

# FINANCIAL INFORMATION OF ALPHA BANK A.E. AND THE GROUP

For the year from January 1, 2011 to December 31, 2011  
(Published in accordance with Codified Law 2190/20, article 135 concerning businesses that prepare annual financial statements, consolidated or not in accordance with I.F.R.S.)  
(Amounts in thousands of Euro)

The financial information derived from the financial statements, provide a general presentation of the financial position and results of Alpha Bank A.E. and the Group. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank www.alpha.gr, where the financial statements as well as the auditor's report are available.

## INFORMATION OF ALPHA BANK

Registered office :  
R.N.S.A.:  
Supervising authority:  
Date of approval of the Financial Statements  
by the Board of Directors (from which the financial  
information were derived):  
Certified Auditors:

40 Stadiou Street, 102 52 ATHENS  
6066/06/B/86/05  
Bank of Greece, Ministry of Development, Competitiveness and Shipping

April 20, 2012  
Nick E. Vouniseas (A.M. SOEL 18701)  
Charalampos G. Syrounis (A.M. SOEL 19071)  
KPMG Certified Auditors A.E. (A.M. SOEL 114)  
Unqualified opinion - Emphasis of Matter  
www.alpha.gr

Audit Firm:  
Type of Auditors' Report:  
Website address:

## MEMBERS OF THE BOARD OF DIRECTORS:

CHAIRMAN (Executive Member) Yannis S. Costopoulos	EXECUTIVE DIRECTORS AND GENERAL MANAGERS (Executive Members) Spyros N. Filaretos (COO) Artemis Ch. Theodoridis Georgios C. Aronis	NON-EXECUTIVE MEMBERS Paul G. Karakostas Nicholaos I. Manessis Ioanna E. Papadopoulou	NON-EXECUTIVE INDEPENDENT MEMBERS George E. Agouridis Thanos M. Veremis Evangelos J. Kaloussis Ioannis K. Lyras	NON-EXECUTIVE MEMBER (in accordance with Law 3723/2008) Sarantis-Evangelos G. Lolos
VICE CHAIRMAN (Non-Executive Independent Member) Minas G. Tanes	MANAGING DIRECTOR (Executive Member) Demetrios P. Mantzounis (CEO)			

## BALANCE SHEET

	Consolidated		Alpha Bank	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
<b>ASSETS</b>				
Cash and balances with Central Banks	2,103,588	4,124,283	1,149,500	2,805,166
Due from banks	1,807,079	2,397,664	6,721,846	8,824,257
Securities held for trading	13,960	41,268	13,760	35,796
Derivative financial assets	624,447	441,082	639,968	442,013
Loans and advances to customers	44,875,706	49,304,745	36,152,015	39,919,035
Investment securities				
- Available for sale	3,078,918	2,375,964	2,896,888	2,808,560
- Held to maturity	2,747,072	5,282,498	2,681,447	5,181,136
Investments in subsidiaries, associates and joint ventures			1,954,335	1,853,042
Investments in associates	44,855	49,617		
Investment property	64,688	71,729	40,387	47,706
Property, plant and equipment	1,220,949	1,240,658	628,171	631,262
Goodwill and other intangible assets	181,512	193,191	86,875	98,520
Deferred tax assets	1,466,974	427,554	1,487,782	455,552
Other assets	817,751	666,984	743,975	582,163
	59,047,499	66,617,237	55,196,949	63,684,208
Non-current assets held for sale	100,546	181,078		86,687
<b>Total Assets</b>	<b>59,148,045</b>	<b>66,798,315</b>	<b>55,196,949</b>	<b>63,770,895</b>
<b>LIABILITIES</b>				
Due to banks	22,521,200	16,461,381	22,774,803	18,729,995
Derivative financial liabilities	1,578,143	1,105,433	1,584,153	1,106,591
Due to customers (including debt securities in issue)	29,399,461	38,292,501	23,749,193	31,233,710
Debt securities in issue held by institutional investors and other borrowed funds	2,188,545	3,561,188	5,288,584	6,980,873
Liabilities for current income tax and other taxes	51,560	136,520	37,199	113,295
Deferred tax liabilities	360,993	263,510	326,140	234,819
Employee defined benefit obligations	58,473	52,592	380	
Other liabilities	927,107	1,058,511	833,093	931,867
Provisions	96,315	82,745	10,460	9,247
<b>Total Liabilities (a)</b>	<b>57,181,797</b>	<b>61,014,381</b>	<b>54,604,005</b>	<b>59,340,397</b>
<b>EQUITY</b>				
Share Capital	1,100,281	3,451,067	1,100,281	3,451,067
Share premium	2,757,653	406,867	2,757,653	406,867
Reserves	218,893	104,441	73,770	(6,542)
Retained earnings	(2,659,574)	1,248,496	(3,338,760)	579,106
Equity attributable to Equity owners of the Bank	1,417,253	5,210,871	592,944	4,430,498
Non-controlling interests	11,700	13,413		
Hybrid securities	537,295	559,650		
<b>Total Equity (b)</b>	<b>1,966,248</b>	<b>5,783,934</b>	<b>592,944</b>	<b>4,430,498</b>
<b>Total Liabilities and Equity (a) + (b)</b>	<b>59,148,045</b>	<b>66,798,315</b>	<b>55,196,949</b>	<b>63,770,895</b>

## STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Consolidated		Alpha Bank	
	From 1 January to 31.12.2011	31.12.2010	From 1 January to 31.12.2011	31.12.2010
Interest and similar income	3,719,298	3,543,386	3,156,266	2,955,785
Interest expense and similar charges	(1,935,606)	(1,724,756)	(1,802,712)	(1,604,904)
Net interest income	1,783,692	1,818,630	1,353,554	1,350,881
Fee and commission income	345,408	383,475	262,488	283,012
Commission expense	(51,193)	(50,938)	(42,926)	(41,062)
Net fee and commission income	294,215	332,537	219,562	241,950
Dividend income	3,618	2,678	10,586	46,527
Gains less losses on financial transactions	142,251	35,139	117,302	9,161
Other income	59,721	60,427	14,491	12,326
	205,590	98,244	142,379	68,014
<b>Total income</b>	<b>2,283,497</b>	<b>2,249,411</b>	<b>1,715,495</b>	<b>1,660,845</b>
Staff costs	(535,806)	(548,839)	(390,992)	(403,212)
General administrative expenses	(462,146)	(497,396)	(359,340)	(389,426)
Depreciation and amortization expenses	(93,043)	(93,286)	(60,317)	(57,770)
Other expenses	(5,297)	(8,937)	(1,205)	(6,484)
<b>Total expenses</b>	<b>(1,096,292)</b>	<b>(1,148,458)</b>	<b>(811,854)</b>	<b>(856,892)</b>
Impairment losses and provisions to cover credit risk	(1,130,317)	(884,754)	(897,803)	(758,198)
Impairment losses on Greek Government bonds and loans guaranteed by the Hellenic Republic eligible to PSI	(4,788,866)		(4,787,657)	
Share of profit/(loss) of associates	294	172		
	(5,918,889)	(884,582)	(5,685,460)	(758,198)
<b>Profit/(Loss) before income tax and additional tax</b>	<b>(4,731,684)</b>	<b>216,371</b>	<b>(4,781,819)</b>	<b>45,755</b>
Income tax	921,735	(68,531)	939,153	(46,552)
Additional tax (Law 3845/2010)		(61,801)		(55,512)
<b>Profit/(Loss) after income tax (a)</b>	<b>(3,809,949)</b>	<b>86,039</b>	<b>(3,842,666)</b>	<b>(56,309)</b>
<b>Profit/(Loss) attributable to: Equity owners of the Bank</b>	<b>(3,810,169)</b>	<b>85,649</b>	<b>(3,842,666)</b>	<b>(56,309)</b>
Non-controlling interests	220	390		
<b>Other comprehensive income recognized directly in Equity:</b>				
Change in available for sale securities' reserve	(12,994)	(145,174)	(43,270)	(256,915)
Change in available for sale securities' reserve due to impairment losses on Greek Government bonds	156,218		155,009	
Change in cash flow hedge reserve	9,506	(38,206)	9,506	(38,206)
Exchange differences on translating and hedging the net investment in foreign operations	413	(13,259)	(83)	(32)
Income tax	(40,761)	41,455	(40,850)	64,940
<b>Total of other comprehensive income recognized directly in Equity, after income tax (b)</b>	<b>112,382</b>	<b>(155,184)</b>	<b>80,312</b>	<b>(230,213)</b>
<b>Total comprehensive income for the year, after income tax (a) + (b)</b>	<b>(3,697,567)</b>	<b>(69,145)</b>	<b>(3,762,354)</b>	<b>(286,522)</b>
<b>Total comprehensive income for the year attributable to: Equity owners of the Bank</b>	<b>(3,697,252)</b>	<b>(69,992)</b>	<b>(3,762,354)</b>	<b>(286,522)</b>
Non-controlling interests	(315)	847		
<b>Earnings/(Losses) per share:</b>				
Basic and diluted (€ per share)	(7.2723)	0.0519	(7.3331)	(0.2139)

