

**OFFERING CIRCULAR**



**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 12,000,000,000 Euro Medium Term Note Programme**

*Under this EUR 12,000,000,000 Euro Medium Term Note Programme (the "Programme"), each of Alpha Credit Group PLC ("Alpha PLC") and Alpha Bank AE ("Alpha Bank" or the "Bank" and, together with Alpha PLC the "Issuers" and each an "Issuer" and references herein to the "relevant Issuer" being to the Issuer of the relevant Notes) may from time to time issue notes (the "Notes") denominated in any currency agreed with the relevant Dealer (as defined below). Notes may be issued as unsubordinated obligations ("Senior Notes") or dated subordinated obligations ("Dated Subordinated Notes") of the relevant Issuer.*

*Notes issued by Alpha PLC will be guaranteed by Alpha Bank. In relation to each issue of Notes by Alpha PLC, the branch through which Alpha Bank is acting for such issue will be specified in the applicable Pricing Supplement (as defined below). In relation to each issue of Notes by Alpha Bank, the branch through which Alpha Bank is acting for such issue will be specified in the applicable Pricing Supplement.*

*This Offering Circular supersedes and replaces the Offering Circular dated 17 November 2003.*

*The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR 12,000,000,000 (or its equivalent in other currencies calculated as described herein) (the "Programme Amount"), subject to increase as described herein.*

*The Notes may be issued on a continuous basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). References in this Offering Circular to the "relevant Dealer" shall, in relation to any issue of Notes, be to the Dealer or Dealers agreeing to purchase such Notes.*

*Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange during the period of twelve months from the date hereof. Details of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Notes will be set forth in a pricing supplement (the "Pricing Supplement") which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.*

*The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer. The relevant Issuer may also issue unlisted Notes.*

*No Notes have been or will be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and are subject to US tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the benefit of, US persons (see "Subscription and Sale" below).*

*The Notes of each Tranche will be in bearer form and (unless otherwise specified in the applicable Pricing Supplement) will initially be represented by a temporary global Note which will be deposited on the issue date thereof with a common depository on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), and/or any other agreed clearing system and which will be exchangeable, as specified in the applicable Pricing Supplement, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-US beneficial ownership as required by US Treasury regulations. The applicable Pricing Supplement will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days' notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes following the occurrence of an Exchange Event (as defined on page 12) all as further described in "Form of the Notes" and "Form of Pricing Supplement" below.*

*A security rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.*

*Each Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Luxembourg Stock Exchange) a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.*

**Arranger**

**MORGAN STANLEY**

**Dealers**

**ABN AMRO**

**CALYON CORPORATE AND INVESTMENT BANK**

**CREDIT SUISSE FIRST BOSTON**

**GOLDMAN SACHS INTERNATIONAL**

**JPMORGAN**

**MERRILL LYNCH INTERNATIONAL**

**NATEXIS BANQUES POPULAIRES**

**UBS INVESTMENT BANK**

**BANC OF AMERICA SECURITIES LIMITED**

**CITIGROUP**

**DEUTSCHE BANK**

**HSBC**

**LEHMAN BROTHERS**

**MORGAN STANLEY**

**NOMURA INTERNATIONAL**

*The date of this Offering Circular is 6 December 2004.*

Alpha PLC and Alpha Bank, having made all reasonable enquiries, confirm that this Offering Circular, including any document deemed to be incorporated herein by reference as provided under “Documents Incorporated by Reference” below, contains all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held, that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading and that each of Alpha PLC and Alpha Bank accepts responsibility accordingly.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by Alpha PLC and/or Alpha Bank in connection with the Programme or any Notes or their distribution.

No person is or has been authorised by Alpha PLC and/or Alpha Bank to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information provided in connection with the Programme or any Notes and, if given or made, such information or representation must not be relied upon as having been authorised by Alpha PLC and/or Alpha Bank or any Dealer.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by Alpha PLC and/or Alpha Bank or any Dealer that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and Alpha Bank in the case of Notes issued by Alpha PLC. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes constitutes an offer or invitation by or on behalf of Alpha PLC and/or Alpha Bank or any Dealer to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall at any time imply that the information contained herein concerning Alpha PLC and/or Alpha Bank is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of Alpha PLC and/or Alpha Bank during the life of the Programme. Investors should review *inter alia* the most recent published financial statements and, if published later, the most recently published interim financial statements (if any) of the relevant Issuer and Alpha Bank in the case of Notes issued by Alpha PLC when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of Alpha PLC, Alpha Bank and the Dealers represents that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Alpha PLC, Alpha Bank or the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into

whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions. For details of certain restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, Germany, Japan, France, the United Kingdom and Greece — see “Subscription and Sale” below.

This Offering Circular shall only be used for the purposes for which it has been published.

All references in this document to “US\$”, “USD” and “\$” refer to United States dollars, those to “CYP” refer to Cypriot pounds, those to “Yen” refer to Japanese Yen, those to “Sterling”, “GBP” and “£” refer to pounds sterling, those to “Drachma” and “GRD” refer to Greek drachma, those to “euro”, “Euro”, “EUR” and “€” refer to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended.

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**In connection with the issue and distribution of any Tranche of Notes, the Dealer (if any) disclosed as the stabilising manager in the applicable Pricing Supplement or any person acting for it may over-allot or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail for a limited period. However there is no obligation on the stabilising manager or any person acting for it to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all relevant laws, regulations and rules.**

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the most recently published annual financial statements dated 31 December 2002, 31 December 2003 and the interim financial statements dated 31 October 2004 of Alpha PLC, and 30 September 2004 of Alpha Bank and, if published later, further annual and interim financial statements (if any) of each of Alpha PLC and Alpha Bank from time to time; and
- (b) all supplements to this Offering Circular circulated by Alpha PLC and/or Alpha Bank from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuers will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the written request of such person, a copy of any or all of the documents deemed to be 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 this Offering Circular. In addition, copies of such documents will be available, without charge, from Kredietbank S.A. Luxembourgeoise in its capacity as listing agent (the "Luxembourg Listing Agent") for Notes listed on the Luxembourg Stock Exchange.

Each of the Issuers and the Guarantor has undertaken, in connection with the listing of Notes on the Luxembourg Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of either of the Issuers or of the Guarantor which is not reflected in this Offering Circular, to prepare a further supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes to be listed on the Luxembourg Stock Exchange.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new Offering Circular will be prepared.

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Notes denominated in any currency subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes and the Pricing Supplement” below.

This Offering Circular and any supplement will only be valid for listing Notes on the Luxembourg Stock Exchange in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 12,000,000,000 or its equivalent in other currencies. For the purpose of calculating the Euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the Euro equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for general business in London, in each case on the basis of the spot rate for the sale of the Euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
- (b) the Euro equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes, regardless of the subscription price paid); and
- (c) the Euro equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes) and other Notes issued at a discount or premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

## SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

*The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “Form of the Notes and the Pricing Supplement” and “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

<b>Issuers:</b>	Alpha Credit Group PLC Alpha Bank AE, acting through its Issuing Branch (as specified in the applicable Pricing Supplement)
<b>Guarantor:</b>	Alpha Bank AE, acting through its Guarantoring Branch (as specified in the applicable Pricing Supplement)
<b>Description:</b>	Euro Medium Term Note Programme (the “Programme”)
<b>Arranger:</b>	Morgan Stanley & Co. International Limited
<b>Dealers:</b>	ABN AMRO Bank N.V. Banc of America Securities Limited CALYON Citigroup Global Markets Limited Credit Suisse First Boston (Europe) Limited Deutsche Bank AG London Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Lehman Brothers International (Europe) Merrill Lynch International Morgan Stanley & Co. International Limited Natexis Banques Populaires Nomura International plc UBS Limited  and any other Dealers appointed from time to time either generally in respect of the Programme or in relation to a particular Tranche of Notes, in each case, in accordance with the Programme Agreement.
<b>Certain Restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale” herein).  <i>Notes issued by Alpha PLC having a maturity of less than one year</i> Notes issued by Alpha PLC having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see “Subscription and Sale” herein).
<b>Issuing and Principal Paying Agent:</b>	Citibank, N.A.
<b>Luxembourg Listing Agent:</b>	Kredietbank S.A. Luxembourgeoise
<b>Programme Amount:</b>	Up to EUR 12,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

<b>Distribution:</b>	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory or central bank requirements, such currencies as may be agreed between the relevant Issuer and the relevant Dealer including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese Yen, New Zealand dollars, Norwegian kroner, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the applicable Pricing Supplement).
<b>Redenomination, Exchange or Consolidation:</b>	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro or exchanged or consolidated. The relevant provisions applicable to any such redenomination, exchange or consolidation are contained in Condition 7.
<b>Maturities:</b>	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer and/or the Guarantor, if applicable, or the relevant Specified Currency.  <i>Dated Subordinated Notes must have a maturity date falling at least five years after the Issue Date of such Dated Subordinated Notes (as defined below).</i>
<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	The Notes will be issued in bearer form.  Notes to be issued under the Programme will be either (i) senior Notes (“Senior Notes”) or (ii) dated subordinated Notes (“Dated Subordinated Notes”) as indicated in the applicable Pricing Supplement.  Each Tranche of Notes will (unless otherwise specified in the applicable Pricing Supplement) initially be represented by a temporary global Note which will be deposited on the relevant Issue Date with a common depository for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system as specified in the applicable Pricing Supplement. Interests in each temporary global Note will be exchangeable, upon request as described therein, for either interests in a permanent global Note or definitive Notes (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Pricing Supplement) in either case not earlier than 40 days after the Issue Date upon certification of non-US beneficial ownership as required by US Treasury regulations. The applicable Pricing Supplement will specify that a permanent global Note either (i) is exchangeable (in whole but not in part) for definitive Notes upon not less than 60 days’ notice or (ii) is only exchangeable (in whole but not in part) for definitive Notes upon the occurrence of an Exchange Event, as described in “Form of the Notes” below. Any interest in a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system, as appropriate.



<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Pricing Supplement) and on redemption.
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined by reference to one of the following:</p> <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2003 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series; or</li> <li>(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or</li> <li>(iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer,</li> </ul> <p>in each case, as indicated in the applicable Pricing Supplement.</p> <p>The Margin (if any) relating to such Floating Rate Notes will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
<b>Index Linked Notes:</b>	<p>Each Issuer may offer Notes which provide for payments of principal, premium or interest which are linked to a currency or commodity index, securities exchange or commodities exchange index or other index or formula as agreed between the relevant Issuer and the relevant Dealer.</p> <p>Payments of principal in respect of Index Linked Redemption Amount Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement).</p>
<b>Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:</b>	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate, or both (as indicated in the applicable Pricing Supplement).</p> <p>Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Pricing Supplement and will be calculated on the basis of the relevant Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.</p>
<b>Interest Periods for Floating Rate Notes:</b>	Such period(s) as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement).
<b>Dual Currency Notes:</b>	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement).
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

<b>Change of Interest Basis Notes:</b>	Notes may be converted from one interest basis to another if so provided in the applicable Pricing Supplement.
<b>Redemption:</b>	<p>The Pricing Supplement relating to each Tranche of Notes will indicate either that Notes of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons (subject, in the case of Dated Subordinated Notes only, to having obtained the prior consent of the Bank of Greece) or following an Event of Default) or that such Notes will be redeemable prior to their stated maturity at the option of the relevant Issuer (subject, in the case of Dated Subordinated Notes only, to having obtained the prior consent of the Bank of Greece) and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Pricing Supplement) to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.</p> <p><i>Prior to their stated maturity, Dated Subordinated Notes may not be redeemed at the option of the Noteholders of any such Notes and only by the Issuer with the prior consent of the Bank of Greece.</i></p> <p>The applicable Pricing Supplement may provide that such Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p> <p>Any Notes issued by Alpha PLC, which have a maturity of less than one year, shall (a) have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) provide that no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such an equivalent amount).</p>
<b>Denomination of Notes:</b>	Such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "Certain Restrictions: — Notes issued by Alpha PLC with a maturity of less than one year" above).
<b>Taxation:</b>	All payments in respect of the Notes issued by Alpha Bank will be made without deduction for or on account of Greek withholding taxes (or, in the case of Notes issued by Alpha Bank through a branch situated in a jurisdiction other than the Hellenic Republic, withholding taxes imposed by the jurisdiction where such branch is situated) and all payments in respect of Notes issued by Alpha PLC will be made without deduction for or on account of UK withholding taxes, in each case, subject to certain exemptions as provided in Condition 10.
<b>Negative Pledge:</b>	<p>The Senior Notes will contain a negative pledge provision as further described in Condition 4.</p> <p>There will be no negative pledge provision relating to Dated Subordinated Notes.</p>
<b>Cross Default:</b>	The Senior Notes will contain a cross default provision as further described in Condition 11(a).

	The Dated Subordinated Notes will not contain a cross default provision.
<b>Status of the Senior Notes:</b>	The Senior Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of such Issuer (other than those preferred by mandatory provisions of law).
<b>Status of the Dated Subordinated Notes:</b>	The Dated Subordinated Notes will constitute direct, unsecured and subordinated obligations of the relevant Issuer and will rank at all times <i>pari passu</i> among themselves, as described further in Condition 3(a).
<b>Status of Guarantee:</b>	Notes issued by Alpha PLC will be unconditionally and irrevocably guaranteed by Alpha Bank, acting through the Guaranteeing Branch (as specified in the relevant Pricing Supplement pursuant to a Deed of Guarantee dated 28 November 2001 (the “Guarantee”)) on a subordinated or an unsubordinated basis, as specified in the relevant Pricing Supplement.
<b>Listing:</b>	<p>Application has been made to the Luxembourg Stock Exchange for the listing of Notes issued under the Programme. Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer in relation to each Series.</p> <p>Unlisted Notes may also be issued.</p> <p>The Pricing Supplement relating to each issue will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s) the Notes are to be listed.</p>
<b>Governing Law:</b>	The Notes and the Guarantee (other than Condition 3(a) when Dated Subordinated Notes are issued by Alpha Bank and Condition 3(b) and clause 5.8 of the Guarantee when Dated Subordinated Notes are issued by Alpha PLC) will be governed by and construed in accordance with, English law. Condition 3(a) when Dated Subordinated Notes are issued by Alpha Bank and Condition 3(b) and clause 5.8 of the Guarantee when Dated Subordinated Notes are issued by Alpha PLC (relating to subordination) will be governed by, and construed in accordance with, Greek law. Also, Condition 17 relating to the Alpha Bank Noteholders Agent shall be governed by, and construed in accordance with, Greek law.
<b>Selling Restrictions:</b>	There are restrictions on the offer, sale and transfer of the Notes in the United States, Germany, Japan, France, the United Kingdom and Greece and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See “Subscription and Sale” below.
<b>United States Selling Restrictions:</b>	Regulation S; Category 2. TEFRA D.

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will (unless otherwise specified in the applicable Pricing Supplement) be initially represented by a temporary global Note without receipts, interest coupons or talons, which will be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg. Whilst any Note is represented by a temporary global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the temporary global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not US persons or persons who have purchased for resale to any US person, as required by US Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent. Any reference in this Section “Form of the Notes” to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer and the Agent, and in case of issue of Alpha Bank Notes (as defined below) by the Alpha Bank Noteholders Agent (as defined below).

On and after the date (the “Exchange Date”) which is the later of (i) 40 days after the date on which any temporary global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue) (the “Distribution Compliance Period”) but, if such temporary global Note is issued in respect of a Tranche of Notes described as Partly Paid Notes in the applicable Pricing Supplement, only if the final instalment on all outstanding such Notes has been paid, interests in such temporary global Note will be exchangeable (free of charge) upon request as described therein either for interests in a permanent global Note without receipts, interest coupons or talons, or for definitive Notes with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case against certification of beneficial ownership as described in the immediately preceding paragraph. The holder of a temporary global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the temporary global Note for an interest in a permanent global Note or for definitive Notes is improperly withheld or refused.

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes” below) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single series with an existing Tranche of Notes, the Notes of such further Tranche shall be temporarily assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to Notes of such Tranche.

In case of issue of Notes by Alpha Bank to which Law 3156/2003 applies and for the purposes of which the appointment of an Alpha Bank Noteholders Agent (as defined below) is required (if so), as per Law 3156/2003, (the “Alpha Bank Notes”), Alpha Bank shall appoint an agent of the holders of Alpha Bank Notes (the “Alpha Bank Noteholders Agent”) in accordance with Condition 17 of the Notes below.

Payments of principal, interest (if any) or any other amounts on a permanent global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the permanent global Note without any requirement for certification.

The applicable Pricing Supplement will specify that either (i) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent and, in case of issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent as described therein or (ii) a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event as described therein. “Exchange Event” means (i) in the case of Senior Notes, an Event of Default has occurred and is continuing or in the case of Dated Subordinated Notes any Subordinated

Default Event has occurred and is continuing, (ii) the relevant Issuer has been notified that either Euroclear or Clearstream, Luxembourg has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available or (iii) at the option of the relevant Issuer at any time. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event as described in (i) or (ii) above, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent and, in case of issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may give notice to the Agent and, in case of issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent requesting exchange. Any such exchange shall not occur not later than 30 days after the date of receipt of the first relevant notice by the Agent and, in case of issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent.

The following legend will appear on all global Notes, definitive Notes, receipts, interest coupons and talons:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to provide that holders who are United States persons (as defined in the United States Revenue Code of 1986, as amended), with certain exceptions, will not be entitled to deduct any loss on any Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

In the event that a global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of the Notes or that the Maturity Date has occurred and, in either case, payment in full of the amount due has not been made in accordance with the provisions of the global Note then, unless within the period of seven days commencing on the relevant due date payment in full of the amount due in respect of the global Note is received by the bearer in accordance with the provisions of the global Note, the global Note will become void at 8.00 p.m. (London time) on such seventh day and the bearer will have no further rights under the global Note. At the same time, holders of interest in such global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 28 November 2001 executed by the Issuers.

