

**SUPPLEMENT DATED 6 MAY 2014  
TO THE BASE PROSPECTUS DATED 18 JUNE 2013 SUPPLEMENTED ON 30 APRIL 2014**



**ALPHA BANK**

**ALPHA CREDIT GROUP PLC**

*(incorporated with limited liability in England and Wales)*

as Issuer

and

**ALPHA BANK AE**

*(incorporated with limited liability in the Hellenic Republic)*

as Issuer and Guarantor

**EUR 30,000,000,000 Euro Medium Term Note Programme**

This Supplement (the **Supplement**) to the Base Prospectus dated 18 June 2013 as previously supplemented on 30 April 2014 (the **Base Prospectus**), constitutes a supplement to the base prospectus for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, as amended (the **Prospectus Act**) and is prepared in connection with the EUR30,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by Alpha Credit Group PLC (**Alpha PLC**) and Alpha Bank AE (**Alpha Bank**) (together, the **Issuers**).

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by Alpha PLC and Alpha Bank. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Each of Alpha PLC and Alpha Bank accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of Alpha PLC and Alpha Bank (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**PURPOSE OF THIS SUPPLEMENT**

The purpose of this Supplement is to (i) add a new risk factor relating to the impact of the investigation by the European Commission relating to the state aid received by the Bank; and (ii) update the risk factor relating to EU-wide framework for the recovery and resolution of credit institutions and investment firms.

**1. NEW RISK FACTOR**

On page 17 of the Base Prospectus, the following new risk factor shall be added before the risk factor entitled “*The extent of the control of the Bank by HFSF depends on the participation of the private sector*”:

*“The state aid received by the Bank via the HFSF has been formally approved by the European Commission only with regard to the HFSF’s commitment letter to participate in the Bank’s capital increase and the €1.9 billion bridge recapitalisation; this was a temporary approval and the total*

***amount of aid via the HFSF is subject to further investigation by the European Commission in view of issuing a final restructuring aid decision in accordance with the Commission Banking Communications.***

Following the Bank's participation in the PSI, which was booked retroactively in the Group's accounts for the fourth quarter of 2011, the Group's capital was significantly diminished: the Group's Core Tier I ratio decreased to 3 per cent. and the capital adequacy ratio to 5.4 per cent.. On 20 April, 2012, the HFSF provided the Bank with a commitment letter to participate in its share capital increase. On 28 May, 2012, the commitment letter was replaced by the Presubscription Agreement executed between the HFSF and the Bank, pursuant to which the HFSF advanced to the Bank €1.9 billion against the total amount of recapitalisation required by the Bank.

As a result, in the balance sheet as at 31 March, 2012, the Bank registered a capital adequacy ratio of 9.5 per cent. and an Core Tier I ratio of 7.1 per cent., including the recapitalisation amount of €1.9 billion contributed by the HFSF. The amount of the bridge recapitalisation represented around 4.2 per cent. of the Group's Risk Weighted Assets ("RWA") as at 31 March, 2012. Including the 200,000,000 each of a nominal value of €4.7 Preference Shares injected in May 2009 (state aid previously granted), the total amount of state aid received by the Bank, in forms other than guarantees and liquidity assistance, stood at 9.6 per cent. of the Group's RWA as at 31 December, 2013. Following the 2014 share capital increase, the 200,000,000 Preference Shares were redeemed by Alpha Bank on the 17<sup>th</sup> of April, 2014.

On 27 July, 2012, the European Commission provisionally approved the aid in the form of the commitment letter and the bridge recapitalisation. In the same decision, the European Commission expressed its views and respective doubts on the fulfilment of certain criteria that apply to such aid assessments relating to: (a) the appropriateness, (b) the necessity and (c) the proportionality of the measures. As a result, the European Commission initiated a formal investigation with regard to these measures in order to conduct a more detailed assessment and to allow third parties to submit comments. The investigation of the European Commission will take into account the restructuring plan of the Bank which was originally submitted in October 2012 (the Directorate General for Competition has asked for the submission of a new restructuring plan with updated estimates so as to incorporate the acquired assets of Emporiki, which has yet not been submitted) and will cover the whole recapitalization, namely any further relevant state aid which the HFSF will provide.

