporiki Bank to Alpha Bank by Credit Agricole was completed, which resulted in the recognition of negative goodwill amounting to € 3,295,718. More information on this transaction is disclosed in note 43 of the Bank's financial statements as at 31.12.2013.

22. Corporate events

a. On 24.2.2014, the Bank exercised the option of withdrawal of the transaction of securitized mortgage loans through the special purpose entity Lithos Mortgage Financing Plc.

b. On 26.3.2014, the Bank participated in the share capital increase of its subsidiary, Ionian Equity Participations Ltd, by contributing € 1.9 million.

c. On 13.6.2014 the Bank signed an agreement with Citibank International Plc and Citibank Overseas Investment Corporation ("Citi") to acquire the retail banking operation of Citi, including Diners Club in Greece.

d. On 26.9.2014, the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd, by contributing € 40 million.

e. On 30.9.2014, the Bank completed the acquisition of the retail banking operations of Citibank International Plc and the total number of shares of Diners Club Greece A.E.P.P.

23. Restatement of financial statements

On 1.2.2013, pursuant to the acquisition agreement with Credit Agricole S.A. on the sale of Emporiki Bank from Credit Agricole S.A. to Alpha Bank AE, the transfer of the entire share capital of Emporiki Bank to Alpha Bank by Credit Agricole was completed.

On 21.3.2013, the Bank and Emporiki Bank signed a Merger Plan agreement by absorption of the latter from the former. The merger process was completed on 28.6.2013, resulting in the transfer of Net Assets of the acquired to the Bank. The impact on the financial statements of the Bank is analytically mentioned in note 43 of the annual financial statements as of 31.12.2013.

The finalization of valuation at fair value of the assets and liabilities of Emporiki Bank at the acquisition date, was held the 4th quarter of 2013. This fact, led to the retrospective accounting recognition of the merger as if it was completed at the acquisition date. As a result, the Interim Financial Statements of 2013 were restated.

In addition, the restated income statement, balance sheet and comprehensive income for the period up to 30.9.2013, are depicted below.

Income Statement

	From 1 January to 30.9.2013			From 1 July to 30.9.2013		
	Published	Emporiki Bank's acquisition	Restated	Published	Emporiki Bank's acquisition	Restated
Interest and similar income	1,951,198		1,951,198	756,701		756,701
Interest expenses and similar charges	(1,153,188)	7,647	(1,145,541)	(413,962)	7,647	(406,315)
Net interest income	798,010	7,647	805,657	342,739	7,647	350,386
Fee and commission income	223,395		223,395	92,857		92,857
Commission expense	(39,677)		(39,677)	(13,181)		(13,181)
Net fee and commission income	183,718		183,718	79,676		79,676
Dividend income	642		642	18		18
Gains less losses on financial transactions	190,354		190,354	121,950		121,950
Other income	17,729		17,729	2,299		2,299
	208,725		208,725	124,267		124,267
Total income	**1,190,453**	**7,647**	**1,198,100**	**546,682**	**7,647**	**554,329**
Staff costs	(310,448)		(310,448)	(140,176)		(140,176)
General administrative expenses	(278,101)		(278,101)	(108,869)		(108,869)
Depreciation and amortization expenses	(32,779)		(32,779)	(14,797)		(14,797)
Other expenses	(4,348)		(4,348)	(4,266)		(4,266)
Total expenses	**(625,676)**		**(625,676)**	**(268,108)**		**(268,108)**
Impairment losses and provisions to cover credit risk	(1,268,759)		(1,268,759)	(435,565)		(435,565)
Negative goodwill of Emporiki Bank acquisition	2,574,085	721,633	3,295,718			-
Profit/(Loss) before income tax	**1,870,103**	**729,280**	**2,599,383**	**(156,991)**	**7,647**	**(149,344)**
Income tax	613,566	(1,988)	611,578	20,594	(1,988)	18,606
Profit/(Loss) after income tax	**2,483,669**	**727,292**	**3,210,961**	**(136,397)**	**5,659**	**(130,738)**
Earnings/(Losses) per share:						
Basic and diluted earnings/(losses) per share (€ per share):	0.48		0.62	(0.01)		(0.01)