## FORM OF PRICING SUPPLEMENT

*A pro forma Pricing Supplement for use in connection with the Programme is set out below. This pro forma is subject to completion and amendment to set out the terms upon which each Tranche of Notes is to be issued.*

[Date]

**[ALPHA CREDIT GROUP PLC/ALPHA BANK AE]**  
(acting through its Issuing Branch)

Issue of  
[Aggregate Nominal Amount of Tranche]  
[Title of Notes]

Issued under the  
**EUR 12,000,000,000 Euro Medium Term Note Programme**  
[guaranteed by ALPHA BANK AE  
(acting through its Guaranteeing Branch)]

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 6 December 2004 [and the Supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular dated 6 December 2004. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated 6 December 2004 [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated 6 December 2004 and are attached hereto.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

1. Issuer: [Alpha Credit Group PLC]  
[Alpha Bank AE]  
Issuing Branch: [not applicable/specify branch]  
Guarantor: [Alpha Bank AE]  
Guaranteeing Branch: [not applicable/specify branch]
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
*(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible and the aggregate nominal amount of the Tranche and the Series)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount: [ ]  
Series: [ ]  
Tranche: [ ]
5. (i) Issue Price of Tranche: [ ] per cent. of the Aggregate Nominal Amount  
[plus accrued interest from [date] (in the case of fungible issues only, if applicable)]

- (ii) Net proceeds: [ ]  
(Required only for listed issues)
6. Specified Denominations: [ ]  
[ ]
7. (i) Issue Date: [ ]  
(ii) Interest Commencement Date (if different from the Issue Date): [ ]
8. Maturity Date: [Fixed Rate — Specify date/  
Floating Rate — Interest Payment Date falling in or nearest to [Specify Month]]  
*(N.B. in the case of Dated Subordinated Notes this must be at least five years after the Issue Date)*  
*(NB: If the Maturity Date is less than one year from the Issue Date, any Notes issued by Alpha PLC must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to professional investors (or another applicable exemption from section 19 of the Financial Services and Markets Act 2000 must be available).)*
9. Interest Basis: [[ ]% Fixed Rate]  
[[LIBOR/EURIBOR] +/- [ ]% Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[Other (specify)]  
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[Other (specify)]
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest basis or redemption/ payment basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. (i) Status of the Notes: [Senior/Dated Subordinated]  
(ii) Status of the Guarantee: [Senior/Dated Subordinated]
14. Listing: [Luxembourg/other (specify)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear.
- (ii) Interest Payment Date(s): [ ] in each year

- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] in Nominal Amount
- (iv) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)*]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or other (*give details*)]
- (vi) Determination Date(s): [ ] in each year  
[*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*]  
*NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration*  
*NB: Only relevant where Day Count Fraction is Actual/Actual (ISMA)*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]

**17. Floating Rate Note Provisions**

- [Applicable/Not Applicable]  
(*If not applicable, delete the remaining subparagraphs of this paragraph. If applicable also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate*)
- (i) Interest Period(s) [ ]
- (ii) Specified Interest Payment Dates: [ ]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*other (give details)*]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate(s) of Interest and Interest Amount is/are to be determined: [Screen Rate Determination/ISDA Determination/*other (give details)*]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (vi) Screen Rate Determination:
  - Reference Rate: [ ]  
(*Either LIBOR, EURIBOR or other, although additional information is required if other — including as to fallback provisions in the Agency Agreement*)
  - Interest Determination Date(s): [ ]  
(*Second London business day prior to the start of each Interest Period if LIBOR (other than euro LIBOR or Sterling LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the*



*start of each Interest Period if EURIBOR or euro LIBOR)*

- Relevant Screen Page: [            ]
- (vii) ISDA Determination:
  - Floating Rate Option: [            ]
  - Designated Maturity: [            ]
  - Reset Date: [            ]
- (viii) Margin(s): [+/-][        ] per cent. per annum
- (ix) Minimum Rate of Interest: [        ] per cent. per annum
- (x) Maximum Rate of Interest: [        ] per cent. per annum
- (xi) Day Count Fraction: [Actual/365  
Actual/365 (Fixed)  
Actual/360  
Actual/365 (Sterling)  
30/360  
30E/360  
Other]  
*(See Condition 5 for alternatives)*
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [            ]

**18. Zero Coupon Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Accrual Yield: [        ] per cent. per annum
- (ii) Reference Price: [            ]
- (iii) Any other formula/basis of determining amount payable: [            ]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment [Condition 6(e)(iii) and 6(j) apply/*specify other*]

**19. Index Linked Interest Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Index/Formula: [*give or annex details*]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [            ]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [            ]

- (iv) Specified Period(s)/Specified Interest Payment Date(s): [            ]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (vi) Additional Business Centre(s): [            ]
- (vii) Minimum Rate of Interest: [        ] per cent. per annum
- (viii) Maximum Rate of Interest: [        ] per cent. per annum
- (ix) Day Count of Fraction: [            ]

**20. Dual Currency Note Provisions**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate of Exchange/method of calculating Rate of Exchange: [*give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable: [            ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [            ]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [            ]

**PROVISIONS RELATING TO REDEMPTION**

**21. Issuer Call:**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [            ]
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [            ]
  - (b) Maximum Redemption Amount: [            ]
- (iv) Notice period (if other than as set out in the Conditions): [            ]

**22. Investor Put:**

[Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s): [            ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [            ]

- (iii) Notice period (if other than as set out in the Conditions): [            ]
23. Final Redemption Amount: [Par/other/see Appendix]
24. Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6): [            ]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days' notice given at any time/only upon an Exchange Event].  
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date upon [            ] days' notice.]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
30. Redenomination and/or Exchange and/or Consolidation applicable: Redemption [not] applicable  
*(if Redenomination is applicable, specify either the applicable Day Count Fraction or any other provisions necessary to deal with floating rate interest calculation (including alternative interest rates))*  
Exchange [not] applicable  
Consolidation [not] applicable
31. Other terms or special conditions: [Not Applicable/*give details*]

**DISTRIBUTION**

32. (i) If syndicated, names of Managers: [Not Applicable/*give details*]  
(ii) Stabilising Manager (if any): [Not Applicable/*give details*]
33. If non-syndicated, name of Dealer: [            ]
34. If issued by Alpha Bank, name of the Alpha Bank Noteholders Agent: [            ]

35. Additional selling restrictions: [Not Applicable/ give details]  
(NB: If issuing or selling Notes into the Netherlands, consider applicable selling restrictions)

**OPERATIONAL INFORMATION**

36. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/ give name(s) and number(s)]

37. Delivery: Delivery [against/free of] payment

38. Additional Paying Agent(s) (if any): [ ]

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ISIN: [ ]

Common Code: [ ]

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**LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the listing of the EUR 12,000,000,000 Euro Medium Term Note Programme of Alpha Credit Group PLC and Alpha Bank AE.

**RESPONSIBILITY**

The Issuer [and the Guarantor]\* accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: . . . . .  
*Duly Authorised*

[Signed on behalf of the Guarantor:

By: . . . . .  
*Duly Authorised*]\*

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\* Include for issues of Notes by Alpha PLC

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, each definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The term "Issuer" as used in these Terms and Conditions refers to the Issuer specified as such in the applicable Pricing Supplement in relation to a particular Tranche of Notes. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each global Note and each definitive Note. Reference should be made to "Form of the Notes and the Pricing Supplement" for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series of notes issued by the Issuer specified as such in the applicable Pricing Supplement (as defined below), being either Alpha Credit Group PLC ("Alpha PLC") or Alpha Bank AE ("Alpha Bank"), acting through its Issuing Branch (as specified in the applicable Pricing Supplement) (together the "Issuers") the notes of such Series being hereinafter called the "Notes", which expression shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Notes issued in exchange for a global Note and (iii) any global Note each as issued in accordance with an amended and restated Fiscal Agency Agreement (the "Agency Agreement", which expression shall include any amendments or supplements thereto) dated 6 December 2004 and made between the Alpha PLC, Alpha Bank and Citibank, N.A. in its capacity as Issuing and Principal Paying Agent (the "Agent", which expression shall include any successor to Citibank, N.A. in its capacity as such) and the other Paying Agents named therein (the "Paying Agents", which expression shall include the Agent and any substitute or additional Paying Agents appointed in accordance with the Agency Agreement).

The Notes, the Receipts and the Coupons (each as defined below) have the benefit of a deed of covenant (the "Deed of Covenant", which expression shall include any amendments or supplements thereto) dated 28 November 2001 executed by the Issuers in relation to the Notes. The original Deed of Covenant is held by the common depository for Euroclear and Clearstream, Luxembourg (each as defined below).

Notes issued by Alpha PLC are the subject of a deed of guarantee (the "Guarantee") dated 28 November 2001 (as amended or supplemented from time to time, the "Deed of Guarantee") entered into by Alpha Bank (in such capacity, the "Guarantor").

Interest bearing definitive Notes will (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Notes repayable in instalments will have receipts ("Receipts") for the payment of the instalments of principal (other than the final instalment) attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of this Note. References herein to "applicable Pricing Supplement" are to the Pricing Supplement attached hereto or endorsed hereon.

The Pricing Supplement for each Tranche of Notes will state in particular whether this Note is (i) a senior Note (a "Senior Note") or (ii) a dated subordinated Note (a "Dated Subordinated Note").

In case of issue of Notes by Alpha Bank to which Law 3156/2003 applies and for the purposes of which the appointment of an Alpha Bank Noteholders Agent (as defined below) is required (if so), as per Law 3156/2003, (the "Alpha Bank Notes"), Alpha Bank shall appoint an agent of the holders of Alpha Bank Notes (the "Alpha Bank Noteholders Agent") in accordance with Condition 17 of the Notes below.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference to “Alpha Bank Noteholders” in relation to any Notes shall mean the holders of Alpha Bank Notes, as defined in Condition 17 below, and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and subject to their detailed provisions. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant, the Deed of Guarantee and the applicable Pricing Supplement which are applicable to them. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection and copies of the applicable Pricing Supplement may be obtained during normal business hours at the specified office of each of the Agent and the other Paying Agents and, in case of issue of Alpha Bank Notes, of the Alpha Bank Noteholders Agent, save that, if this Note is an unlisted Note of a Series, the applicable Pricing Supplement may only be obtained by a Noteholder holding one or more unlisted Notes of any Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and as to identity.

Words and expressions defined in the Agency Agreement, the Deed of Covenant or the Deed of Guarantee or which are used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement, Deed of Covenant or the Deed of Guarantee and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

## **1. Form, Denomination and Title**

The Notes are in bearer form in the Specified Currency and the Specified Denomination(s) and, in the case of definitive Notes, serially numbered. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Amount Note, an Instalment Note, a Dual Currency Redemption Note or a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

This Note may be a Senior Note or a Dated Subordinated Note depending upon the Status of the Notes shown in the applicable Pricing Supplement.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable. Instalment Notes in definitive form are issued with Receipts attached.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the Issuer and any Paying Agent shall (subject as provided below) be entitled to deem and treat (and no such person will be liable for so deeming and treating) the bearer of any Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and/or Clearstream Banking, société anonyme

(“Clearstream, Luxembourg”) each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Agent, any other Paying Agent and, in case of issue of Alpha Bank Notes, the Alpha Bank Noteholders Agent as the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on such Notes, for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor the Agent, any other Paying Agent and, in case of issue of Alpha Bank Notes, the Alpha Bank Noteholders Agent as the holder of such nominal amount of Notes in accordance with and subject to the terms of the relevant global Note (and the expressions “Noteholder”, “holder of Notes” and “Alpha Bank Noteholders” and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer, the Guarantor and the Agent and specified in the applicable Pricing Supplement.

## **2. Status of the Senior Notes and the Guarantee in respect of Senior Notes issued by Alpha PLC**

- (a) If the Notes are specified as Senior Notes in the applicable Pricing Supplement, the Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by mandatory provisions of law.
- (b) The obligations of the Guarantor under the Guarantee in respect of Senior Notes issued by Alpha PLC constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject as aforesaid) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.

## **3. Status of Dated Subordinated Notes and the Guarantee in respect of Dated Subordinated Notes**

- (a) The Notes are and will be, direct, unsecured and subordinated obligations of the Issuer and rank at all times *pari passu* among themselves.

The claims of the Noteholders will be subordinated to the claims of Senior Creditors of the Issuer (as defined below) in that payments of principal and interest in respect of the Notes (whether in the winding up of the Issuer or otherwise) will be conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no principal or interest shall be payable in respect of the Notes (whether in the winding up of the Issuer or otherwise) except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For this purpose, the Issuer shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Issuer, which are due and payable.

“Senior Creditors of the Issuer” means creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) who are subordinated creditors of the Issuer whose claims are expressed to rank in priority to the claims of the holders of Dated Subordinated Notes (whether only in the winding up of the Issuer or otherwise).

In case of dissolution, liquidation and/or bankruptcy of the Issuer the holders of Dated Subordinated Notes will only be paid by the Issuer after all Senior Creditors of the Issuer have been paid in full and the holders of Dated Subordinated Notes irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Issuer in such circumstances.

- (b) The payment of principal and interest in respect of the Dated Subordinated Notes has been irrevocably guaranteed on a subordinated basis by the Guarantor.

All claims under the Guarantee will be subordinated to the claims of Senior Creditors of the Guarantor (as defined below) in that payments under the Guarantee (whether in the winding up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Guarantee (whether in the winding up of the Guarantor or otherwise) except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Dated Subordinated Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor, which are due and payable.

“Senior Creditors of the Guarantor” means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the holders of Dated Subordinated Notes or other persons claiming under the Guarantee (whether only in the winding up of the Guarantor or otherwise).

In case of dissolution, liquidation and/or bankruptcy of the Guarantor the holders of Dated Subordinated Notes will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and the holders of Dated Subordinated Notes irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor.

#### **4. Negative Pledge**

This Condition 4 shall apply only to Senior Notes and references to “Notes” and “Noteholders” shall be construed accordingly. So long as any of the Notes remains outstanding (as defined in the Agency Agreement), neither the Issuer nor the Guarantor (if applicable) shall create or permit to be outstanding any mortgage, charge, lien, pledge or other similar encumbrance or security interest upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital), to secure any Indebtedness (as defined below) or any guarantee or indemnity given in respect of any Indebtedness, without, in the case of the creation of an encumbrance or security interest, at the same time and, in any other case, promptly according to the Noteholders an equal and rateable interest in the same or providing to the Noteholders such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

“Indebtedness” means any borrowings having an original maturity of more than one year in the form of or represented by bonds, notes, debentures or other securities which, with the consent of the Issuer are, or are intended to be, listed or traded on any stock exchange, over-the-counter or other organised market for securities (whether or not initially distributed by way of private placing).

#### **5. Interest**

##### *(a) Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the applicable Pricing Supplement at the rate(s) per annum equal to the Rate(s) of Interest so specified payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date so specified if that does not fall on an Interest Payment Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on such date shall be the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “Fixed Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.



“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the “Calculation Period”), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if “Actual/Actual (ISMA)” is so specified means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Terms and Conditions:

“Regular Period” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “Regular Date” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period; and

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the applicable Pricing Supplement; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an “Interest Payment Date”) which (save as otherwise mentioned in these Terms and Conditions or the applicable Pricing Supplement) falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest

Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions:

“Business Day” means (unless otherwise stated in the applicable Pricing Supplement) a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Pricing Supplement; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system (the “TARGET System”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (iii), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Pricing Supplement under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2003 ISDA Definitions as published by

the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “ISDA Definitions”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro-zone inter-bank offered rate (“EURIBOR”) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For purposes of this sub-paragraph (iii), (a) “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions, (b) the definition of “Banking Day” in the ISDA Definitions shall be amended to insert after the words “are open for” in the second line the word “general” and (c) “Euro-zone” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty.

Where this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Agent will be deemed to have discharged its obligations under paragraph (vi) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing supplement) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, only one of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(v) *Minimum and/or Maximum Rate of Interest*

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(vi) *Determination of Rate of Interest and Calculation of Interest Amount*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. The Agent will calculate the amount of interest (the “Interest Amount”) payable on each Floating Rate Note or Index Linked Interest Note in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest cent (or its approximate equivalent sub-unit of the relevant Specified Currency, half of any sub-unit being rounded upwards or otherwise in accordance with applicable market convention).

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the “Calculation Period”), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if “Actual/365” or “Actual/Actual (ISDA)” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (c) if “Actual/360” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if “30/360” is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the whole month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (e) if “30E/360” or “Eurobond Basis” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vii) *Notification of Rate of Interest and Interest Amount*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified *inter alia* to the Issuer and to any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed, and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business in London.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(d) *Interest on Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(e) *Accrual of Interest*

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the relevant Pricing Supplement until whichever is the earlier of (1) the date on which all amounts due in respect of such Note have been paid, and (2) date on which the Agent having received the funds required to make such payment, notice is given to the Noteholders in accordance with Condition 15 of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Noteholder).

## **6. Redemption and Purchase**

(a) *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

(b) *Redemption for Tax Reasons*

If, as a result of any amendment to or change in the laws or regulations of the jurisdiction of incorporation of the Issuer or, if applicable, the Guarantor or, in the case of Alpha Bank issuing or guaranteeing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, such other jurisdiction or in each case of any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application or official interpretation or administration of any such laws or regulations, which amendment or change becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, the Issuer would be required to pay additional amounts as provided in Condition 10, or the Guarantor (if applicable) would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay additional amounts as provided in Condition 10, the Issuer may (subject, in the case of Dated Subordinated Notes, to the prior consent of the Bank of Greece), at its option and having given no less than 30 nor more than 60 days' notice (ending, in the case of Notes which bear interest at a floating rate, on any Interest Payment Date) to the Agent and, in case of issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent, and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes at their Early Redemption Amount as may be specified in, or determined in accordance with, the applicable Pricing Supplement together (if appropriate) with interest accrued to (but excluding) the date of redemption provided that no such notice of redemption shall be given earlier than 90 days prior to the

earliest date on which the Issuer or, as the case may be, the Guarantor (if applicable) would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

(c) *Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, (subject, in the case of Dated Subordinated Notes, to the prior consent of the Bank of Greece), having (unless otherwise specified in the applicable Pricing Supplement) given not more than 30 nor less than 15 days' notice to the Agent and, in case of issue of Alpha Bank Notes, to the Alpha Bank Noteholders Agent, and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date. Upon the expiry of such notice, the Issuer shall be bound to redeem the Notes accordingly.

In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, both as indicated in the applicable Pricing Supplement. In the case of a partial redemption of definitive Notes, the Notes to be redeemed will be selected individually by not more than 30 days prior to the date fixed for redemption and a list of the Notes called for redemption will be published in accordance with Condition 15 not less than 15 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg.

(d) *Redemption at the Option of the Noteholders (Investor Put)*

This Condition 6(d) is applicable only in relation to Notes specified in the relevant Pricing Supplement as being Senior Notes and references to "Notes" and "Noteholders" shall be construed accordingly.

If Investor Put is specified in the applicable Pricing Supplement, upon any Noteholder giving to the Issuer in accordance with Condition 15 not more than 30 nor less than 15 days' notice (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Pricing Supplement such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date.

If this Note is in definitive form, to exercise any right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of repayment an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph.

(e) *Early Redemption Amounts*

For the purposes of paragraph (b) above and Condition 11, each Note will be redeemed at an amount (the "Early Redemption Amount") determined or calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable

Pricing Supplement or, if no such amount or manner is set out in that Pricing Supplement, at their nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) equal to the sum of:

(A) the Reference Price specified in the applicable Pricing Supplement; and

(B) the product of the Accrual Yield specified in the applicable Pricing Supplement (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable,

or such other amount as is provided in the applicable Pricing Supplement.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the applicable Pricing Supplement.

(f) *Instalments*

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) *Purchases*

The Issuer, the Guarantor (if applicable) or any Subsidiary (as defined in the Agency Agreement) of the Issuer or the Guarantor (if applicable) may (subject, in the case of Dated Subordinated Notes, to the prior consent of the Bank of Greece), at any time purchase Notes (together, in the case of definitive Notes, with all Receipts, Coupons and Talons appertaining thereto) in any manner and at any price. In the case of a purchase by tender, such tender must be made available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, as the case may be, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed in full will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes which are purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons attached thereto or delivered therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(j) *Late Payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

(1) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

## 7. Payments

### (a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Auckland, respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10.

### (b) *Presentation of Notes, Receipts and Coupons*

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment only, endorsement) of definitive Notes and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid against presentation and surrender (or, in the case of part payment only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (as referred to below).

Payments of instalments (if any) of principal in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) at the specified office of any Paying Agent of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in (a) above only against surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) appertaining thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive form (other than Dual Currency Notes or Index Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 14) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Index Linked Interest Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.



Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes and otherwise in the manner specified in the relevant global Note against presentation or surrender (or, in the case of part payment only, endorsement), as the case may be, of such global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer, or to the order of, the holder of the relevant global Note. No person other than the holder of the relevant global Note shall have any claim against the Issuer in respect of any payments due in respect of the Notes represented by such global Note.