## STATEMENT OF CASH FLOWS

	Consolidated		Alpha Bank	
	From 1 January to 31.12.2011	31.12.2010	From 1 January to 31.12.2011	31.12.2010
Net cash flows from operating activities (a)	(722,347)	(1,130,419)	(2,237,426)	(1,778,198)
Net cash flows from investing activities (b)	(792,160)	(1,646,673)	(326,721)	(1,145,863)
Net cash flows from financing activities (c)	(438,390)	(238,237)	(311,139)	(856,616)
<b>Net increase/(decrease) in cash and cash equivalents of the year (a) + (b) + (c)</b>	<b>(1,952,897)</b>	<b>(3,015,329)</b>	<b>(2,875,286)</b>	<b>(3,780,677)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	7,692	(20,566)	1,574	1,827
<b>Total cash flows for the year</b>	<b>(1,945,205)</b>	<b>(3,035,895)</b>	<b>(2,873,712)</b>	<b>(3,778,850)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,151,288</b>	<b>6,187,183</b>	<b>4,645,869</b>	<b>8,424,719</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,206,083</b>	<b>3,151,288</b>	<b>1,772,157</b>	<b>4,645,869</b>

## STATEMENT OF CHANGES IN EQUITY

	Consolidated		Alpha Bank	
	From 1 January to 31.12.2011	31.12.2010	From 1 January to 31.12.2011	31.12.2010
Equity at the beginning of the year (1.1.2011 and 1.1.2010 respectively)	5,783,934	5,973,359	4,430,498	4,775,572
Total comprehensive income for the year, after income tax	(3,697,567)	(69,145)	(3,762,354)	(286,522)
Expenses relating to the share capital increase, after income tax		(607)		(607)
Change of ownership interests in subsidiaries	(1,475)	(15,769)		
Dividends distributed to non-controlling interests		(330)		
Dividends paid to hybrid securities' owners	(33,275)	(28,173)		
Dividends paid for preference shares	(75,200)	(57,945)	(75,200)	(57,945)
(Purchases)/Sales of hybrid securities	(9,807)	(17,822)		
Other	(362)	366		
<b>Equity at the end of the year (31.12.2011 and 31.12.2010 respectively)</b>	<b>1,966,248</b>	<b>5,783,934</b>	<b>592,944</b>	<b>4,430,498</b>

## ADDITIONAL DATA AND INFORMATION

- Companies included in the Consolidated Financial Statements, the Group's participation in them as at 31.12.2011, as well as the method of consolidation applied, are presented in note 40 of the Consolidated Financial Statements as at 31.12.2011. Companies, not included in the Consolidated Financial Statements, are also listed in this note.
- During the period from 1.1.2011 until 31.12.2011 the following changes took place in the companies which are fully consolidated and are included in the Consolidated Financial Statements:
  - Transfers within the Group: On 22.8.2011, the subsidiary of the Bank, Alpha Bank Romania S.A., transferred all of its shares in its 100% owned subsidiary, Alpha Insurance Brokers Srl, to another subsidiary of the Bank, Alpha Leasing Romania IFN S.A.
  - Liquidations: On 28.2.2011, the liquidation of HSO Europe B.V. was completed. On 4.5.2011, 13.5.2011, 30.6.2011 and 31.8.2011, the liquidation of Evremathea A.E., Alpha Finance US Corporation, Messana Holdings S.A. and Alpha Bank Jersey Ltd was completed respectively.
- The unaudited tax years of the Bank and the Group companies are listed in notes 39b and 38b of the Financial Statements as at 31.12.2011 of the Group and the Bank respectively.
- There are no pending legal cases or issues in progress, as well as decisions of legal or arbitrary authorities, which may have a material impact on the financial position or operation of the Group and the Bank. The Group has raised a provision for them which amounts to Euro 1.8 million. Other provisions raised by the Group and the Bank amount to Euro 94.5 million and Euro 10.5 million respectively.
- The Bank and the Group companies did not hold any treasury shares as at 31.12.2011.
- The total number of employees of the Group as at 31.12.2011 was 14,337 (31.12.2010: 14,765) and of the Bank was 8,318 (31.12.2010: 8,612).
- The results arising from the related party transactions during the period 1.1.2011 until 31.12.2011 are as follows:
  - With members of the Board of Directors and other key management personnel: **a)** of the Group: income Euro 5,345 thousand, expenses Euro 15,828 thousand **b)** of the Bank: income Euro 5,253 thousand, expenses Euro 6,252 thousand.
  - With other related parties: **a)** of the Group: income Euro 70 thousand, expenses Euro 3,736 thousand **b)** of the Bank: income Euro 168,948 thousand, expenses Euro 211,100 thousand.