In addition, on 27 July, 2012, the European Commission provisionally approved and initiated a formal investigation under EU state aid rules, regarding the bridge recapitalisation provided by the HFSF in favour of the other three Greek systemic banks, Eurobank Ergasias, Piraeus Bank and National Bank of Greece, for reasons of financial stability. On the 29<sup>th</sup> of April, 2014 the European Commission announced that it has found the restructuring plan of Eurobank Ergasias to be in line with EU state aid rules.

Notwithstanding the on-going investigation of the European Commission, in June 2013, HFSF subscribed for 9,138,636,364 newly issued Ordinary Shares of the Bank by its contribution of in kind EFSF Notes. Following the first exercise of the Warrants on 17 December, 2013, HFSF's equity interest decreased to 8,925,267,781 Ordinary Shares, representing 81.71 per cent. of our aggregate common share capital. Following the share capital increase of Alpha Bank, completed in April of 2014, the HFSF equity interest in the Bank has been reduced to 69.90 per cent..

Once its investigation is concluded, the European Commission may conclude that the aid provided by the HFSF to the Bank (i) was in compliance with the applicable state aid rules (and consequently to permit it)—such decision could be conditional on other terms and conditions (additional to the restructuring plan of the Bank) which may be proposed by the Hellenic Republic; or (ii) was not in

compliance with the applicable state aid rules and therefore could request the return of the bridge recapitalisation to the HFSF.

A negative decision or a positive decision with excessive additional conditions on our capital restructuring may have a material adverse effect on the Group's capital ratios and restrict its access to the Eurosystem funding system.

The Bank believes that appropriate burden sharing measures are being implemented already and no fundamental changes in the operating model of the Bank will be required as part of such restructuring plan.

Any inability of the Bank in the future to meet the terms specified in the revised restructuring plan may result in the European Commission initiating a procedure for misuse of the aid which may lead the HFSF to recover the suspended voting rights of its Ordinary Shares."

## **2. UPDATED RISK FACTOR**

On page 21 of the Base Prospectus, the risk factor entitled "*The European Commission has published proposals for a crisis management directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The full scope of the directive and its impact on the Issuers is currently unclear but the implementation of the directive or the taking of any action under it could materially affect the value of any Notes*" shall be updated by: firstly, adding the following sentence at the end of the first paragraph under such heading:

"The text of the draft CMD was approved by the European Parliament on 15 April 2014 and is expected to be approved by the European Council in May 2014."; and

secondly, by amending the date appearing at the end of the third paragraph from "1 January 2018" to "1 January 2016" so that such paragraph shall read:

"The draft CMD currently contemplates that it will be applied by Member States from 1 January 2015 except for the bail-in tool (in relation to instruments other than Additional Tier 1 and Tier 2 instruments) which is to be applied from 1 January 2016."

## **3. GENERAL INFORMATION**

The Issuers will provide, without charge, to each person to whom a copy of the Base Prospectus has been delivered, upon the written request of such person, a copy of any or all of the documents incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to either Issuer at its registered office set out at the end of the Base Prospectus. In addition, copies of such documents will be available, without charge, from KBL European Private Bankers S.A. in its capacity as listing agent (the "**Luxembourg Listing Agent**") for Notes admitted to trading on the Luxembourg Stock Exchange and from each Paying Agent set out at the end of the Base Prospectus during normal business hours and as long as any of the Notes are outstanding.

All documents incorporated by reference in the Base Prospectus will be made available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). Such documents may also be obtained, free of charge, at the offices of each Paying Agent set out at the end of the Base Prospectus during normal business hours and as long as any of the Notes are outstanding. Copies of the Base Prospectus, the supplement dated 30 April 2014 and this Supplement will be available to view on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of any Notes since the publication of the Base Prospectus.