Payments of principal and/or interest in respect of the Notes will be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer or the Guarantor (if applicable).

(c) *Redenomination*

Where Redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders or the Couponholders, on giving prior notice to the Agent, Euroclear and Clearstream, Luxembourg and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Agent, that the then market practice in respect of the redenomination into euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Paying Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Agent may approve) euro 0.01 and such other denominations as the Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the “Exchange Notice”) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;
- (vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction specified in the applicable Pricing Supplement, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;
- (vii) if the Notes are Floating Rate Notes, any applicable changes to the provisions relating to interest will be specified in the applicable Pricing Supplement; and
- (viii) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, to conform them to conventions then applicable to instruments denominated in euro or to enable the Notes to be consolidated with one or more issues of other notes, whether or not originally denominated in the Specified Currency or euro.

(d) *Exchange*

Where Exchange is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders or the Couponholders, on giving prior notice to the Agent, the Alpha Bank Noteholders Agent (in case of issue of Alpha Bank Notes), Euroclear and Clearstream, Luxembourg and not less than 30 days’ prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be exchangeable for notes expressed to be denominated in euro in accordance with such arrangements as the Issuer may decide, after consultation with the Agent, and as may be specified in the notice, including arrangements under which Receipts and Coupons unmatured at the date so specified become void.

(e) *Consolidation*

Where Consolidation is specified in the applicable Pricing Supplement as being applicable, the Issuer may also from time to time, without the consent of the Noteholders, Couponholders or Receiptholders, on giving prior notice to the Agent, the Alpha Bank Noteholders Agent (in case of issue of Alpha Bank Notes), Euroclear and Clearstream, Luxembourg and not less than 30 days’ prior notice to the Noteholders in accordance with Condition 15, consolidate the Notes, with effect from the Redenomination Date specified in the notice, with one or more issues of other notes (“Other Notes”) issued by it, whether or not originally

issued in the relevant currency or euro, provided that such Other Notes have been redenominated into euro (if not originally denominated in euro) and otherwise have, in respect of all periods subsequent to such consolidation, the same or substantially the same terms and conditions as the Notes.

The Issuer may exercise its right referred to above if it determines, in consultation with the Agent, that the Notes and Other Notes which it proposes to consolidate will, with effect from their consolidation:

- (i) be cleared and settled on an interchangeable basis with the same International Securities Identification Number through each Relevant Clearing System through which the Notes or the relevant Other Notes were cleared and settled immediately prior to consolidation; and
- (ii) be listed on at least one European stock exchange on which debt obligations issued in the euromarkets are then customarily listed and on which either the Notes or the relevant Other Notes were listed immediately prior to consolidation.

(f) *Definitions*

In this Condition, the following expressions have the following meanings:

“Established Rate” means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 109(I)(4) of the Treaty;

“Redenomination Date” means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (c) or, as the case may be, (d) above, and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

“Relevant Clearing System” means:

- (i) Euroclear and Clearstream, Luxembourg;
- (ii) any clearing system which is a central securities depository for the Notes or the relevant Other Notes; and
- (iii) the principal clearing system (if any) in the country of the original currency of denomination of the Notes or the relevant Other Notes if the Notes or the relevant Other Notes were clearing and settling in such clearing system immediately prior to consolidation.

(g) *Payment Day*

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Pricing Supplement, “Payment Day” means any day which (subject to Condition 14) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (a) the relevant place of presentation;
  - (b) London;
  - (c) any Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre) and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Auckland, respectively or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(h) *Interpretation of Principal and Interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 10;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10.

**8. Agent and Paying Agents**

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below.

The Issuer and, if applicable, the Guarantor is/are entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent; and
- (iv) the Issuer undertakes that it will ensure it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN meeting of 26–27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 7(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Alpha Bank Noteholders Agent (in case of issue of Alpha Bank Notes) and the Noteholders in accordance with Condition 15 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date.

**9. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Notes to which it appertains) a further Talon, subject to the provisions of Condition 14. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## 10. Taxation

All amounts of principal, premium and interest in respect of the Notes, Receipts and Coupons payable by or on behalf of the Issuer or the Guarantor (if applicable) shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, collected, withheld, assessed or levied by or on behalf of, in the case of Alpha PLC, the United Kingdom or, in the case of Alpha Bank, the Hellenic Republic and, in the case of Alpha Bank issuing or guaranteeing Notes through a branch situated in a jurisdiction other than the Hellenic Republic, the jurisdiction where such branch is situated and, in the case of Alpha Bank guaranteeing Notes issued by Alpha PLC, the United Kingdom or, in each case, any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of, a Noteholder, Receiptholders or Couponholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of such Note, Receipt or Coupon; or
- (ii) presented for payment more than 30 days after the Relevant Date (as defined below), except to the extent that the relevant Noteholder, Receiptholders or Couponholder would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union; or
- (v) presented for payment by or on behalf of a Noteholder who would not be liable or subject to such withholding or deduction if it were to comply with a statutory requirement or to make a declaration of non-residence or other similar claim for exemption and fails to do so.

For the purposes of these Terms and Conditions, the “Relevant Date” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

## 11. Events of Default

### (1) *Senior Notes*

This Condition 11(1) is applicable only in relation to Notes specified in the relevant Pricing Supplement as being Senior Notes and references to “Notes” and “Noteholders” shall be construed accordingly.

- (a) Unless otherwise specified in the relevant Pricing Supplement, the following events or circumstances (each an “Event of Default”) shall be acceleration events in relation to the Notes, namely:
  - (i) the Issuer fails to pay any amount of principal or interest in respect of the Notes on the due date for payment thereof and such failure continues for a period of 14 days; or

- (ii) the Issuer or, if applicable, the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, Receipts or Coupons and such default remains unremedied for 30 days after written notice thereof has been delivered by a Noteholder to the Issuer or the Guarantor, as the case may be, requiring the same to be remedied; or
- (iii) the repayment of any indebtedness owing by the Issuer or, if applicable, the Guarantor or any Material Subsidiary is accelerated by reason of default and such acceleration has not been rescinded or annulled, or the Issuer or, if applicable, the Guarantor or any Material Subsidiary defaults (after whichever is the longer of any originally applicable period of grace and 14 days after the due date) in any payment of any indebtedness or in the honouring of any guarantee or indemnity in respect of any indebtedness provided that no such event shall constitute an Event of Default unless the indebtedness whether alone or when aggregated with other indebtedness relating to all (if any) other such events which shall have occurred and be continuing shall exceed US\$10,000,000 (or its equivalent in any other currency or currencies); or
- (iv) any order shall be made by any competent court or resolution passed for the winding up or dissolution of the Issuer or, if applicable, the Guarantor or any Material Subsidiary (other than for the purpose of amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Alpha Bank or another of its Subsidiaries); or
- (v) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall cease to carry on the whole or substantially the whole of its business (other than for the purpose of an amalgamation, merger or reconstruction (1) on terms approved by an Extraordinary Resolution of the Noteholders or (2) in the case of a Material Subsidiary whereby the undertaking and the assets of the Material Subsidiary are transferred to or otherwise vested in Alpha Bank or another of its Subsidiaries); or
- (vi) the Issuer or, if applicable, the Guarantor or any Material Subsidiary shall stop payment or shall be unable to, or shall admit inability to, pay its debts as they fall due, or shall be adjudicated or found bankrupt or insolvent by a court of competent jurisdiction or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally; or
- (vii) a receiver, trustee or other similar official shall be appointed in relation to the Issuer or, if applicable, the Guarantor or any Material Subsidiary or in relation to the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary or an interim supervisor of Alpha Bank is appointed by the Bank of Greece or an encumbrancer shall take possession of the whole or over half of the assets of the Issuer or, if applicable, the Guarantor or any Material Subsidiary, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a substantial part of the assets of the Issuer or, if applicable, the Guarantor and in any of the foregoing cases it or he shall not be discharged within 60 days; or
- (viii) the Issuer or, if applicable, the Guarantor or any Material Subsidiary sells, transfers, lends or otherwise disposes of the whole or a major part of its undertaking or assets (including shareholdings in its Subsidiaries or associated companies) and such disposal is substantial in relation to the assets of the Issuer or Alpha Bank and its Subsidiaries as a whole, other than selling, transferring, lending or otherwise disposing on an arm's length basis, or of any present or future undertakings or assets (including uncalled capital), receivables, remittances or the payment rights of the Issuer, Alpha Bank or any Material Subsidiary pursuant to any securitisation or like arrangement in accordance with normal market practice;
- (ix) with respect to any Notes issued by Alpha PLC, the Guarantee is not in full force and effect.

For the purposes of this Condition 11(1)(a) "Material Subsidiary" means at any time any Subsidiary of Alpha Bank:

- (i) whose profits or (in the case of a Subsidiary which has subsidiaries) consolidated profits, before taxation and extraordinary items or before taxation and after extraordinary items as shown by its

latest audited profit and loss account are at least 15 per cent. of the consolidated profits before taxation and extraordinary items of Alpha Bank and its Subsidiaries as shown by the latest published audited consolidated profit and loss account of Alpha Bank and its Subsidiaries; or

- (ii) whose gross assets or (in the case of a Subsidiary which has subsidiaries) gross consolidated assets as shown by its latest audited balance sheet are at least 15 per cent. of the gross consolidated assets of Alpha Bank and its Subsidiaries as shown by the then latest published audited consolidated balance sheet of Alpha Bank and its Subsidiaries; or
  - (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Material Subsidiary provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Material Subsidiary.
- (b) If any Event of Default shall occur and be continuing in relation to any Note, any Noteholder may, by written notice to the Issuer at the specified office of the Agent, declare that such Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the relevant Pricing Supplement, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(2) *Dated Subordinated Notes*

This Condition 11(2) is applicable only in relation to Notes specified in the relevant Pricing Supplement as being Dated Subordinated Notes and any references to “Notes” or “Noteholders” shall be construed accordingly. The events specified below are both “Subordinated Default Events”:

- (a) If default is made in the payment of any amount due in respect of the Notes on the due date and such default continues for a period of 7 days, any Noteholder may institute proceedings for the winding up of the Issuer.
- (b) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved by Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding up of the Issuer, any Noteholder may, by written notice to the Agent, declare such Note to be due and payable whereupon the same shall become immediately due and payable at its Early Redemption Amount as may be specified in or determined in accordance with the relevant Pricing Supplement, together (if appropriate) with interest accrued to (but excluding) the date of redemption unless such Subordinated Default Event shall have been remedied prior to receipt of such notice by the Agent.

**12. Meetings of Noteholders, Modification and Waiver**

Without prejudice to the provisions on the meetings of the Alpha Bank Noteholders, included in Condition 17 below, the Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Noteholders to consider any matter affecting their interests, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of these Terms and Conditions. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders whether or not they are present at the meeting, and on all holders of Coupons or Receipts relating to the Notes.

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

### **13. Replacement of Notes, Receipts, Coupons and Talons**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of the costs and expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

### **14. Prescription**

The Notes, Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 14 or Condition 7(b) or any Talon which would be void pursuant to Condition 7(b).

### **15. Notices**

All notices to Noteholders regarding the Notes shall be valid if published in the *Financial Times* or another leading English language daily newspaper with circulation in London. The Issuer will ensure that notices to Noteholders are published (a) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, in a daily newspaper with circulation in Luxembourg, which is expected to be the *Luxemburger Wort* and (b) in a manner which complies with the rules and regulations of any other stock exchange (or other relevant authority) on which the Notes are for the time being listed. Any such notices will, if published more than once, be deemed to have been given on the date of the first publication, as provided above.

Except in the case of Notes listed on the Luxembourg Stock Exchange (unless its rules so permit), until such time as any definitive Notes are issued, there may, so long as the global Note(s) representing the Notes is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as appropriate.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a global Note, such notice may be given by any Noteholder to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

The holders of Receipts, Coupons and Talons will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition.

Any notice concerning the Alpha Bank Notes shall be given to the Alpha Bank Noteholders Agent. Any such notice shall be deemed to have been given to the Alpha Bank Noteholders on the seventh day after the day on which the said notice was given the Alpha Bank Noteholders Agent.

### **16. Substitution of the Issuer**

(a) The Issuer may, without the consent of any Noteholder or Couponholder, substitute for itself any other body corporate incorporated in any country in the world as the debtor in respect of the Notes, any Coupons, the Deed of Covenant, the Alpha Bank Noteholders Agency Agreement (as defined in Condition 17 below), in case of issue of Alpha Bank Notes, and the Agency Agreement (the "Substituted Debtor") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 15, provided that:

- (i) the Issuer is not in default in respect of any amount payable under the Notes;
- (ii) the Issuer and the Substituted Debtor have entered into such documents (the "Documents") as are necessary to give effect to the substitution and in which the Substituted Debtor has



- undertaken in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 16);
- (iii) the Substituted Debtor shall enter into a deed of covenant in favour of the holders of the Notes then represented by a global Note on terms no less favourable than the Deed of Covenant then in force in respect of the Notes;
  - (iv) if the Issuer is Alpha PLC and the Substituted Debtor is not Alpha Bank, the Guarantee extends to the obligations of the Substituted Debtor under or in respect of the Notes, any Coupons, the Deed of Covenant and the Agency Agreement and continues to be in full force and effect;
  - (v) if the Substituted Debtor is resident for tax purposes in a territory (the “New Residence”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “Former Residence”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that following substitution, each Noteholder would have the benefit of an undertaking in terms corresponding to the provisions of Condition 10, with (a) the substitution of references to the Issuer with references to the Substituted Debtor (to the extent that this is not achieved by Condition 16(a)(ii)) and (b) the substitution of references to the Former Residence with references to both the New Residence and the Former Residence;
  - (vi) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents;
  - (vii) legal opinions shall have been delivered to the Agent from lawyers of recognised standing in the jurisdiction of incorporation of the Substituted Debtor, in England and in Greece as to the fulfilment of the requirements of this Condition 16 and that the Notes and any Receipts, Coupons and/or Talons are legal, valid and binding obligations of the Substituted Debtor;
  - (viii) if Notes issued or to be issued under the Programme have been assigned a credit rating by Standard & Poor’s and/or Moody’s, as the case may be, having been notified of the proposed substitution, shall not have stated within 30 days thereafter that, as a result of such substitution, the credit rating of the Notes would be downgraded;
  - (ix) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be listed on such stock exchange; and
  - (x) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes and any Coupons.
- (b) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons, the Deed of Covenant and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Receipts, Coupons and/or Talons, the Deed of Covenant and under the Agency Agreement.
  - (c) After a substitution pursuant to Condition 16(a) the Substituted Debtor may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Conditions 16(a) and 16(b) shall apply *mutatis mutandis*, and references in these Terms and Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
  - (d) After a substitution pursuant to Condition 16(a) or 16(c) any Substituted Debtor may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
  - (e) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge during normal business hours at the specified office of each of the Paying Agents.

## 17. Alpha Bank Noteholders Agent

Should Law 3156/2003 of Greece apply in the case of an issue of Notes by Alpha Bank (“Alpha Bank Notes”), Alpha Bank, prior to the completion of such issue, shall if so required by Law 3156/2003 appoint by way of a written contract (the “Alpha Bank Noteholders Agency Agreement”) and in accordance with provisions of Law 3156/2003, an agent of the holders of the Alpha Bank Notes (“Alpha Bank Noteholders Agent”).

The Alpha Bank Noteholders Agent shall be either a Credit Institution or an Investment Firm of articles 23 and 27 par. 2 of Law 2396/1996, implementing into Greek Law Council Directive 93/22/EEC “On Investment Services in the Securities Field” (“ISD”), which shall be authorised to render in Greece the regulated investment service of underwriting in respect of issues of any of the instruments listed in Section B of the Annex of the ISD and/or placing of such issues.

The Alpha Bank Noteholders Agent shall *inter alia*:

- (i) represent the interests of the Alpha Bank Noteholders *vis-à-vis* Alpha Bank and any third parties;
- (ii) co-operate with Euroclear or Clearstream, Luxembourg, for the registration of the interests of the Alpha Bank Noteholders in the accounts of Euroclear System;
- (iii) represent, in accordance with the provisions of Law 3156/2003, the Alpha Bank Noteholders before the competent Courts, as regards any issues concerning the Alpha Bank Notes; and
- (iv) generally perform any other duties and obligations, as set in Law 3156/2003 and the Terms and Conditions of the Alpha Bank Notes.

The Alpha Bank Noteholders Agency Agreement shall include, among others, provisions for the meetings of the Alpha Bank Noteholders in accordance with Law 3156/2003.

The meetings of the Alpha Bank Noteholders shall be entitled to vary or terminate the appointment of the Alpha Bank Noteholders Agent in accordance with the provisions of Law 3156/2003 and the Terms and Conditions of the Alpha Bank Notes.

The particular duties, rights and liabilities of the Alpha Bank Noteholders Agent and any amendment to the Conditions of this Offering Circular, inherent to (i) the appointment of the Alpha Bank Noteholders Agent; and (ii) the entering into the Alpha Bank Noteholders Agency Agreement, shall be included in the relevant Pricing Supplement and/or, if necessary, any supplement to this Offering Circular which will be prepared for the issue of the Alpha Bank Notes.

## 18. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the amount and date of the first payment of interest thereon) with the outstanding Notes and so that the same shall be consolidated and form a single series with the outstanding Notes.

## 19. Governing Law; Submission to Jurisdiction

- (a) The Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law except that (i) Condition 17, (ii) in the case of Dated Subordinated Notes issued by Alpha Bank Condition 3(a) is governed by and shall be construed in accordance with Greek law and, (iii) in the case of Dated Subordinated Notes issued by Alpha PLC, Condition 3(b) and clause 5.8 of the Guarantee are governed by and shall be construed in accordance with Greek law.
- (b) Alpha Bank irrevocably agrees, for the exclusive benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes (together “Proceedings”), which may arise out of or in connection with the Agency Agreement, the Deed of Covenant and the Notes and, for such purpose, irrevocably submits to the jurisdiction of such courts.
- (c) Alpha Bank irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably

and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against Alpha Bank in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

- (d) Alpha Bank irrevocably and unconditionally agrees that service in respect of any Proceedings may be effected upon Alpha Bank AE, London branch at 66 Cannon Street, London EC4N 6EP and undertakes that in the event of it ceasing to maintain a London branch Alpha Bank will forthwith appoint a further person as its agent for that purpose and notify the name and address of such person to the Agent and agrees that, failing such appointment within fifteen days, any Noteholder shall be entitled to appoint such a person by written notice addressed to Alpha Bank and delivered to Alpha Bank or to the specified office of the Agent. Nothing contained herein shall affect the right of any Noteholder to serve process in any other manner permitted by law.

**20. Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be used by the relevant Issuer for the general corporate and financing purposes of the Group (as defined below).

## ALPHA CREDIT GROUP PLC

### Introduction

Alpha PLC was incorporated under the laws of England on 1 April 1999 as a public limited company with number 3747110. The registered office of Alpha PLC is at 66 Cannon Street, London EC4N 6EP. Alpha PLC was acquired by Alpha Bank on 14 July 1999 and the share capital of Alpha PLC continues to be held, directly and indirectly by Alpha Bank, Alpha PLC has no subsidiaries.