Balance Sheet

	30.9.2013		
	Published	Emporiki Bank's acquisition	Restated
ASSETS			
Cash and balances with Central Banks	1,176,583		1,176,583
Due from banks	5,237,384		5,237,384
Securities held for trading	9,797		9,797
Derivative financial assets	797,536		797,536
Loans and advances to customers	44,867,064	28,040	44,895,104
Investment securities			
- Available for sale	4,165,462	(283)	4,165,179
- Held to maturity	1,032,675		1,032,675
- Loans and receivables	4,030,636		4,030,636
Investments in subsidiaries, associates and joint ventures	2,139,230		2,139,230
Investment property	31,821		31,821
Property, plant and equipment	782,381		782,381
Goodwill and other intangible assets	181,087		181,087
Deferred tax assets	2,009,931	668,233	2,678,164
Other assets	1,276,831		1,276,831
Total Assets	**67,738,418**	**695,990**	**68,434,408**
LIABILITIES			
Due to banks	20,171,621		20,171,621
Derivative financial liabilities	1,286,677		1,286,677
Due to customers	36,814,742	(55,059)	36,759,683
Debt securities in issue and other borrowed funds	1,278,841	23,757	1,302,598
Liabilities for current income tax and other taxes	17,470		17,470
Employee defined benefit obligations	96,138		96,138
Other liabilities	1,188,643		1,188,643
Provisions	131,383		131,383
Total Liabilities	**60,985,515**	**(31,302)**	**60,954,213**
EQUITY			
Share capital	4,216,872		4,216,872
Share premium	4,212,062		4,212,062
Reserves	488,796		488,796
Retained earnings	(2,164,827)	727,292	(1,437,535)
Total Equity	**6,752,903**	**727,292**	**7,480,195**
Total Liabilities and Equity	**67,738,418**	**695,990**	**68,434,408**

Statement of Comprehensive Income

	From 1 January to 30.9.2013			From 1 July to 30.9.2013		
	Published	Emporiki Bank's acquisition	Restated	Published	Emporiki Bank's acquisition	Restated
Profit/(loss), after income tax, recognized in the income statement	**2,483,669**	**727,292**	**3,210,961**	**(136,397)**	**5,659**	**(130,738)**
Other comprehensive income recognized directly in Equity:						
Amounts that may be reclassified in the income statement	**226,245**		**226,245**	**131,400**		**131,400**
Change in available for sale securities' reserve	126,610		126,610	29,130		29,130
Change in cash flow hedge reserve						
Income tax	(77,156)		(77,156)	(42,578)		(42,578)
	275,699		**275,699**	**117,952**		**117,952**
Amounts that will not be reclassified in the Income Statement from continuing operations						
Effect due to change of income tax rate						
Income tax	1,901		1,901			
	1,901		**1,901**			
Total other comprehensive income recognized directly in Equity, after income tax	**277,600**		**277,600**	**117,952**		**117,952**
Total comprehensive income for the period, after income tax	**2,761,269**	**727,292**	**3,488,561**	**(18,445)**	**5,659**	**(12,786)**

24. Events after the balance sheet date

On 17.10.2014 the Board of Directors of Alpha Bank decided that an Extraordinary Meeting of Shareholders will be held on 7.11.2014 and the agenda includes approving Bank's accession in a special framework for the conversion of deferred tax assets (claims from temporary differences) into final and settled claims against the Greek State (note 3).

Athens, 4 November 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER	THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER	THE ACCOUNTING AND TAX MANAGER
VASILEIOS T. RAPANOS **ID No AI 666242**	**DEMETRIOS P. MANTZOUNIS** **I.D. No I 166670**	**VASSILIOS E. PSALTIS** **I.D. NO. AI 666591**	**MARIANNA D. ANTONIOU** **I.D. NO. X 694507**