The balances as at 31.12.2011 of the receivables and liabilities arising from the above transactions are as follows:
- With members of the Board of Directors and other key management personnel: **a)** of the Group: receivables Euro 165,606 thousand, liabilities Euro 95,355 thousand, letters of guarantee Euro 6,044 thousand **b)** of the Bank: receivables Euro 164,669 thousand, liabilities Euro 59,800 thousand, letters of guarantee Euro 6,044 thousand.
- With other related parties: **a)** of the Group: receivables Euro 1,214 thousand, liabilities Euro 112,586 thousand **b)** of the Bank: receivables Euro 6,849,435 thousand, liabilities Euro 6,123,972 thousand, letters of guarantee and other guarantees Euro 680,431 thousand.
- The items of income and expense recognized directly in Equity are analyzed in the "Statement of total comprehensive income", as presented above.
- The Bank's Ordinary General Meeting of Shareholders held on 21.6.2011 decided the payment to the Greek State of an amount of Euro 94 million which corresponds to the accrued return on its preference shares of the year 2010, according to the Bank's Articles of Incorporation as well as not to distribute dividends to Bank's common shareholders for the year 2010 according to the provisions of article 19 of Law 3965/2011 and the decision 20708/B.1175/23.4.2009 of the Minister of Economy and Finance.
- The Second Repeat General Meeting of Shareholders held on 15.7.2011 decided the reduction of the Bank's paid-in ordinary share capital, through the reduction of the nominal value of the ordinary shares with voting rights and the creation of the equal (to the reduction) special reserve. After the reduction, the Bank's share capital as at 31.12.2011 amounts to Euro 1,100,280,894.40 divided into 734,269,648 shares, of which 534,269,648 are ordinary, registered, with voting rights, non paper shares of nominal value Euro 0.30 each and 200,000,000 are preference, registered, non voting, paper and redeemable shares, issued according to Law 3723/2008, of nominal value Euro 4.70 each.
- On 29.8.2011 the Board of Directors of Alpha Bank and Eurobank EFG jointly announced that they have reached an agreement relating to the merger of the two credit institutions by way of absorption of Eurobank EFG by the Bank. On 15.11.2011, the General Meetings of the Shareholders of the Bank approved the Draft Merger Agreement. Pursuant to a previous market announcement relating to the process of the merger, following the restructuring of the Greek Debt (Private Sector Involvement - PSI) and its effects on the Greek banking sector, Alpha Bank, on 14.3.2012, announced its intention to propose to its forthcoming Board of Directors, which took place on 3.4.2012, to convene a General Meeting of its Shareholders to resolve upon the revocation of the decisions of the General Meeting of its Shareholders dated on 15.11.2011, which was decided to be held on 26.4.2012.
- On 24.2.2012 the Hellenic Republic, while implementing the agreement for the second stimulus package for the financial support of Greece which was approved in the Summit of the Eurozone member countries on 21.2.2012, proceeded to a public offer for the participation of the private sector in the restructuring of Greek debt through the replacement of Greek government bonds with new securities. On 8.3.2012 the Bank's Board of Directors announced its unanimous decision for the Bank's participation (and its companies) to the above program. Implementing the above decision the Bank recognized in the income statement of 2011 the effect of its participation in the public debt exchange offer as an adjusting event on balance sheet date. Further information is depicted in notes 1 and 11 of the financial statements of the Group and the Bank.
- The Bank's Board of Directors will not propose to the Ordinary General Meeting of Shareholders the distribution of dividend to common shareholders, since no distributable profits exist as at 31.12.2011. For the same reason, the Bank's Board of Directors proposes the nonpayment to the Greek State regarding the accrued return on its preference shares for the year 2011.
- Pursuant to the provisions of Law 3864/2010, the Financial Stability Fund on 20.4.2012 stated its commitment for the participation in the share capital increase of the Bank or/and the coverage of the convertible in common shares with voting rights bond for an amount up to € 1.9 billion in order to raise the Group's Capital Adequacy Ratio to the minimum of 8%. The Financial Stability Fund will participate for any uncovered amount of the share capital increase or the coverage of the convertible bond by existing shareholders or new investors, this commitment is valid up till 30.9.2012.
- On 20.4.2012 the Bank announced the partial or full repurchase of the hybrid securities and subordinated debt that have been issued by the group subsidiaries aiming at the enhancement of Core Tier I ratio.
- The emphasis of matter concerns an uncertainty that could adversely affect the going concern assumption, as referred to the disclosures made in notes 1.28.1 and 1.26.1 of the Financial Statements as at 31.12.2011 of the Group and the Bank respectively.
- The accounting policies applied by the Group and the Bank for the completion of the Financial Statements as at 31.12.2010, are in accordance with the requirements of International Financial Reporting Standards (I.F.R.S.) and are presented in note 1 of the Financial Statements of the Group and the Bank.

Athens, April 20, 2012

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE GENERAL MANAGER  
AND CHIEF FINANCIAL OFFICER

THE ACCOUNTING MANAGER

YANNIS S.COSTOPOULOS  
I.D. No. X 661480

DEMETRIOS P.MANTZOUNIS  
I.D. No. I 166670

VASSILIOS E.PSALTIS  
I.D. No. AI 666591

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