### Directors

The Directors of Alpha PLC, their respective business addresses and principal activities in relation to Alpha PLC and Alpha Bank are:

<i>Name</i>	<i>Address</i>	<i>Principal activities in relation to Alpha PLC and Alpha Bank</i>
Martin J. Waghorn	66 Cannon Street, London EC4N 6EP	— Managing Director, Alpha Bank London Limited — General Manager, Alpha Bank AE (London Branch) — Chairman, Alpha Bank Jersey Limited
John Coxon	66 Cannon Street, London EC4N 6EP	— Senior Manager, Financial Control & Company Secretary, Alpha Bank London Limited
Alexander Gibb	66 Cannon Street, London EC4N 6EP	— General Manager, Alpha Bank London Limited — Deputy General Manager, Alpha Bank AE (London Branch) — Director, Alpha Bank Jersey Limited

The Secretary of Alpha PLC is Tony S. S. Paul.

Alpha PLC has no employees or non-executive Directors.

### Activities

The share capital of Alpha PLC was acquired, directly and indirectly, by Alpha Bank with the intention that Alpha PLC should operate as a financing vehicle for Alpha Bank and the Group. Except in connection with the establishment of the Programme, Alpha PLC has not engaged in any activities since its incorporation.

## Capitalisation and Indebtedness

The following table sets out the capitalisation and indebtedness of Alpha PLC as at 31 December 2002, 31 December 2003 and 31 October 2004. There has been no material change in this Capitalisation table since 31 October 2004:

	<i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£000's</i>	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£000's</i>	<i>10 months</i> <i>ended</i> <i>31 October</i> <i>2004</i> <i>£000's</i>
	<i>(audited)</i>		<i>(unaudited)</i>
Authorised Share Capital 50,000 Ordinary shares of £1 each . . . . .	50	50	50
Issued Share Capital 50,000 Ordinary Shares paid up as to 25p . . . . .	12	12	12
Profit and Loss Account . . . . .	490	1,552	4,430
<b>Total Shareholders' Equity</b> . . . . .	<b>502</b>	<b>1,564</b>	<b>4,442</b>
Shareholders' Equity . . . . .	502	1,564	4,442
Creditors falling due within one year. . . . .	2,496	289,380	1,903,872
Creditors falling due after more than one year . . . . .	520,373	2,290,192	2,695,412
<b>Total Shareholders' Equity and Liabilities</b> . . . . .	<b>523,371</b>	<b>2,581,136</b>	<b>4,603,726</b>

## Accounts and Dividends

The profit and loss account and balance sheet for the periods ended 31 December 2002, 31 December 2003 and the interim financial statements dated 31 October 2004 are set out below. No dividends have been declared or paid since the date of its incorporation.

### Profit and loss account<sup>(1)</sup>

	<i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£000's</i>	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£000's</i>	<i>10 months</i> <i>ended</i> <i>31 October</i> <i>2004</i> <i>£000's</i>
	<i>(audited)</i>		<i>(unaudited)</i>
Interest receivable (continuing operations) . . . . .	14,103	44,147	86,479
Interest payable . . . . .	(13,710)	(42,423)	(82,332)
Net interest income . . . . .	393	1,724	4,147
Administrative expenses . . . . .	(64)	(207)	(35)
Other operating income. . . . .	5	—	—
Profit on ordinary activities before tax. . . . .	334	1,517	4,111
Tax on profit on ordinary activities . . . . .	(100)	(455)	(1,233)
Retained profit for the period. . . . .	234	1,062	2,878

(1) There were no recognised gains and losses other than those shown in the profit and loss account.

**Balance sheet**

	<i>Year ended</i> <i>31 December</i> <i>2002</i> <i>£000's</i>	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£000's</i>	<i>10 months</i> <i>ended</i> <i>31 October</i> <i>2004</i> <i>£000's</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
<b>Current assets</b>			
<b>Debtors</b>			
— due within one year . . . . .	2,512	289,344	1,904,024
— due after one year . . . . .	520,341	2,290,022	2,694,954
Cash at bank and in hand . . . . .	518	1,770	4,748
	<u>523,371</u>	<u>2,581,136</u>	<u>4,603,726</u>
<b>Creditors: Amounts falling due within one year</b>			
Other creditors . . . . .	(2,496)	(289,380)	(1,903,872)
<b>Net current assets</b> . . . . .	520,875	2,291,756	2,699,854
<b>Creditors: Amounts falling due after more than one year</b>			
Other creditors . . . . .	(520,373)	(2,290,192)	(2,695,412)
<b>Net assets</b> . . . . .	<u>502</u>	<u>1,564</u>	<u>4,442</u>
<b>Capital and reserves</b>			
Called-up capital . . . . .	12	12	12
Profit and loss account . . . . .	490	1,552	4,430
<b>Shareholders' funds</b> . . . . .	<u>502</u>	<u>1,564</u>	<u>4,442</u>

## ALPHA BANK AE AND THE ALPHA BANK GROUP

### Definitions

In this Offering Circular the following expressions have the following meanings, unless the context otherwise requires or unless it is otherwise specifically provided.

Athex	means the Athens Exchange A.E.;
ATM	means automatic teller machine;
CAGR	means compound annual growth rate;
CSD	means the Central Securities Depository A.E.;
EBRD	means the European Bank for Reconstruction and Development;
EMU	means the European Economic Monetary Union implemented by certain member states of the European Union on 1 January 1999;
ERM	means the Exchange Rate Mechanism of the European Monetary System; and
EU	means the European Union.

All references herein to “Greece”, the “Republic”, the “Republic of Greece”, the “Greek State” are to the Hellenic Republic. All references herein to “Central Bank” or “Bank of Greece” are to the Bank of Greece.

Unless the context otherwise requires, references to “ACB” and the “Bank” are to Alpha Bank and references to the “ACB Group” or the “Group” are to ACB and its subsidiaries that are included in the consolidated financial statements of the Bank included elsewhere in this Offering Circular. References to “Ionian” are to Ionian and Popular Bank of Greece S.A. and references to the “Ionian Group” are to Ionian and its subsidiaries that are included in the consolidated financial statements of Ionian included elsewhere in this Offering Circular.



## THE GROUP

The Bank and its subsidiaries (together, the “Alpha Bank Group” or the “Group”) are one of the leading banking and financial services groups in Greece, offering a wide range of services including retail banking (deposits, consumer lending, credit cards, mortgage lending, leasing, factoring and lending to small and medium-sized enterprises), corporate banking, treasury operations, investment banking and brokerage services, asset management and private banking, insurance services and real estate management and brokerage. The Group’s extensive national and international branch and ATM network, in combination with the advanced new on-line and telephone channels offering banking and brokerage services, are used to service approximately 2.3 million customers, particularly in retail and corporate deposit, loans and fund management accounts, which gives the Group a strong presence in the domestic Greek market as well as in the markets of South-Eastern Europe. The Group also has an international presence in London and New York.

The Bank’s management considers other competitive strengths of the Group to include its large customer base, its highly motivated and trained personnel, its advanced IT systems and its recently reorganised and modernised branch network, which have extended its ability in product innovation and for offering a wide range of services and opportunities for cross-selling products of the Group through its traditional and alternative distribution channels.

The Bank is the largest private sector bank and the second largest bank in Greece. As of 30 September 2004, consolidated total assets of the Bank were approximately €34.8 billion and customer deposits (including repos) were approximately €21.0 billion. Total shareholders’ equity of the Bank on a consolidated basis was €2.1 billion as of 30 September 2004, with a total BIS ratio of 14.7 per cent. and Tier 1 capital ratio of 10.3 per cent. Approximately 60 per cent. of the Bank’s funding is obtained through deposits.

The Bank’s equity is widely held by approximately 125,000 shareholders. As at 30 September 2004, institutional shareholders hold approximately 44.0 per cent. of the Bank’s issued capital (of which 31.0 per cent. is held by foreign institutional investors and 13.0 per cent. by Greek institutional investors). No single shareholder owns an interest in excess of 3 per cent. of the issued share capital. Mr Y.S. Costopoulos, Chairman and Managing Director of the Bank, together with other members of the founding family held an aggregate of 9.4 per cent. of total shares outstanding. Finally, private shareholders own the remaining 46.6 per cent. of the Bank’s share capital. Since March 2004, the Bank has in place a share buy back program for 3 per cent. of the total shares issued. This program has been approved by the Annual General Meeting of shareholders, according to the provisions of Greek law. Alpha Bank stocks are traded in the Athex, in the London Stock Exchange in the form of global depository receipts (GDRs) and over-the-counter in the US in the form of American depository receipts (ADRs).

The management of the Bank plans to enhance and maintain the Group’s position as one of the leading banking and financial services groups in Greece. Following Greece’s entry into the Eurozone as of 1 January 2001, the Group has continued to exploit existing opportunities for expansion, provided by the dynamic growth of the Greek economy and the process of convergence of the Greek financial sector to EU levels. The Bank is expanding rapidly in the retail and the corporate sectors, as well as in the fund management and the investment banking sectors, all of which are characterised by growing demand.

The Bank has succeeded in increasing its share of the domestic retail sector and in particular in mortgage loans and in consumer credit and it has also succeeded in expanding its businesses with the corporate sector (where it had traditionally a commanding share) at a healthy rate. Moreover, net interest income and commissions continued to expand steadily leading to a substantial boost of profitability in 2003-2004. The management believes that the Group, following its reorganisation, its continuous technological advancement and its ongoing effort for effective control of its operational costs, is now well placed to continue expanding its strong position in the domestic market and to continue its careful expansion in the South-Eastern European market. The significant boost of the Group’s profits in the 9-month period ended 30 September 2004 serves as an indication of the good prospects of the Group in 2004 and in the following years.

The management will continue to seek growth in the Bank’s businesses, while maintaining a relatively high capital adequacy ratio, asset quality as well as profitability. The Bank will continue to place emphasis on advanced technological systems both for the branch network and for the central applications to increase efficiency. Presently the Group has succeeded in selling more than three products per customer and aims to

further expand its cross-selling activities in the future. In addition, the Bank's MIS has enhanced its ability to identify new clients, as well as to monitor the existing client base and cross-sell fund management services, insurance and other products and improve the quality of the loan book.

The Bank intends to maintain and reinforce its policies of continuous product innovation and of technologically advanced ways of offering financial services, recognising the new competitive conditions applicable to the financial sector in Greece and the Eurozone. The Greek market and customers have become gradually accustomed to modern techniques and products in the financial sector and the Bank follows these developments closely and offers new products and processes, recognising the changing needs of its clientele. In particular, the Bank has been successfully offering a whole range of competitive fixed and floating rate residential mortgage and consumer loans and has succeeded in attracting the biggest share of new clients in these markets. The Bank also offers Alphaline, Alphaphone, Alpha web-banking and Alphatrade, which allow retail and corporate customers to access banking, financial and brokerage services via the telephone, personal computer, the internet and the mobile phone.

The management believes that significant opportunities exist to cross-sell Group products across the client base of the Group, notably insurance, brokerage services, leasing, factoring and, most importantly, fund management services including mutual funds, private banking and social security funds management, as the environment of relatively low interest rates and high economic growth and liquidity, will most certainly continue to imply a high demand for these services in the future. In particular, the management of the Bank expects a steady increase in the demand for investment products and services, as the Bank believes customers will continue to seek higher-yielding investment opportunities. This will help the growth of fee and commission income of the Group, which, management believes, that in combination with the maintenance of the net interest margin of the Bank at relatively high levels, will contribute to rising profitability.

The Bank regards mortgage and consumer lending as the most promising areas for further future expansion due to their current low level of development in Greece (outstanding balances at the end of August 2004 were approximately 29.2 per cent. of GDP) compared with the level of development of other markets in Europe and in particular in the Eurozone (outstanding balances are approximately 49 per cent. of GDP). In particular, the management expects a continuation in the strong growth in the utilisation of credit and debit cards in Greece. The Bank intends to consolidate its position as a major card acquirer (35 per cent. market share) and issuer (25 per cent. market share) of Visa, AMEX and MasterCard.

The management of the Bank considers that the Group's further expansion in Romania, Albania, Bulgaria, FYROM, Serbia and Cyprus will enable it to benefit from the increased political stability as well as the rationalisation and growth of the economies in South Eastern Europe, especially in the medium and long term. Additional branches are opened as required while opportunities for acquisitions are explored where appropriate, while the Group's investment in the region, amounting to around €250 million, is still relatively small in relation to the total assets of the Group as a whole. Nevertheless, the management of the Bank sees expansion in South Eastern Europe as an important part of the Group's growth strategy, with the aim of increasing earnings from these markets from 9 per cent. currently of total earnings of the Group to 15 per cent. by 2006. The operations in these areas focus on servicing domestic and foreign companies, including the Group's Greek clients active in the region, but in the last few years there have been growing opportunities in the retail banking business as well.

## **BUSINESS OF THE ALPHA BANK GROUP**

### **Introduction**

The Bank was established in 1879 as the banking branch of J.E. Costopoulos Company, a trading firm operating in the southern Peloponnesian town of Kalamata. As of 10 March 1918, the Bank was incorporated as the Bank of Kalamata A.E. and, in 1924, having moved its headquarters to Athens during the same year, changed its name to Banque de Credit Commercial Hellenique A.E. The shares of the Bank were listed on the Athex in 1925. In 1947, its name was changed to Commercial Credit Bank, in 1972 to Credit Bank A.E. and in 1994 to Alpha Credit Bank A.E. On 19 April 1999 the Group acquired 51 per cent. of the issued share capital of Ionian Bank for GRD 272 billion following a competitive bid process. On 11 April 2000, the merger with Ionian Bank was approved through absorption by Alpha Credit Bank. The name of the enlarged, new bank, resulting from this merger was Alpha Bank A.E.

Alpha Group is also active in the international banking market, with a presence in New York, London, Jersey in the Channel Islands, Cyprus, Tirana, Sofia, Romania, FYROM and Serbia.

The Bank is incorporated and registered in the Hellenic Republic as a public company under Codified Law 2190/20, incorporated with limited liability (registered number 6066106/B/86105) for the period ending 2018. The life of the Bank may be extended by a resolution of the shareholders. The Bank is subject to regulation and supervision by the Bank of Greece and to Greek banking and accounting law.

### **The Structure of the Group**

The organisation structure of the Alpha Group has been one of the main contributors for its successful development in the past decade. However, the increase in its size, the acquisition of the Ionian and the rapid developments in the market have rendered necessary a restructuring of the Group's organisation and operations. The administrative plan that has been adopted reflects current-day trends in the market and the size and sectors of the Group's activities, and is designed to serve adequately in the future.

All the activities of the companies of the Group are divided into four large Business Units, with enhanced management and administrative responsibilities. These Business Units comprise the branch network, corporate banking, investment banking and asset management. In particular:

- the Retail and Commercial Banking Business Unit undertakes retail banking with traditional banking methods but also new products and services, via alternative telecommunications channels;
- the Corporate Banking, Shipping and International Banking Business Unit assumes the responsibility for relations with large firms, shipping, and all Group international activities;
- the Investment Banking Business Unit includes brokerage and all consulting services to clients in Greece and abroad on corporate restructuring, mergers and acquisitions, IPOs, bond issues and share capital increases; and
- the Asset Management Business Unit undertakes the control and development of all asset management products and services, as well as private banking services of the Group and their promotion to institutional and affluent individual investors.

Each Business Unit has its own management committee/council. These four management committees/councils are responsible for the operation of the Business Units. The management of the Group's strategy and the co-ordination between Business Unit activities is undertaken by an Executive Committee.

### **Retail and Commercial Banking**

The Bank is a major participant in the retail banking sector in Greece and has a domestic branch network of 374 bank branches and 17 private banking branches, supported by an ATM network of some 750 machines, of which 287 machines are off-site. Retail banking activities include deposits, investment products, bank assurance and standard insurance products, banking activities on commission (mutual funds, credit cards, capital transfers, brokerage activities, payroll services), loans to individuals (consumer and housing loans), loans to small and medium-sized firms, letters of guarantee, leasing and factoring. All these conventional activities, and also many new banking services, and other services and products marketed by the Group companies, are being offered as self-contained, and in many cases as standardised products, at competitive

prices, the main objective being to serve the requirements of the Bank's clients in the best possible way, be they individuals, institutional investors or small and medium-sized firms.

*Customer savings:* The Bank's principal deposits account is the Alpha 100 account, which offers competitive rates, overdraft facilities, combined credit card and cash card, debit card, chequebook and standing order facilities. Cards issued on the account can be used to make deposits and withdrawals throughout the Bank's ATM network. Further services include the Alpha 400/401 savings accounts (savings accounts with or without a saving book, and with life insurance and automatic monthly statements), as well as various categories of term deposit accounts, customer repos, sales of both government and Alpha Bank bonds and sales of mutual funds, capital guarantee products and other portfolio investment and bank-assurance products. Financial planners provide a full array of banking and investment services, as well as investment advice on the basis of a risk return profile of the customer, ascertained in an interview with each client.

Deposits, customer repos and Alpha Bank bonds sold to retail customers, effectively serving as time deposits, amounted to €24.7 billion in September 2004, compared with €22.7 billion at the end of 2003, and €23 billion at the end of 2002. Mutual funds amounted to €4.5 billion in September 2004, compared with €4.6 billion at the end of 2003 and €3.1 billion at the end of 2002. Thus, at the end of September 2004, money market mutual funds amounted to 46 per cent. of the total, equity funds amounted to 24 per cent., bond funds amounted to 28 per cent. and balanced funds amounted to 2 per cent. In the non-money market area, the Bank has 18.4 per cent. market share. Moreover, sales of government bonds amounted to €1.6 billion in September 2004, compared with €2.6 billion at the end of 2003 and €3.4 billion at the end of 2002.

Total client savings with the Group were estimated at €33.5 billion, including mutual funds, sales of securities and clients' funds under management (private banking and asset management).

*Customer loans:* The Bank has expanded its loan book and has increased its market share with both individuals (mortgage and consumer credit) and small and medium-sized firms.

In particular, in mortgages, during 2004 Alpha Bank introduced a new housing loan with an introductory interest rate of 3.5 per cent. fixed for one year, thus adding to the choice of interest rates available to its customers. The Bank also improved the flexibility available to all mortgage products by adding benefits including deferred repayment for 1 month, early repayments up to two monthly instalments per year without charge and an option to lengthen the duration for up to two years without charge.

In addition to Alpha First Year Fixed Interest Rate Housing Loan, the mortgage loans currently on offer also include Alpha Housing Plan and Alpha Euro Rate. Alpha Housing Plan is a mortgage with a favourable interest rate of 4.0 per cent. for the first 18 months, and thereafter a choice of fixed interest rates for durations ranging from 3 to 15 years. Alpha Euro Rate is a variable interest rate mortgage, linked to the ECB interest rate. Finally, specifically for home refurbishment, the Bank offers Alpha House Repair Loans on flexible terms and procedures so as to reflect fully the specific needs of today's customers.

Alpha Bank finances up to 100 per cent. of a property's value or the construction/refurbishment budget, and the loan can also cover the expenditure related to the purchase (transfer tax and other transaction costs). Credit card and personal loans, and often special offers are available to all mortgage customers.

In the consumer loans sector, an increase was recorded in the following categories of products: (a) the Alpha 700 Open Personal Loan (with credit limit of €1,500 to €30,000), (b) the Alpha 702 Personal Loan, which, covers clients' personal needs (with credit limit of €1,500 to €30,000), and also, (c) the Alpha 710 Consumer Loan, for purchases of durable goods.

Moreover, the Bank introduced a new innovative product in the market, called Alpha X 5. This is a personal loan, which allows customers to obtain a personal loan with credit limit up to 5 times their monthly salary.

In addition, with the use of advanced Internet technology, Alpha Bank has created a pioneering platform for a new loan scheme, which will allow specific retail firms (mainly specializing in the sale of cars and house appliances) to facilitate the sale of their products using financing products offered by the Bank. This financing scheme will also help the Bank to institute close relationships with the retail firms achieving very low operational costs.

Furthermore, with the intention of providing customers with greater ease of access to its financing products, Alpha Bank has created a call center for direct phone-applications with faster approval procedures. Trying to

increase its consumer loans sales volume, the bank has conducted many promotional activities, such as advertising about its new products and direct mailing to its customers about its offers.

In the area of small and medium size firms, the Bank has expanded its loans portfolio and has increased its market share in small and medium sized firms. In particular, it has developed a series of innovative products exclusively designed to cover the finance requirements of firms and professionals depending on their yearly turnover.

For firms and professionals with yearly turnover up to Euro 75,000, the Bank offers loans for working capital with 10 per cent. refund on the amount of interest, loans for equipment/transport with interest refund 10 per cent., loans for business premises (Loan A 810, Alpha Leasing for business premises).

For firms and professionals with a turnover between Euro 75,000 and Euro 1,000,000, the Bank offers loans for working capital (loan for working capital with interest refund 10 per cent., Alpha 600 – working capital with or without time limits), loans for equipment/vehicle (loan for equipment/transport with interest refund 10 per cent., Alpha Leasing for equipment/transport), loans for business premises (Alpha 810, Alpha Leasing for business premises and loans for fixed assets) and Alpha 500 (deposit account with overdraft facility).

Also, the Bank has developed the reward programme Alpha Pentathlon 2004, a group of products and services, aiming to cover special needs of firms and professionals. The products and services of the above mentioned programme have been grouped according to their nature in big five categories (loans, insurance products, electronic services, deposit accounts, cards). By collecting at least one product from every category of products/services, any firm will be considered a pentathlete and rewarded with a prize of its choice (software applications, corporate mobile telephony, participation in seminars on sales or management or tax/accounting).

The Bank provides a full range of corporate banking services to Greek companies, foreign corporations active in Greece and, to a lesser degree, public sector entities. Its portfolio at the end of June 2003 consisted principally of loans to trade (23 per cent. of total loans) and manufacturing (18 per cent. of total loans) sectors.

The Bank offers a number of services to its commercial customers including acceptance of deposits, short, medium and long-term lending both in euro and foreign currencies, bill discounting, foreign exchange dealing, dealings in treasury and money market instruments, letters of guarantee, factoring and leasing. Other services include capital markets and other cash and risk management services. The Bank also provides certain other banking services, including processing of its corporate customers, payrolls and clearing cheques and other money transfers for its customers.

The principal account for corporate customers is the Alpha 500 account, intended for clients who wish to maintain a single account that offers overdraft facilities and balance and account information. At the end of 2003, the Bank had approximately 50,000 corporate loan accounts outstanding. Alpha 620 is a three-year fixed rate loan for small to medium-sized companies, while Alpha 600, Alpha 605, Alpha 630 and Alpha 650 are targeted at large corporations. The Bank also provides corporate credit card services through a corporate Visa card and a corporate American Express card.

Total loans on a consolidated basis amounted to €22.4 billion at the end of September 2004 compared with €19.6 billion at the end of September 2003, registering an increase of 14.3 per cent. on a year-on-year basis. The Bank has one of the healthiest loan portfolios in the Greek banking market, with non-performing loans comprising less than 2.4 per cent. of its total loan portfolio at the end of 2003 and 2.6 per cent. at the end of June 2004. Loans to small and medium-sized firms as at the end of September 2004 represented approximately 45 per cent. of total loans, and loans to large corporations represented approximately 25 per cent. of total loans. Mortgage loans, to which the Bank placed special emphasis in 2002-2004, increased by 101 per cent. in 2002, by 30 per cent. in 2003 and by 23 per cent. on a year-on-year basis in September 2004, pushing Alpha Bank's market share to 14.3 per cent. at the end of June 2004, compared with 9.5 per cent. at the end of 2001. Consumer loans (excluding credit cards) increased by 32 per cent. in 2002, by 35 per cent. in 2003 and by 52 per cent. on a year-on-year basis in September 2004, with Alpha Bank's market share reaching 12.6 per cent. at the end of June 2004, compared with 10.8 per cent. at the end of 2001.

*Card Services:* In the card business, Alpha Bank, with its twenty-two different products addressed to individuals and corporations, retains its leading position in the Greek market regarding both the issuance of credit cards (market share approximately 25 per cent.) and transaction clearing (market share approximately 35 per cent.). Alpha Bank is the only bank offering the entire range of Visa, American Express and MasterCard products.

Alpha Bank, the Official Bank of the Athens 2004 Olympic Games, was the exclusive Acquirer of all Visa transactions in the Olympic venues. The Athens 2004 Games successfully became the first Europay Mastercard Visa (“EMV”) Olympics. In co-operation with Visa International, Alpha Bank utilized the latest technology (chip enabled terminals, wireless GSM, etc.) to create a flexible and safe transaction environment. The whole project ran smoothly despite its complexity in implementation.

The ATHENS 2004 VISA credit cards were the first Olympic banking products to be launched. These products were very popular, since cardholders had the privilege of participating actively in the preparations for the Athens 2004 Olympic Games. The first such card in circulation was the Gold ATHENS 2004 VISA, a unique, collectable, high-prestige card. In autumn 2001, the Silver ATHENS 2004 VISA card was launched, and as of January 2002, the ATHENS 2004 VISA Business. Part of the revenue generated from these cards was given to the Organizing Committee of the Athens 2004 Olympic Games. All cards were participating in a reward program that offered the cardholders a variety of Olympic products as well as tickets for the Games. In June 2003, Alpha Bank in co-operation with the other two grand sponsors of the Olympic Games, OTE and COSMOTE (leading telecommunication companies), created a unique multi-retailer reward scheme called EPATHLON.

Alpha Bank completed the Athens 2004 Olympic series with Visa Money — Olympic Games, the first EMV-Chip pre-paid card in the Greek Market. The card was addressed to national and international Sponsors, as well as the Olympic Family and its hospitality programs. In addition Athens 2004 Visa pre-paid cards for the general public were launched in two designs with the mascots of the Olympic Games on the face of the card.

Alpha Bank with about 1.6 million Visa cards (at the end of September 2004) has a leading position in the card market and is the largest Visa Issuer and Acquirer. The Dynamic Visa card, the co-branded cards with Carrefour stores is the most successful co-branded card in the Greek market. In the first nine months of 2004, the turnover of Visa credit cards increased by 25 per cent.

During 2003 Alpha Bank renewed the exclusive contract with American Express for another five-year period. In April 2004 Alpha Bank launched Blue from American Express, a card with a unique design, smart-chip features and built-in rewards. This was the first chip-based card presented into the public. In addition, the American Express Membership Rewards scheme was introduced for the first time in the Greek market. The American Express credit card is available to the public and is the main vehicle for expanding the market share of American Express cards (September 2003–September 2004 saw an increase of 106 per cent.). The traditional American Express Green and American Express Gold cards maintain their leading position in the market regarding prestige and the Corporate American Express Card is considered as the most distinguished corporate card. The total number of American Express cards increased by 71 per cent. (from September 2003 to September 2004) and the turnover by 35 per cent. in the first nine months of 2004.

The Bank consolidated its relationship with the Europay MasterCard International in early 2001 by issuing Alpha Bank MasterCard credit cards and Alpha Bank Maestro debit cards in early 2002. The portfolio of MasterCard and Maestro cards is growing fast and at the end of September 2004 around 300,000 cards were in use. The number of MasterCard credit cards increased by 60 per cent. (from September 2003 to September 2004) and the turnover by 50 per cent. in the first nine months of 2004.

In the field of department store cards, the Amway Card has been launched, in addition to Kalogirou and Nutriclub card.

In the last two years, the bank has successfully utilised alternative channels for expanding the card business such as telemarketing, instant credit, direct mail and cooperations with retailers. In addition, in order to reduce fraud transactions and enhance cardholder’s protection, a new advanced fraud detecting system (Alaric) has been implemented for all card products during 2004.

Alpha Bank operates the largest Point of Sales (“POS”) network in Greece, which is capable of clearing transactions of all major payment systems, Visa, MasterCard and American Express and consists of 35,000 EFT/POS terminals. During 2004 the migration of POS terminals to EMV and PIN, started. In October 2003 Alpha Bank and Eurobank agreed to develop a common POS network in Greece in order to take advantage of economies of scales and expand their Acquiring Business. Since 2003, Alpha Bank offers E-Commerce solution to merchants for Visa, MasterCard and American Express cards.

*Alpha Insurance:* In 1998, the joint venture with Generali Life was terminated, and Emporiki Insurance merged with Hellinobretanniki to form the new insurance company of the Group, Alpha Insurance. The Bank held initially 70 per cent. of the company’s issued share capital and gradually increased its participation to 74.99 per cent. In June 2004, Alpha Bank increased its holding to almost 100 per cent. through the acquisition of 24.41 per cent. of the company’s shares from minority shareholders.

Alpha Insurance is a composite insurance company offering life and general insurance coverage. It is constantly improving its position by gaining market share in the most profitable insurance sectors. Its general insurance portfolio has the best composition in the Greek general insurance market, since the loss making automobile sector accounts only for 21.2 per cent. of total production in general insurance as compared with 25.9 per cent. in 2002. Premium production in 2003 amounted to €134.1 million as compared with €122.3 million in 2002, an increase of 9.6 per cent.

Premia in the life insurance sector increased slightly by 5.4 per cent. to €59.1 million, while premia in the general insurance sector increased by 13.2 per cent. Alpha Insurance is one of the few companies in the Greek market advancing systematically the concept of bancassurance, by exploiting cross-selling opportunities within the Alpha Bank Group.

Alpha Insurance aims to achieve growth by reducing the exposure in the less profitable sectors and selecting carefully the risks assumed, in order to attain profitability rather than market share at all costs. Alpha Insurance increased its market share to 4.2 per cent. in 2003 as compared with 2.9 per cent. in 1998. By means of this self-sustained growth, it aims to become one of the top five companies in the market within three years. Alpha Insurance also intends to extend its network of 1,100 insurance advisors by concluding exclusive associations agreements and marketing banking products, such as mutual funds and loans for individuals, through the network. Constant attention is given to controlling and reducing operating costs.

Given the interest of the Alpha Bank Group in loans to the shipping industry, and that the Greek shipping sector is among the largest in the world, Alpha Insurance entered in January 2002 the field of shipping insurance brokerage by acquiring the company of P.P. Caramanos and Son (Insurance Brokers) A.E.

As of 31 December 2003, Alpha Insurance had total assets of €353.4 million and own funds of €62.5 million. Profits before tax amounted to €2.8 million; an increase of 152 per cent. as compared with 2002. One of the main reasons for this result are the trading gains from the disposal of securities.

For the period ended on 30 June 2004, Alpha Insurance posted profit before taxes of €1.2 million. As of the same date, total assets amounted to €370 million. Premia in both Life and General Insurance sectors increased to €72.5 million as compared with €64.8 million on 30 June 2003.

Alpha Insurance participates in the share capital of the Alpha Bank Group companies, Alpha Insurance Romania and Alpha Insurance Cyprus Ltd with 14.99 per cent. and 17.95 per cent. respectively.

As of 30 June 2004, Alpha Insurance had 389 employees.

*Alpha Leasing:* Alpha Leasing, established in 1981, provides a wide range of finance leases to approximately 4,000 customers. Major tax incentives that permit both interest and capital payments to be tax deductible have contributed to the rapid expansion of the leasing industry, bringing with it increased competition. Alpha Leasing is the largest leasing company in Greece, with a market share of approximately 18 per cent., based on leased assets. At the end of 2003 leased assets amounted to €777.6 million as compared with €720.1 million at the end of 2002. Following legislative changes that took place during 1999 and recent tax laws, commercial real estate leasing has become important and Alpha Leasing has captured a leading market share in this particular sector.

Alpha Leasing is listed on the Athex. In February 2004, Alpha Bank announced a voluntary Public Tender Offer to acquire all minority holdings in Alpha Leasing. The Tender Offer was successful and the Bank

increased its participation to 98.19 per cent. at the end of the Acceptance Period. Through subsequent open market purchases, Alpha Bank held directly and indirectly, as of 30 September 2004, shares equal to 99.28 per cent. of the total outstanding shares in Alpha Leasing.

As of 31 December 2003 Alpha Leasing had a market capitalisation of €216.1 million and posted profits before tax of €5.4 million, as compared with profits before tax of €15.3 million in 2002, due to an extraordinary provision of €14.3 million relating to a change in the accounting treatment of certain real estate. Total revenues increased to €161.7 million as compared with €150.5 million in 2002. Own funds as of the same date amounted to €253.4 million and total assets to €549.6 million.

On 30 June 2004 the company had a market capitalisation of €257.3 million. Its pre-tax profit totalled €7.6 million and total assets €587.7 million.

As of 30 June 2004, Alpha Leasing had 56 employees.

*ABC Factors:* ABC Factors was founded in 1995 as a 50/50 joint venture between the Bank and the Bank of Cyprus. It was the first Greek firm offering factoring services in Greece.

Services offered include standard factoring for both domestic and international transactions and discounting of client invoices. Since its establishment, ABC Factors has been the factoring services market leader in Greece based on assigned invoices turnover and profits before tax. In October 2001, Alpha Bank acquired the remaining 50 per cent. of ABC Factors' share capital previously held by Bank of Cyprus.

For the year ended 31 December 2003, profitability was enhanced, mainly as a result of the successful promotion of factoring services through Alpha Bank's branches. Despite high competition in the sector, ABC Factors retained a leading market share of 50 per cent. In 2003, profits before tax amounted to €9.4 million as compared with €7.7 million in 2002. The value of active factoring contracts increased to €1.7 billion and total revenues (net interest and fee income) to €29.3 million. As of 31 December 2003 own funds amounted to €41.2 million and total assets to €407.2 million.

For the period ended on 30 June 2004, the company posted a pre-tax profit of €5.0 million. Total assets, as of the same date, amounted to €390.9 million.

As of 30 June 2004, ABC Factors had 88 employees.

### **Corporate Banking, Shipping and International Activities**

*Corporate Banking:* Over 2003, Alpha Bank's competitive position in the corporate banking market was further strengthened. The level of total financings surpassed Euro 3 billion, an increase of 10 per cent. against 2002, whilst the percentage contribution of the corporate loan portfolio to the Bank's total loan book rose to 14 per cent.

As in previous years, emphasis was placed on achieving optimal financial results, with respect to "risk reward" ratios, the quality of the loan portfolio, and non-interest income enhancement. It is noteworthy that 92 per cent. of total credits extended to large corporates under management and are of investment grade quality. In spite of difficult market conditions, no non-performing issues were raised.

The Bank had a primary role in the arrangement of the most significant lending transactions undertaken by large corporates in the Greek market, beyond its bilateral facilities. In particular, the Bank participated with a total amount of Euro 270 million in 19 syndicated loan and bond issues, in 14 of which it acted as Lead Arranger or Co-Arranger.

In addition, increased synergies were achieved through the cross selling of Alpha group products and services, beyond traditional corporate loans, such as retail banking products and services (credit cards, consumer and mortgage lending), private banking, leasing, factoring, project finance, insurance products, and investment banking services (IPOs, advisories, etc).

At the same time, the Bank's cross border activities increased significantly in countries in which the Bank has a regional presence and particularly in South-Eastern Europe. These activities contributed further to the Group's profitability and assisted greatly in the further development of corporate relationships.

The significant size and quality of the loan portfolio in combination with the high quality of services offered place the Bank in a leading position in the Corporate Banking market.



*Shipping Finance:* Shipping has traditionally been an important sector in the Greek economy. The Group did not have any presence in the ship finance area until 1996, when the decision was taken to diversify into marine finance through the establishment of a specialised shipping finance division operated by experienced personnel in a specialised branch in Piraeus (from 1998), the Greek shipping centre. The Bank already had a small portfolio of loans in the shipping sector following the acquisition in 1994 of the Commercial Bank of London PLC, now called Alpha Bank London Limited. The Bank has gradually and conservatively expanded its activities in this area and is today considered an important player in shipping finance in Greece, with a fully performing, high quality portfolio.

Between 1998 and 2003, the Bank extended its activities considerably in financing the shipping sector. The solid foundations laid over six years of active presence in the sector enabled a further growth of its portfolio and parallel activities, which in total yielded improved returns. In 2004, following a conservative policy (counter cyclical approach), the shipping portfolio remained unchanged. The balance of loans to the shipping sector as of 30 June 2004 amounted to €0.9 billion, accounting for 4.0 per cent. of the Bank's total loans.

### **International Banking Activities**

A significant factor reinforcing the presence of Greek firms in South-Eastern Europe is the improvement in the economic and political situation in the region. The advancement of important structural reforms in conjunction with the application of sound reconstruction and development programmes, contributes to the attainment of rapid growth and reinforces demand for financial services, rendering such countries very attractive. These factors have encouraged the Bank to keep strengthening its presence in the region. Currently, eight branches operate in Albania, one in Bulgaria, and three branches in Serbia and Montenegro. Group banks operate in Romania and in FYROM. The size and strong financial base of the Bank, in conjunction with its flexible structure, the high level of its technological infrastructure and its knowledge of economic, social and cultural conditions in these countries, allow it to expand rapidly the range of its activities.

*Albania:* The Bank's first branch in Albania commenced operations in Tirana in January 1998. Currently seven more branches operate in Durres, Elbassan, Gjirokaster, Berati, Vlora, Fier and in the Kakavja customs office. In the context of dealing with the increasing competition and with offering the best possible service to its clients, a further expansion is planned for 2005. The Bank's branch network in Albania is financing some of the most important business enterprises in the country and maintains the largest loan portfolio amongst all the banks operating there. Since 2003 the branch offers housing and consumer loans to its clientele. The personnel of our branches in Albania consist of 63 people.

*Serbia and Montenegro:* The Bank has been active in Serbia since 2002. The first branch commenced operations in Belgrade in July 2002 and was quickly followed by two more branches. The three branches now employ 32 people and offer the full range of banking services.

*Bulgaria:* The Sofia branch has been in operation since 1995 and undertakes all banking activities. It has advanced loans to important businesses (mainly Greek-owned) and holds a large number of accounts in local and other currencies. Following to the Bank's plan for the network expansion in South-Eastern Europe, the Sofia branch has been relocated, upgraded and restructured offering a better and faster service to its customers. Two new branches will be opened in the near future in Plovdiv and Varna. Also, the Bank plans to expand its network further in 2005. The branch employs currently 28 people.

*Romania:* Alpha Bank Romania ("ABR") (formerly Banca Bucuresti SA) was established in 1994. Through Alpha Bank Romania, the Bank was the first Greek bank to have operations in Romania. ABR was established to serve the Greek commercial presence in Romania and to take advantage of an undeveloped banking market. ABR is present in the main industrial and commercial cities of Romania through a network of 19 branches (seven are located in Bucharest and twelve in other cities in Romania) all of which are linked by an on-line/real-time system. It was the first bank in Romania to operate with on-line communications to its branches.

ABR has posted steady growth and has managed to capture a significant share of the Romanian financial services market. It offers banking services to local and international firms. Through the other group companies in Romania, it has extended its activities into brokerage, investment banking, leasing and

financial consulting services. It offers modern financial products and services such as Repos and Alphaline, and has a presence in the mortgage market.

During 2003, ABR expanded its network of branches, increased its loan portfolio by 51.8 per cent. (representing 69.4 per cent. of total assets) as well as its client base (both corporate and retail), and continued targeting the retail segment predominantly through mortgage loans. The number of clients increased by approximately 29 per cent. from 30,400 in 2002 to over 39,000 in 2003. On 31 December 2003, ABR had total assets of €536.7 million, outstanding loans of €371.9 million and customer deposits of €214.8 million. Net profits increased to €6.9 million as compared with €5.7 million in 2002. Net interest income increased by comparison to 2002, due to the decreasing trend of interest rates in both banks' and customers' deposits. The net fee and commission income increased due to an increase in the number of clients, accounts, loans and the volume of documentary operations.

As of 30 June 2004, total assets amounted to €628.7 million, customer loans to €458.5 million, and customer deposits to €252.3 million. For the same period ABR posted pre-tax profits of €3.3 million. The Bank owned, directly and indirectly, 96.41 per cent. of the issued share capital of ABR.

During the last few years the Bank has increased its participation in the share capital of ABR, by means of successive share purchases of the minority shareholders. These transactions are in line with the Group's strategy to buy out the minorities of its core business subsidiaries. In August 2000, an Italian bank, Banca Monte Dei Paschi di Siena, acquired a participation in the share capital of ABR, which currently stands at 3.5 per cent.

As of 30 June 2004, ABR had 607 employees.

*Alpha Leasing Romania* is one of the leading leasing companies in Romania, and has consistently grown since 1998, with a significant and healthy client portfolio of almost 1,000 local companies which enjoy the immediate and uninterrupted fulfilment of their needs and the best quality of services in the local leasing market. Despite the increased domestic and foreign competition, Alpha Leasing Romania maintains a leading position in the local market. Following market trends, as well as internal policies on credit risk and the robustness of the equipment portfolio, vehicles still represent the major part of Alpha Leasing Romania's business. Of the new assets booked during 2003, around 75.4 per cent. were vehicles, 19.88 per cent. was industrial equipment, 3.41 per cent. was office equipment and 1.29 per cent. was other types of equipment. In 2003, Alpha Leasing Romania had booked new leased assets of €36.1 million.

As of 31 December 2003, total assets amounted to €40.7 million, revenues to €5.4 million and profits before tax amounted to €2 million, as compared with €1.5 million in 2002.

For the period ended at 30 June 2004, the company posted a pre-tax profit of €1.4 million and had total assets of €46.6 million. In September 2004, Alpha Bank acquired shares held by minority shareholders, and thus currently holds, directly and indirectly, 99.18 per cent. of the total outstanding shares in the company.

As of 30 June 2004, the company had 31 employees.

*Alpha Finance Romania (AFR)* was established in 1994 as one of the first Romanian brokerage companies and now is one of the most active securities houses providing a full range of both brokerage and corporate finance services. Since then, AFR has built its reputation on the successful completion of complex and innovative transactions. It was nominated in 1999 as the Best Broker in Romania by prestigious international and local publications. It is also a founding member of the Bucharest Stock Exchange (BSE) and of the National Association of Securities Dealers (ANSVM). AFR has developed an impressive presence in the brokerage field, being among the few and first Romanian brokerage houses that represented foreign portfolio investors in Romania by developing methods and techniques to satisfy western trading, settlement, custodian and reporting requirements. AFR strengthened further its market share in 2003 to 7.36 and 4.28 per cent. taking the first and fifth positions respectively, in the overall ranking among brokerage houses in terms of the accumulated annual traded volume on both the Nasdaq market and the Bucharest Stock Exchange. Due to its in-depth knowledge of the developing Romanian capital markets and financial services sector as well as its top quality disseminated equity research, AFR has become the preferred local investment banking partner for global investment banks.

As of 31 December 2003, AFR posted profits before tax of €0.09 million, as compared with a profit of €0.03 million in 2002, mainly due to the improvement in corporate finance activities and trading profits from

the proprietary trading portfolio, coupled with the reduction in operating expenses. For the period ending 31 December 2003, own funds amounted to €1.1 million and total assets were €1.7 million.

As of 30 June 2004, the company posted profits before tax of €0.04 million. Total assets, as of the same date, amounted to €2.4 million. The Bank held, directly and indirectly, 99.11 per cent. of the company's share capital.

As of 30 June 2004, AFR had 21 employees.

*FYROM:* In January 2000, the Bank concluded the acquisition of Kreditna Banka AD Skopje (renamed Alpha Bank AD Skopje), the fourth largest bank in FYROM. The initial participation in its share capital of 65 per cent. has been further increased to 100 per cent., through the purchase of the outstanding minority shares in April 2000 and in August 2002. Through Alpha Bank AD Skopje, the Bank aims to exploit an undeveloped banking market while at the same time serving the strong Greek commercial presence in Skopje. Three years after it was acquired by the Bank, Alpha Bank AD Skopje has been gaining the confidence of the business community and the depositors in FYROM and it was designated among the top ten companies in the country by the Skopje Chamber of Commerce. Moreover, it aims to achieve a higher market share in the retail banking within the next few years.

It provides traditional banking services, mainly to selected corporate clients. Its branch network includes seven branches.

In 2003, customer deposits amounted to €28.6 million. Customer loans, increased by 68.3 per cent. up to €17.2 million, while Alpha Bank AD Skopje pursued the improvement of asset quality and credit risk management.

In 2003, Alpha Bank AD Skopje's return on assets was 4.83 per cent. and the net interest margin was 4.89 per cent. Profit before taxes remained relatively flat amounting to €2.0 million in 2003. Total assets of the bank as of 31 December 2003, amounted to €48.1 million and own funds to €19.4 million.

As of 30 June 2004, total assets amounted to €41.3 million and profit before taxes to €1.2 million. As of the same date, Alpha Bank AD Skopje had 84 employees.

*Cyprus:* Alpha Bank Cyprus (ABC). In October 1998, the Bank acquired 75 per cent. of the issued share capital of Lombard Natwest Bank, a subsidiary of the NatWest Group in Cyprus, which was then renamed Alpha Bank Cyprus. Through subsequent share purchases, the Bank has increased its stake to 100 per cent. of ABC's issued share capital.

ABC is one of the largest commercial banks in Cyprus, with a market share of approximately 8 per cent. of the loan market (year end 2003). It offers full banking services and is active in retail and corporate banking. Through its subsidiaries Alpha Finance, Alpha Asset Finance, Alpha Trustees and Alpha Insurance Company, it also covers a broad spectrum of other financial and insurance services. It has a network of 27 branches in all major cities of Cyprus, and the establishment of new Branches in selected locations is in progress. In March 2002, the new Main Branch of Nicosia was inaugurated.

In 2002, ABC launched new products in retail banking, and bancassurance. In 2001, ABC had also introduced housing and consumer loans and the Alpha Financial Planning Service. ABC is upgrading its branch network in accordance with the Group's standards, while a pilot programme employing a client-based approach has started operating successfully.

The rapid growth and expansion of operations, necessitated the enlargement of the bank's capital base and therefore, in years 2000 and 2001, ABC has effected share capital increases of CYP 50 million.

On 31 December 2003, total assets amounted to CYP 1,041.7 million, profit before taxes to CYP 1.4 million and shareholder's funds to CYP 100.4 million. Profit before tax in 2003 (CYP 1.4 million) was lower than 2002 (CYP 8.5 million) profits due to the increased provisions (from CYP 5.8 million in 2002 to CYP 16.2 million in 2003) for doubtful receivables and the change in accounting treatment on accrued interest from non-performing loans. Loans to customers amounted to CYP 636.0 million and customer deposits to CYP 685.7 million.

During the first six months of 2004, Alpha Bank Cyprus posted a profit of CYP 5.4 million. Its total assets amounted to CYP 1,196.0 million. As of the same date, ABC had 569 employees.

*Alpha Insurance Cyprus (AIC)* was founded in Cyprus in 1993, under the name “Metropolitan Insurance Ltd”. In 1999 Alpha Bank Group acquired a majority shareholding in the company, which was subsequently renamed Alpha Insurance Cyprus.

AIC is an insurance company offering both life and non-life products. It is present in all major cities of Cyprus, with 11 branches.

In 2003, it had market shares of 3.3 per cent. and 2.6 per cent. in the general and life insurance sectors respectively, and posted substantial growth in the general insurance sector outperforming significantly the average sector growth rates. For the period ending 31 December 2003, it posted a profit before tax of CYP 0.03 million. Own funds amounted to CYP 1.9 million.

For the period ending 30 June 2004, the company posted a profit before tax CYP 0.15 million. Total premia in both the general and life insurance sectors amounted to CYP 5.3 million. As of the same date, the Bank held, indirectly, 99.89 per cent. of the company’s share capital.

As of 30 June 2004, AIC had 75 employees.

*United Kingdom and Jersey:* The Group also has an established presence in the British Isles, via its London Branch, Alpha Bank London Limited and Alpha Bank Jersey Limited.

The London Branch of the Bank specialises in corporate banking activities.

*Alpha Bank London Limited (ABL)* has been a wholly-owned subsidiary of the Bank since 1994. It was founded in London in 1922 as The Commercial Bank of the Near East Limited and in 1990 changed its name to Commercial Bank of London PLC. On 1 February 1995 the name was changed to ABL. It is licensed to conduct banking activities in the United Kingdom and is regulated by the Financial Services Authority (supervising the provision of financial services in the United Kingdom). ABL has two Branches (City and Mayfair) and a wholly-owned subsidiary since 1997, named Alpha Bank Jersey, providing private banking services.

ABL provides traditional retail banking services and products as well as mutual funds and nominee services. It is particularly active in property lending and private banking services, targeting expatriates in the Greek community. ABL intends to focus more on private and corporate banking activities, rationalising the retail segment by concentrating on low cost/high profit clients. It is equipped with modern systems and applications, which it constantly improves and upgrades, and offers services on a par with those offered by Alpha Bank in Greece aiming at a further expansion of its activities. Amongst its priorities for the next three-year period is to develop and utilise on-line banking solutions.

On 31 December 2003, loans to customers, on a consolidated basis, amounted to GBP 203.8 million and customer deposits totalled GBP 398.3 million. Total assets amounted to GBP 481.8 million and own funds to GBP 57.0 million. Profits before tax amounted to GBP 4.04 million, posting an increase of 9.2 per cent., despite a low interest rate environment, the depreciation in value of the US Dollar against the British Pound and the increased competition for Euro deposits. This increase can be mainly attributed to interest free deposits from the Organising Committee of the Olympic Games.

As of 30 June 2004, ABL posted, on a consolidated basis, total assets of GBP 447.9 million and pre-tax profits of GBP 2.07 million. ABL has 54 employees.

*Alpha Bank Jersey* completed its sixth full trading year on 31 December 2003, with profits before tax amounting to GBP 0.13 million. From 1 October 2002, it took over the management of its own banking operations following Royal Bank of Canada’s decision to no longer offer a managed banking service. On 31 December 2003, Alpha Bank Jersey’s total assets amounted to GBP 119.3 million, total loans to GBP 11.98 million and customer deposits to GBP 112.6 million. As of 30 June 2004, total assets amounted to GBP 93.9 million and pre-tax profits to GBP 0.09 million.

## **Investment Banking**

*Alpha Finance:* Investment banking and the provision of consulting and brokerage services are undertaken by Alpha Finance. Alpha Finance is one of the leading securities firms active in the Athex with a market share of 8.68 (incl. block trades) per cent. in 2003, ranking third out of 87 brokerage companies. Despite the low volume of activity in the domestic capital market, Alpha Finance has maintained its strong presence in

the Greek market. Beyond conventional brokerage transactions in the primary and secondary markets, the range of Alpha Finance's activities has broadened considerably to encompass underwriting and fiduciary services, and consulting services in share capital increases accompanied by parallel private placements. It is also active in the derivatives and capital markets, mergers, acquisitions, restructurings and privatisations. Alpha Finance increased its market share in 2003 to 8.68 per cent. as compared with 7.7 per cent. in 2002.

In 2003, revenue derived from Alpha Finance's corporate finance division amounted to €6.7 million whereas revenue from the brokerage division amounted to €10.2 million. Alpha Finance was active in almost all Greek privatisations, with the most important being the offering of shares of OPAP and the Public Power Corporation. Alpha Finance, through its advisory section, advised Philip Morris US and Vodafone UK in their respective Tender Offers for the acquisition of minority shareholdings in listed affiliate companies Papastratos S.A. and Panafon-Vodafone S.A.

For the period ended 31 December 2003, Alpha Finance posted profits before tax of €4.3 million, as compared with €0.8 million in 2002, mainly as a result of increased revenues from corporate finance and brokerage services, as well as a decrease in staff and administration expenses. Own funds amounted to €37.7 million and total assets to €98.2 million.

For the first six months of 2004 the company posted a profit of €4.3 million, as compared to a loss of €1.4 million in the relevant period of 2003. Total assets, as of the same date, amounted to €76.4 million. The Bank held directly 99.62 per cent. and indirectly 0.38 per cent. of the company's issued share capital.

As of 30 June 2004, Alpha Finance had 130 employees.

*Alpha Finance US Corporation (AFUS):* AFUS was established in New York in 1999. AFUS is a broker/dealer committed to serving the international needs of US Institutional and Private Clients. Through the Bank's subsidiaries and network of over 450 Branches in Greece, Great Britain, Cyprus, Romania, Bulgaria, Albania, and FYROM, AFUS is able to leverage its regional expertise in South-Eastern Europe by providing research, execution, and clearing services on an agency basis for equity and fixed income securities. Each AFUS client has direct access to South-Eastern European regional markets through the company's equity sales force.

AFUS is responsible for establishing a representative office of Alpha Bank in North America.

The Bank holds 100 per cent. of the company's share capital.

As of 30 June 2004, AFUS had 4 employees.

*Alpha Ventures (AV):* AV is the venture capital arm of the Group, was established in 1990 and is one of the main venture capital firms in Greece.

AV provides start-up and development capital to newly established or growth companies not listed on the stock exchange. It invests in the form of equity and/or convertible debt, typically through a participation in a capital increase rather than a purchase of existing shares. AV generally takes a minority position varying from 10 per cent. to 33 per cent. of the share capital of a company. Prospects for the venture capital/private equity sector are favourable, despite the current outlook of the Greek capital market. Demand for venture capital financing is expected to increase considerably in forthcoming years.

During the last three years, considerable progress was made as regards the process of restructuring the company in the following areas: application of internal procedures and MIS systems, development of new investment activities and rationalisation of the existing investment portfolio.

For the period ended 31 December 2003, AV had profits before tax of €2.6 million, as compared with losses of €1.3 million in 2002, which can be mainly attributed to the profits earned from two divestments. As of the same date AV had total assets of €11.2 million and own funds of €11.1 million.

As of 30 June 2004, the company posted losses of €0.13 million. Its total assets reached €11.1 million and own funds to €10.7 million.

All new venture capital and private equity investments of the Group are made through a new fund established in 2001 by the Bank, the Alpha Equity Fund. The management of this fund has been undertaken by AV. The approved capital for investments amounts to €44.0 million and up to year end 2003,

€11.6 million have been invested. In 2003, Alpha Ventures assessed 71 investment proposals and made two new investments by means of participating in share capital increases.

AV is a fully owned subsidiary of the Bank. As of 30 June 2004, the company had 8 employees.

Moreover, the Investment Banking Business Unit supervises the Group Treasury and its Sales and Trading Activities. The Bank is active in the interbank money, bond and derivatives markets, contributing to the Group's results. The use of sophisticated systems to measure market risk has contributed considerably to limiting risk, to the immediate adaptation to market conditions, and to improved performance. The Bank is active in the domestic primary and secondary bond markets. It has retained its high market share aimed at providing better service to clients from Greece and abroad. In addition the Bank is an active participant in both the primary and secondary European/Southeastern Europe debt markets. It also participated in organising and completing syndicated loans in the Greek and International markets. The trading units of the Treasury Division cover a wide range of products such as foreign exchange spot and forwards, foreign exchange swaps, money markets, options, debt securities and derivatives. The sales and market research units of the Treasury Division support the customer business of the Bank and provide products and services that fulfil the customer's treasury needs.

### **Asset Management**

The management of funds entrusted to the Group by its clients and several other categories of investment services are undertaken by Alpha Asset Management and Alpha Investment Services. They develop new products on the market, manage and develop relationships with institutional investors, and manage the portfolios of the Group's mutual funds, its private banking clients and other customers. Promotion of investment products and services to private individuals is undertaken under the brand name Alpha Private Bank, which now encompasses, under a common management and strategy, the clients and networks of the Bank's Private Banking Division and of the Group company, Alpha Investment Services.

*Alpha Investment Services (AIS):* AIS was established in April 2001 in line with the Group's new administrative structure. The company is part of the Alpha Private Bank brand and it has undertaken the development and promotion of investment services and products to affluent individual investors. The substantial growth and the increasing complexity of money and capital markets in Greece as well as the expected shift of Greek investors towards international markets have developed the need for advanced and specialised financial advice. AIS promotes its services through a specialised network of 17 branches which are located in major Greek cities, out of which 13 are owned by AIS and four by the Bank. For 2003, AIS's turnover amounted to €4.5 million, its losses to €0.9 million, it had funds of €2.4 million and total assets to €3.2 million.

As of 30 June 2004, total assets amounted to €4.8 million, own funds to €4.2 million and profits before tax to €0.8 million. As of the same date, AIS had 102 employees.

The company is a fully owned subsidiary of the Bank.

*Alpha Asset Management (AAM):* AAM was established in 2000 in line with the new administrative structure of the Group and with the objective to provide institutional asset management services. Its activities encompass portfolio management, analysis of investment opportunities, research for new products and development of relationships with institutional investors. It provides portfolio management services to Alpha Mutual Fund Management, to Alpha Insurance and to other institutional clients. AAM manages a bond fund for IKA (Greek Social Insurance Institute), Greece's largest public sector pension fund and co-manages the assets of EDEKT-OTE, one of the largest private pension funds.

For 2003, AAM's turnover increased to €8.0 million, and profits before tax to €5.9 million due to the containment of operating expenses. As of 31 December 2003, own funds amounted to €4.9 million and total assets to €11.4 million.

As of 30 June 2004, total assets amounted to €8.7 million and pre-tax profits to €3.6 million. As of 30 June 2004, AAM had 25 employees.

The company is a fully owned subsidiary of the Bank.

*Alpha Mutual Fund Management Company (AMFMC):* AMFMC is one of the leading open-end mutual fund management companies in Greece with a market share of 15.1 per cent. in 2003 (or 16.0 per cent. if money-market funds are excluded) up from 12.2 per cent. in 2002. With a market share of 22.7 per cent., AMFMC is also the biggest player in the Greek equities fund market. As of 30 June 2004, AMFMC offers perhaps the widest selection of all mutual fund companies in Greece. A comprehensive range of 26 funds (seven bonds, 12 equity, four mixed and three money market) includes propositions from the Greek, European, US and Global markets with both actively and passively managed funds. In December 2003, four new equity funds were launched, two of them covering the segment of high-tech and healthcare global industries while the other two are aggressive strategy funds for the Greek and Global markets. Shares in the funds are mainly sold and bought through a comprehensive on-line transaction network by Alpha Bank Branches, Alpha Private Bank Centres and by the insurance advisers of Alpha Insurance Company.

For 2003, AMFMC's turnover and gross operating profit amounted to €34.3 million and €15.6 million respectively and profits before tax to €14.4 million. Own funds amounted to €39.5 million and total assets to €52.6 million.

As of 30 June 2004, the company posted profits before taxes of €7.9 million. Total assets amounted to €52.4 million.

The prospects for the mutual fund management sector in Greece are favourable, despite the negative trends of the past 12 months. AMFMC's objectives include further differentiation and rationalisation of the product spectrum, the use of alternative networks, and co-ordination with Group companies towards promoting sales.

On 30 June 2004 the Bank held, directly and indirectly 100 per cent. of the issued share capital of Alpha Mutual Fund Management. As of the same date, AMFMC had 35 employees.

#### **Other Activities of the Group**

*Delta Singular:* Major developments took place in the Delta Singular Group in 2004. In March 2004 the company spun off its two core activities, namely IT Outsourcing Services and Systems Integration, into wholly owned subsidiary companies, Delta Singular Outsourcing Services and Delta Singular System Integrator. The third core activity of the Group, Software Development, had already been spun off to Singular Software in previous years. Delta Singular subsequently proceeded to sell Delta Singular Outsourcing Services to a US based dominant global corporation, First Data Corp. The value of the transaction topped €206 million and the Boards of Directors of both Alpha Bank and Delta Singular simultaneously proposed a merger between the two companies with a share exchange ratio of 10 Delta Singular shares to 1 Alpha Bank share. The merger balance sheet date was set for 31 July 2004 and the merger is expected to be completed in the first half of 2005. As a result of the merger, Alpha Bank will issue approximately 7.56 million shares.

Having sold the most profitable segment of its business, and given the fact that the Greek IT sector has been facing a prolonged crisis, Delta Singular then proceeded with the sale of the other two companies, Delta Singular System Integrator and Singular Software, to GIT Holdings — a company focused in investments in the Greek IT sector — for a total value of €26.5 million.

For the period ended 31 December 2003, Delta Singular, on a consolidated basis, had total assets of €243 million and own funds of €149.9 million.

As of the merger balance sheet of 31 July 2004, total assets amounted to €274.7 million and own funds amounted to €244.9 million.

The Bank currently holds, directly and indirectly, 38.76 per cent. of the company's issued share capital.

*Alpha Astika Akinita (AAA):* AAA was founded by the Bank in 1942. In June 1999, AAA's shares were listed on the Athex and subsequently the Bank's holding decreased to 51.79 per cent. of its issued share capital. As of 31 December 2003, AAA's market capitalisation amounted to €82.3 million.

AAA offers a full range of services in the real estate sector. It acts as a broker or representative during the sale and purchase of real estate property and manages, leases and maintains property of clients. It also prepares valuations and development studies of real estate property owned by third parties, individuals and

welfare funds and other institutions. In the area of assessments, large project certification, real estate development studies and investment assessment, the company is certified with the quality assurance system ISO 9000. It has a 29.1 per cent. stake in Propindex, a company, which acts as a valuer in the real estate sector. AAA aims to provide comprehensive services to Greek and foreign clients, in collaboration with Alpha Private Bank and the Group companies Alpha Asset Management and Alpha Finance US.

On 31 December 2003, AAA had total assets €101.1 million and own funds of €91.6 million. Turnover amounted to €15.9 million, remaining relatively flat over 2002. Profits before tax increased by 28.7 per cent., amounted to €11.7 million, including €1.8 million of capital gains from the sale of a real estate property.

For the six month period ended 30 June 2004, the company posted a pre-tax profit of €4.7 million. Total assets, as of the same date, amounted to €97.6 million and the market capitalisation of the company was €79.8 million. The Bank currently holds, directly or indirectly, 52.86 per cent. of its issued share capital.

As of 30 June 2004, AAA had 37 employees.

*ICAP*: Since 1964, Icap has been a market leader in business information and financial services, consulting and market research. Its activities fall into two large categories:

Financial Information — Publications: Icap manages one of the largest commercial and financial databases in Greece, with a wide coverage of Greek companies. It has four branches in major Greek cities. For 38 years it published the unique “Greek Financial Guide” which is translated in English and distributed all around the world. The company is also a market leader in specialised business publications. In the year 2002, Financial Information and Publications accounted for 69.7 per cent. of total turnover.

Market Research — Business Consulting: It is one of the top five management consulting companies in Greece. In 2002, turnover from this particular sector accounted for 30.3 per cent. of total turnover.

As of 31 December 2003, Icap’s total assets amounted to €20.0 million and own funds to €16.3 million. Turnover totalled €16.7 million and profits before tax increased by 71.2 per cent. to €2.1 million, mainly due to the reduction in operating expenses and non-occurrence of a portfolio revaluation loss posted in 2002.

For the six month period ended 30 June 2004, the company posted a pre-tax profit of €1.2 million. Total assets, as of the same date, amounted to €20.4 million.

In April 2001, the Bank transferred to Commercial Bank of Greece 20 per cent. of Icap’s share capital. However, it still remains the largest shareholder with a participation of 26.96 per cent. As of 30 June 2004, Icap had 295 employees.

*Ionian Hotel Enterprises (IHE)*: IHE was established in 1957 with the aim of constructing and operating high-quality hotel units. IHE is listed on the Athex and its market capitalisation, as of 31 December 2003, amounted to €155.0 million. On the same date, the Bank held, directly and indirectly, 87.23 per cent. of IHE’s issued share capital.

IHE owns the Athens Hilton and the Hilton Rhodes Resort. In June 2000, IHE concluded a new 10-year agreement with Hilton International to manage Athens Hilton, and an agreement to manage the Hilton Rhodes Resort. The Athens Hilton has been undergoing a full renovation since November 2001, which was completed before the 2004 Olympic Games.

IHE had a turnover of €27.2 million in 2003, as compared with €7.6 million in 2002, mainly due to the fact that the Athens Hilton became fully operational. For the same reason, IHE posted losses in 2003 of €4.4 million. Own funds as of 31 December 2003 amounted to €108.7 million and total assets to €276.4 million.

As on 30 June 2004, the company had losses of €3.1 million and a turnover of €19.3 million, although the figures are not comparable with the respective ones in 2003. Own funds reached €100.8 million and total assets €284.1 million.

As of 30 June 2004, IHE had a total of 713, both permanent and seasonal, employees.

*Ionian Holdings*: Ionian Holdings is a company incorporated in the Hellenic Republic. It is a former subsidiary of Ionian Bank (formerly Ionian Finance) and under the new Group structure constitutes a holding company. As of 31 December 2003, Ionian Holdings held 20 per cent. of the share capital of Alpha



Mutual Funds Management Company, 0.3 per cent. of the issued share capital of Alpha Finance, 0.4 per cent. of Alpha Leasing, 1 per cent. of Alpha Equity Fund, 1 per cent. of Alpha Asset Management and 4.7 per cent. of Unisystems.

As a result of the merger between the Bank and the former Alpha Finance, which was effected through a share-exchange scheme in April 2001, Ionian Holdings exchanged its holding into former Alpha Finance with newly issued Alpha Bank shares, acquiring 9.7 per cent. of the Bank's issued share capital.

On 10 September 2003, Ionian Holdings placed its entire participation in Alpha Bank A.E., ie. 8.6 per cent. of the share capital of Alpha Bank A.E., to institutional investors in Greece and abroad, via an accelerated book-build. The total size of the placement amounted to €273 million and directly strengthened the capital adequacy of Alpha Bank Group.

For the period ended 31 December 2003, Ionian Holdings posted profits before tax of €97.0 million, due to one-off gains related to the private placement to institutional investors of Alpha Bank shares held in treasury. Own funds, as of the same date, amounted to €342.0 million and total assets to €354.5 million.

As of 30 June 2004, the company had profits before tax of €0.2 million. Own funds amounted to €343.2 million and total assets amounted to €342.7 million.

### **Distribution Network**

*Branch network:* The Group possesses an extensive branch network (Alpha Bank: 374 branches in Greece and 13 branches abroad, Alpha Private Bank: 17 branches, Alpha Bank Cyprus: 27 branches, Alpha Bank Romania: 19 branches, Alpha Bank AD Skopje: 7 branches, Alpha Bank London Ltd: 2 branches).

*ATM network:* The Bank created the first ATM network in Greece, which numbered 747 machines at the end of 2003. The ATMs are installed in branches or other premises (277 off-site locations) and cover the entire country. The branches of the Group's banks in Romania and Cyprus are also equipped with ATMs, and the first ATM in Albania installed in the Tirana branch is currently in operation.

The services provided by the Bank's ATMs have been augmented with additional facilities, such as transfer between Alpha Bank accounts, payment of mobile telephone subscription bills, card renewal (topping-up) on mobile card phones, updates of customer portfolios maintained by Alpha Finance, and settlement of clients' obligations to other companies, on a 24-hour basis.

*Alternative Distribution Channels:* In addition to the existing ATM and EFT/POS networks, the Bank provides banking services via alternative distribution channels. The first stage of the creation of the infrastructure for the uniform characteristics of alternative distribution channels' customers was completed in 2001. All subscribers to the Alpha Web Banking, Alphaphone Call Centre and Alphaline units are gradually being brought into the system. Alpha Web Banking: Continuing its successful offer of free-of-charge banking services via the internet, the Bank has extended the range of services on offer. Subscribers, whose numbers increased by 73 per cent. by September 2004 as compared with September 2003, have now new facilities including mutual funds' updates, new payments (including fixed and mobile telephone bills), etc. A new component has been added for online maintenance of the user's profile (adding new accounts, credit cards, loans). Transactions (Jan to Sep 2004) increased by 74 per cent. as compared to 2003. Alpha Web Banking constantly holds a market share of about 50 per cent. in the public sector's electronic payments (VAT, Security Funds). A new version of Alpha Web Banking system specialised for company's use was launched June 2004.

*Alphaline (PC-Banking):* A new version of Alphaline (PC Banking service for corporate customers) has been launched aiming initially to facilitate multi-layer authorisation and control for execution of transactions of the member companies. The new system will gradually fulfil the cash/balance management needs of big companies. Alphaline has 2500 subscribers.

*Call Centre:* The Call Centre has been installed on the premises of First Data Hellas and is currently in operation. The Call Centre already provides information about products and services to all customers, offers a variety of phone banking transactions to Alphaphone subscribers and performs programmed outbound calls on the basis of the criteria submitted by users.

*Business-to-business electronic commerce:* The Bank has a 15 per cent. share in the company CosmoOne Hellas MarketSite S.A. (CosmoOne), which provides B2B e-commerce services by creating e-marketplaces and applications such as e-procurement or e-auctions. Apart from being a shareholder in CosmoOne, the Bank is also a customer, having already executed via its facilities successful auctions for procuring supplies. It is also intending to offer added value banking and financial services to customers the Bank shares with CosmoOne.

### **Operations and IT initiatives**

In the year 2003 a significant reengineering program was launched covering all Bank's areas and activities. The main objective is to optimize the delivery of the "right" technology solutions at the "right" cost which will enhance the business proposition by providing seamless product supply chain, flawless customer services, paperless environment and supporting growth of annuity revenue.

The reengineering program (which is in progress) based on a four year strategic plan (2004-2007) is leading to substantial cost reduction and enhancement of product offering. The program's main activities are: Reengineering, simplification and standardization of process flows, elimination of paper, consolidation of homogenous processing capabilities into centers of excellence of nationwide coverage (including the activities of local and international subsidiaries and branches) emphasis on automation and electronic delivery and focus on products.

Projects that have been or will be completed by the end of the year are: SAP accounting platform, Consolidation of several back office functions, Implementation of Electronic Funds Transfer state of the art System with anti money-laundering function, consolidation of SWIFT capabilities, Cheque Processing Center just to mention a few.

Several other projects are in advanced stage like Bank Trade System, Housing Loans Application, or scheduled for the coming year like Enterprise Workflow Engine, Loan Application, Image Processing and Electronic Archiving and Basel II.

Other areas covered by the reengineering program are telecommunications, network infrastructure, continuous enhancing of cards and alternative channels environment, outsourcing based on certain criteria etc.

### **Management Information Systems (MIS)**

In June 1998, the Bank established the MIS Division to oversee the management information system. The system has enormously improved information for strategic management decisions, marketing of new products, pricing, cost reduction, etc.

Since June 2000, the profitability of the Bank has been monitored on a business unit basis, while at the same time the application for the performance measurement of clients and specific groups of clients is being developed.

The MIS Division is responsible for providing budgeting and actual results and also for the profitability of the Group with a view to achieving more accurate, precise and detailed reporting to Management.

A team from the MIS Division is co-operating with consultants from SAP to install the Controlling Module (CO) in the Bank.

The majority of information produced by the MIS division is available on the Bank's Intranet for use by all branches, divisions and, of course, management, according to their respective needs.

### **Risk Management**

The Risk Management Division is responsible for measuring market, credit, liquidity, operational risk, control limits and the risk adjusted returns on capital for the Group. It is also responsible for preparing material for the Asset Liability Committee, which meets once a month.

The Bank uses the Value at Risk ("VAR") methodology to measure market risk. Back-testing is performed on a daily basis in order to check the validity of the models. The Risk Management Division is responsible for controlling trading limits. Trading activity in the dealing rooms in Cyprus, Bulgaria, and Romania is

limited. However, in the near future the Bank plans to integrate VAR methodology in all dealing rooms. From 2002, the Bank installed KVAR+ credit risk module and is able to measure accurately the credit risk associated with treasury products (corporate bonds, interbank placements, etc.).

For the banking book, the Risk Management Division uses IPS-Sendero as the asset liability management system.

For the measurement of credit risk, the Bank has a credit rating system, which assigns ratings to borrowers on the basis of financial data, previous payment behaviour and various qualitative criteria. Moreover the Bank has instituted specific approval limits at every level of approval and a specific credit policy depending on credit risk assessments. Finally the Bank continuously monitors changes in the creditworthiness of its borrowers and responds appropriately.

### **Internal Audit**

The Bank has maintained an Internal Audit and Inspection Division (the “Division”). It is an independent, objective assurance and consulting activity designed to add value and improve the Bank’s operations. It helps the Bank to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The main purpose of the Division is to assess the adequacy, application and effectiveness of internal controls within the Bank and the Group. The scope of internal audit also includes an assessment of the adequacy, application and effectiveness of risk management and corporate governance procedures, the financial information systems, testing of transactions and procedures, adherence to legal and regulatory requirements and special investigations.

The Division reports its findings and appraisals to the Board of Directors through the Audit Committee at least quarterly.

An annual risk-based audit engagement plan, developed by the Division (after considering a number of factors) and approved by the Audit Committee, serves as the basic determinant of the Units of the Bank to be audited throughout the year (whether Branches, Division or Affiliate Companies). Past history indicates that approximately two years are required for a complete branch network audit cycle.

The Division has a sufficient number of auditors that cumulatively possess the necessary knowledge and experience to effectively carry out the assigned tasks, including a team of IT Auditors.

According to Act No 2438/98 of the Bank of Greece, the Division is responsible for evaluating the adequacy and quality of the loan portfolio and its summary is reported to the Audit Committee. A copy of this report is submitted to the Bank of Greece.

A quality assurance review of the internal audit function is performed on a regular basis every three years. The independence and the effectiveness of the Division has been assessed by PricewaterhouseCoopers Business Solutions for the period 2001-2003 and the certificate, without any notice, was submitted to the Board of Director and the Bank of Greece.

### **Statistical Information**

Information included in this section, except where otherwise specifically referenced as relating to the Group, relates to the Bank only and does not include the Bank’s consolidated subsidiaries. In addition, where information is specified as referring to the Bank’s domestic activities, such information excludes the activities of the Bank’s foreign branches. As at 31 December 2002, the Bank accounted for approximately 95 per cent. of the Group’s total assets.

The statistical data presented below may differ from data included in the financial statements of the Group and of the Bank included elsewhere in this Offering Circular. In certain cases, the statistical data are derived from statutory reports and from statistical data reported in the forms prescribed by the Bank of Greece for regulatory purposes. Such data are compiled as part of the Bank’s financial reporting and management information systems.

## **Custodian Services**

The operations division of the Bank performs the custodian functions of the Alpha Bank Group. These services are offered to domestic and foreign institutional clients. The Bank holds approximately €4.9 billion of portfolio value on behalf of its clients. Profits of the Bank attributable to the provision of custody services were €3.5 million in 2003. The Bank's principal customers for custodian services are brokerage firms, insurance companies and mutual funds, including Alpha Mutual Fund Management Company which is the Bank's largest single custodial client.

## **Employment**

As of 30 September 2004, the Group employed 9,129 persons of which 7,231 in the Bank. During 2003, a programme offering retirement incentives was introduced. The programme facilitated the departure of about 6 per cent. of the Group employees and facilitated the promotion of new echelons.

Training of the Bank's employees is an important objective, with a view to reinforcing middle management. In-house training includes seminars on professional areas of interest such as management, product awareness and marketing. This training is held primarily at the Bank's training facilities in Athens. Employees are also offered an opportunity to attend external training courses both in Greece and abroad. E-learning has been recently introduced as a pilot programme in many branches.

Almost all of the Bank's staff are members of one of the trade unions operating within the banking sector. Each of these trade unions falls under the umbrella of the general union of banking sector employees ("OTOE") and, ultimately, the General Confederation of Greek Workers. Collective bargaining agreements are normally signed between representatives of the Greek banks and OTOE and then implemented by each Bank in conjunction with its own unions. Several topics are discussed and agreed between the involved parties every one or two years. The Bank maintains good relations with its personnel unions and there have not been any industrial disputes affecting the Bank during the last fourteen years.

According to actuarial studies made for International Accounting Standards purposes as of 31 December 2003, the Bank had an outstanding obligation to the pension fund of approximately €133.7 million. In order to meet this obligation, the Bank's annual contribution to the pension fund for 2004 will amount to €52.3 million. The Bank's obligation to the pension fund, and accordingly, its annual contribution is subject to annual actuarial review. Moreover, the Bank has undertaken a liability estimated at €30 million (after tax), which was disclosed in the Bank's Notes to the Accounts in June 2004, deriving from the welfare branch of the main retirement benefits plan of the former Ionian Bank employees, which was incorporated into the State's social security plan (IKA) in early 2004.

## The Group's Asset and Loan Portfolio

The following table shows a breakdown of the Group's assets:

	<i>At 31 December</i>		<i>As of</i>
	<i>2002</i>	<i>2003</i>	<i>30 September 2004</i>
	<i>(Millions of Euro)</i>		
<b>Assets</b>			
Cash and balances with Central Banks . . . . .	1,412.6	1,150.4	1,528.5
Treasury bills and other eligible bills for refinancing with the Central Bank . . . . .	2,190.2	417.1	1,557.5
Placements with, and loan and advances to, other banks . . . . .	4,167.1	6,440.6	7,412.7
Government and other securities held for dealing purposes . . . . .	2,242.6	1,300.4	625.1
Loans and advances to customers, net . . . . .	17,595.4	19,845.4	21,771.5
Investments . . . . .	223.2	262.4	313.4
Intangible assets, net . . . . .	80.3	86.6	101.5
Tangible assets, net . . . . .	336.8	717.5	722.9
Other assets . . . . .	607.0	582.5	728.8
<b>Total Assets . . . . .</b>	<b>28,855.2</b>	<b>30,802.9</b>	<b>34,761.9</b>

*Funding:* As of 30 September 2004, total consolidated customers deposits amounted to €21.1 million compared to €21.9 million in the corresponding period in 2003 (a decrease of 3.6 per cent.). Management estimates that the Bank's total customer deposits including Alpha Bank bonds in 2003 represented approximately 14.6 per cent. of the customer deposits of all banks operating in Greece.

The following table shows a breakdown of the Group's deposits:

	<i>At 31 December</i>		<i>As of</i>
	<i>2002</i>	<i>2003</i>	<i>30 September 2004</i>
	<i>(Millions of Euro)</i>		
Current accounts . . . . .	4,188.6	4,561.9	5,062.2
Savings accounts . . . . .	8,227.1	8,610.0	8,880.7
Time deposits . . . . .	5,100.6	5,247.0	4,920.0
Other amounts due . . . . .	5,674.7	3,388.3	2,260.8
<b>Total . . . . .</b>	<b>23,191.0</b>	<b>21,807.2</b>	<b>21,123.7</b>

As of 30 September 2004, the Group's deposits, in currencies other than euro, amounted to €5.7 million (approximately 27.1 per cent. of total deposits). Deposits are subject to a 2 per cent. reserve requirement by the Bank of Greece.

*Lending:* The Bank offers a wide range of credit instruments to domestic and foreign businesses, the Greek State (which includes state and municipal corporations and central government) and households, including term loans, the discounting of commercial bills and the provision of overdraft facilities, guarantees and letters of credit.

The following table shows a breakdown of the Group's loan portfolio (excluding inter-bank loan) as a percentage of its total loan portfolio as at the dates indicated:

	<i>At 31 December</i>		<i>As of</i>
	<i>2002</i>	<i>2003</i>	<i>30 September 2004</i>
	<i>(per cent.)</i>		
Trade . . . . .	21.7	20.7	20.1
Manufacturing . . . . .	19.3	15.6	17.2
Individuals (consumer, credit cards, mortgages) . . . . .	23.6	26.3	28.6
Government . . . . .	3.6	2.4	1.7
Shipping . . . . .	5.2	4.2	3.9
Tourism . . . . .	5.2	5.8	5.7
Leasing . . . . .	3.4	3.5	3.8
Other . . . . .	18.0	21.5	19.0
<b>Total</b> . . . . .	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The Bank follows what it believes to be prudent lending policies based on a thorough evaluation of its customers' creditworthiness.

Depending on the size of the exposure, loan applications are examined by the branches, regional head offices, the Bank's Area Credit Committee and the Bank's Senior Credit Committee. The Bank also actively monitors the changing Greek economic environment in order to identify potential risks in its portfolio. A comprehensive credit analysis procedure is undertaken. The Bank is in the process of developing and implementing a more sophisticated asset and liability management system. The Bank, as at December 2003, has a non-performing loan book at 2.8 per cent., which is lower than many of its competitors, and has enjoyed a decline in bad loans as a proportion of the total loan portfolio. A new MIS is being developed to enhance the monitoring of credit risk.

The majority of the Bank's loans are in Euros. The share of foreign exchange at 30 June 2004 represents approximately 7.9 per cent. of the total loans outstanding. The Bank incurs limited foreign exchange risk from its foreign currency lending as it aims to match foreign currency funding and lending.

As of June 2003, the Bank of Greece issued the Governor's act 2523/12.6.2003, which provides for the abolition of various restrictions applied in consumer credit extended by domestic banks. In particular, the restrictions that were abolished were the following: (a) the provision that the amount of credit that Greek banks in aggregate were able to grant to an individual should not exceed €24,000 per year per individual; (b) the provision that the amount of credit advanced without limitation on use should not exceed €3,000; (c) the provision that the amount of overdrafts from a sight deposit account should not exceed €1,500 and (d) the provision that the amount cash withdrawal through credit cards should not exceed €1,000 per month. These limits were not applicable to house mortgage loans. Both mortgage and consumer lending, following this final act of complete liberalisation of the market, are expected to continue to be a robustly growing aspect of the Bank's business.

### **Credit Analysis Procedures**

The Bank follows a set procedure for the approval of new loans and the review of existing facilities. Branches, according to their size, enjoy the discretion to authorise loans up to given limits of €0.6 million to €1.6 million. Above these limits, approval must be sought from one of the 8 regional head offices, which may authorise loans up to €10 million.

Loan applications beyond the regional head office's discretion are submitted to the appropriate Executive General Manager. If the actual or potential exposure to a customer is in excess of €5 million, the credit application must first be reviewed by the Bank's Credit Division before being submitted to the relevant authorisation level. The approval of all loan applications which give rise to an actual or potential exposure to a customer in excess of €30 million is subject to the confirmation of the Bank's Board of Directors.

Apart from reviewing large exposures in excess of €5 million, the role of the Credit Division is to report to the Bank's appropriate Committee (depending on the size of the Bank's potential exposure) on problematic issues or areas within each of the sectors in which the Bank undertakes credit risk. In addition, the Credit Division conducts creditworthiness reviews and analyses and reports on sectorial economic data relevant to the Bank's business.

Exposures to groups of interrelated counterparties are considered on a consolidated basis. Credit lines are reviewed once a year, or more frequently (semi-annually) depending on the loan's risk factor (as calculated by the Bank's internal risk measurement system).

### **Loan Loss Provisions and Experience**

*Problem Loans — Classification:* For statutory purposes, the Bank's classification policy with regard to problem loans is as follows:

Non-performing loans: If interest or principal on a loan has not been paid for up to three months, the relevant branch initiates collection procedures immediately by notifying the borrower that payment has not been made. These loans are classified as in arrears until payments on the loan have been overdue for more than three months. At this stage, the loan is referred to the Non-Performing Loans Division and thereafter classified as non-performing on the Bank's balance sheet. If, after further attempts by the Non-Performing Loan Division to recover outstanding arrears, the loan remains overdue, formal notice of default is given to the borrower, court proceedings are commenced and the whole loan becomes immediately due.

Bad debts: After court proceedings are commenced, the Bank reviews the relevant loan and determines, having regard to the collateral available, the financial position of the borrower and any guarantor, the strength of the Bank's case and the amount of the loan which is likely to ultimately be recoverable. To the extent that all or part of the loan is considered unlikely to be recovered, or if the Bank considers that it will be unsuccessful in the relevant court proceedings, the loan (or relevant part thereof) is treated as a bad debt. Prior to the determination of court proceedings, the position in relation to each loan is reviewed on a regular basis and, in any case, at least annually.

Non-performing loans, subject to limits of between €60,000 and €175,000 are managed by the relevant branch depending on the size of the branch. The Non-Performing Loans Division has general discretion to manage non-performing loans greater than €175,000 but not exceeding €3 million, to initiate litigation for loans greater than €60,000 but not exceeding €3 million, and to auction property for loans up to €2 million or to enforce bankruptcy or insolvency proceedings for loans not exceeding €3 million. Members of the Non-Performing Loans Committee include an Executive General Manager and the acting principal officer of the Non-Performing Loans Division and representation from the Bank's legal department. Non-performing loans greater than €3 million but not exceeding €5 million are managed by the Non-Performing Loans Committee, which is headed by the Executive General Manager. Non-performing loans in excess of €5 million are considered by a committee which includes the Chairman or the Executive General Manager. Non-performing loans in excess of €10 million are referred to the Board, which reviews the position on the basis of the recommendations of the division.

*Loan Loss Provisions:* The Bank's usual practice has been to write off semi-annually an amount approximating to the increase in bad debts in the relevant year. Any such writing-off of bad debts has no effect on the profit and loss accounts of the Bank until the amounts written off exceed available total loan loss provisions. In this event, additional provision would be made in the profit and loss account. The Bank has never had to make such an additional provision.

Banks in Greece are allowed, for tax purposes, to provide for loan losses of up to 1 per cent. of the average annual balance of their loan portfolio, except for loans guaranteed by the Greek State (primarily to entities owned by the Greek State). Consequently, for statutory purposes, the Bank makes loan loss provisions on this basis by charging its Profit and Loss Account. In addition, the Bank follows the policy of writing off uncollectable balances during the year by reducing the loan loss reserves. At 30 June 2003, the balance of loan loss reserves was €369 million. The management of the Bank considers this to be adequate to cover loan losses.

Non-performing loans are expected to increase as lending increases, although the Bank expects that non-performing loans as a proportion of the loan portfolio will remain relatively low. As of 30 June 2004,

non-performing loans represented 2.6 per cent., and bad debts represented 0.5 per cent. of all loans, respectively. Bad debts are fully provided for with specific provisions. Branch managers are encouraged to inform the Non-Performing Loans Division of any specific adverse factors affecting a borrower's ability to repay loans.

The following table provides a breakdown of the Bank's non-consolidated loan loss provisions and amounts written off as at the dates and for the periods indicated:

	<i>At 31 December</i>		<i>As of</i>
	<i>2002</i>	<i>2003</i>	<i>30 June</i>
	<i>(Millions of Euro)</i>		
<b>Loan Quality</b>			
Total loans . . . . .	15,260.8	17,947.0	19,295.0
Non-performing loans . . . . .	331.4	434.4	503.5
Bad debts . . . . .	35.3	62.4	116.7
Total loan loss provisions . . . . .	315.0	439.7	529.9
Addition to loan provisions during the year . . . . .	139.1	166.2	92.2
Amounts written off during the year . . . . .	53.0	41.5	2.0
		<i>(per cent.)</i>	
Non-performing loans as a percentage of total loans <sup>(1)</sup> . . . . .	2.4	2.4	2.6
Bad debts as a percentage of total loans <sup>(1)</sup> . . . . .	0.2	0.4	0.6
Bad debts as a percentage of non-performing loans . . . . .	9.6	12.6	19.5
Loan loss provisions as a percentage of total loans <sup>(1)</sup> . . . . .	2.1	2.5	2.8
Loan loss provisions as a percentage of non-performing loans . . . . .	85.9	88.5	88.4
Write-offs as a percentage of non-performing loans . . . . .	14.5	8.4	3.8

Note:

(1) Loans to the public sector and guaranteed by the Greek State are not included.

### Asset and Liability Management

The Bank's asset and liability management policy is designed to structure its balance sheet in order to control exposure to liquidity, interest rate and exchange rate risks, as well as to enable the Bank to take advantage of market opportunities which it believes may contribute to its profits. Overall responsibility resides with the general management of the Bank to determine its general asset and liability policy. Day-to-day asset and liability management is delegated to the Treasury Division. The positions that could be taken by each operating unit are, however, limited by specific guidelines established by the general management relating to interest rate, exchange rate and liquidity exposure.

*Interest Rate Exposure:* Exposure to interest rates arises where the Bank has a mismatch of assets and liabilities in which interest rates change from time to time. The Bank closely monitors overall exposure to interest rate risk and the impact that individual transactions may have on such exposure. The Bank's policy is to manage closely interest rate exposures and to limit the potentially adverse consequence of interest rate movements on profitability while seeking to take advantage of opportunities presented by prevailing or expected trends in market interest rates.

The Bank principally uses a maturity gap analysis to measure interest rate risk, which measures shifts in the value of the Bank's assets as a result of a 1 per cent. change in interest rates.

*Exchange Rate Exposure:* The Bank's goal in managing exchange rate exposure is to minimise the effect of exchange rate movements on profitability. The Bank adheres to the Bank of Greece guidelines and endeavours to match its foreign currency denominated assets with liabilities denominated in those same currencies.



The following table sets out the Group's assets and liabilities by those denominated in Euro and those denominated in other currencies for the Group as of 30 June 2004. Implied foreign exchange mismatches are covered through off-balance sheet transactions.

<i>At of 30 June 2004</i>					
	<i>EURO</i>	<i>USD</i>	<i>JPY</i>	<i>Other Foreign Currencies</i>	<i>Total</i>
	<i>(in million EUR)</i>				
<b>Assets</b>					
Cash and due from Central Bank . . .	955.0	91.5	0.0	158.7	1,205.2
Securities owned . . . . .	2,522.2	236.6	0.0	193.1	2,951.9
Credit institutions, gross . . . . .	4,129.2	436.2	8.0	64.1	4,637.5
Customers net . . . . .	18,299.8	1,351.4	172.3	1,517.9	21,341.4
All other assets . . . . .	1,423.3	13.9	2.4	62.6	1,502.2
<b>Total assets</b> . . . . .	<b>27,329.5</b>	<b>2,129.6</b>	<b>182.7</b>	<b>1,996.4</b>	<b>31,638.2</b>
<b>Liabilities</b>					
Credit institutions. . . . .	235.1	218.2	1.4	265.2	719.9
Customers . . . . .	13,603.6	2,154.2	1,415.1	1,425.5	18,598.4
Repurchase agreements. . . . .	2,957.0	0.0	0.0	0.0	2,957.0
All other liabilities . . . . .	6,845.4	16.7	2.0	76.9	6,941.0
<b>Total liabilities</b> . . . . .	<b>23,641.1</b>	<b>2,389.1</b>	<b>1,418.5</b>	<b>1,767.6</b>	<b>29,216.3</b>
Net Balance Sheet Position . . . . .	3,688.4	(259.5)	(1,235.8)	228.8	2,421.9
Net Off Balance Sheet Position. . . .	(1,607.8)	281.5	1,237.2	99.4	10.3

*Capital Adequacy:* The capital adequacy ratios applicable to Greek banks conform to EU requirements, which in turn reflect the guidelines of the Basle Committee. See "Supervision" below. On a consolidated basis the Tier 1 capital ratio at 30 September 2004, calculated in accordance with Greek GAAP, was 10.3 per cent. while the capital adequacy ratio was 14.7 per cent.

*Supervision:* The Greek banking system is supervised by the Bank of Greece, which is the country's central bank. The Governor and Deputy Governor of the Bank of Greece are currently nominated by the government, which is also able to influence the election of the remaining nine members of the Central Bank's general council. The Central Bank is responsible for: the issue of bank notes; the conduct of monetary policy; the licensing of new banks and the supervision of banking mergers and acquisitions; the authorisation of foreign banks wishing to establish branches in Greece; and the protection of bank depositors. Generally, the Central Bank is charged with ensuring the soundness of the banking system and serving as lender of last resort to banks.

According to regulations set by the Central Bank of Greece, up to 1999, an amount representing the 12 per cent. of the average balances of specific categories of customer deposits, was maintained equally in either interest and non-interest bearing deposits with the Central Bank of Greece, and was not readily available to finance the Bank's day to day operations. In the course of 2000, this percentage was reduced to 2 per cent. In this respect, Central Bank of Greece released 10 per cent. of the excess amount on 1 January 2001, while the remaining 90 per cent. has been released in three equal semi-annual instalments starting July 2001. The above funds are restricted and can become available only after the approval of Central Bank of Greece, following a written 30-day notice. The remaining accounts with the Central Bank of Greece relate to balances that are used for daily settlements and other activities and are available for withdrawal at any time during the year.

The Bank of Greece is responsible generally for the continuing supervision of banks, which are in turn required to provide information on a regular basis which enables the Bank of Greece to assess the solvency and liquidity of each bank, as well as the adequacy of its internal controls. Specifically, the Bank of Greece requires each bank operating in Greece to submit to it on a monthly, quarterly, semi-annual and annual

basis, detailed statements of such bank's general financial position, liquidity, loan portfolio, provisions, deposits, investments, foreign currency transactions, assets and certain other details.

*Treasury:* The Treasury Division is responsible for managing the Bank's assets and liabilities. Its goal is to maximise the Bank's income, according to certain established risk policies and limits, and manage the liquidity requirements deriving from all the Bank's commercial and trading activities.

Interbank counterparty and trading limits are reviewed by the Board of Directors of the Bank at least annually. Internal procedures are in place to ensure adherence to the limits and processes. The Risk Management unit of the Bank is responsible for monitoring adherence and reports directly to the General Management. The Risk Management unit applies daily, sensitivity analysis methods and the value at risk methodology to measure the interest and foreign exchange exposures of the Bank and runs monthly stress testing scenarios. It produces management review reports and presents them to the Executive General Management and the Treasury Division.

The Asset and Liability Committee ("ALCO") which comprises the Executive General Management and the management of Treasury, Risk Management, Accounting and Economic Research divisions, meets on a monthly basis unless otherwise required. It reviews interest rate exposure, operational liquidity, pricing strategies, regulatory requirements and developments and capital adequacy directives and is responsible for the prudent planning and management of the on- and off-balance sheet of the Bank in order to optimise the Bank's overall performance.

## Subsidiaries and Associates

The following table sets out certain details in relation to the participation of the Bank in its principal subsidiaries and affiliated companies:

Financial data as of 31 December 2003

Name of Subsidiary/affiliated companies	Business activity	Direct <sup>1</sup>	Indirect <sup>1</sup>	Total	Total Assets	Shareholders' equity	Net Profit
							31 December 2003 to 31 December 2003
							(€ thousands)
<b>DIRECT AND INDIRECT HOLDING</b>							
<b>Listed on the ASE</b>							
Alpha Leasing A.E.	Financial Leasing	77.00%	0.41%	77.41%	549,625	253,411	5,365
Delta Singular AE	Specialised computer services	38.76%	0.00%	38.76%	207,853	147,385	12,617
Alpha Astika Akinita A.E.	Management of Real Estate	52.86%	0.00%	52.86%	101,115	91,601	11,692
Ionian Hotel Enterprises S.A.	Hotel Property management	87.23%	0.00%	87.23%	276,406	108,670	(4,360)
<b>Not Listed on the ASE</b>							
Alpha Bank London Ltd	Banking	100.00%	0.00%	100.00%	643,060	78,443	5,268
Alpha Bank Cyprus	Banking	100.00%	0.00%	100.00%	1,776,422	171,232	2,313
Alpha Bank Romania S.A.	Banking	95.45%	0.95%	96.40%	536,729	62,079	6,440
Alpha Bank AD Skopje	Banking	100.00%	0.00%	100.00%	48,119	19,403	2,046
Alpha Finance AXEPEY	Investment banking-brokerage	99.62%	0.38%	100.00%	98,189	37,672	4,274
Alpha Mutual Fund Management A.E.	Mutual Fund Management	80.00%	20.00%	100.00%	52,569	39,486	14,369
Alpha Ventures A.E.	Venture Capital	100.00%	0.00%	100.00%	11,220	11,059	2,585
Alpha Asset Management	Asset Management	99.00%	1.00%	100.00%	11,364	4,906	5,918
A.L.C. Novelle Investments Ltd	Private Equity Fund	33.33%	0.00%	33.33%	18,610	15,348	(588)
Danube Fund Ltd <sup>4</sup>	Private Equity Fund	19.73%	5.44%	25.17%	9,891	9,849	519
Messana Holdings S.A.	Holding Company	99.00%	1.00%	100.00%	6,955	11,600	4,303
Alpha Insurance A.E.	Life and General Insurance	74.99%	0.00%	74.99%	353,380	62,477	2,760
Alpha Insurance Agents A.E.	Insurance Agents	100.00%	0.00%	100.00%	4,743	583	4,249
ABC Factors A.E.	Factoring	100.00%	0.00%	100.00%	407,189	41,213	9,444
Icap A.E.	Consulting and Market research	26.96%	0.00%	26.96%	19,959	16,337	2,072
Ionian Holdings A.E.	Holding Company	100.00%	0.00%	100.00%	354,472	341,964	97,027
Alpha Credit Group PLC	Special Purpose Vehicle	100.00%	0.00%	100.00%	3,662,226	2,219	2,152
Okeanos A.T.O.E.E.	Real Estate	100.00%	0.00%	100.00%	25,018	19,216	70
Alpha Finance US Corporation	Investment banking-brokerage	100.00%	0.00%	100.00%	1,979	1,905	(777)
Alpha Finance Romania S.A.	Investment banking-brokerage	45.68%	53.43%	99.11%	1,659	1,118	86
Alpha Leasing Romania S.A.	Financial Leasing	12.94%	38.93%	51.87%	40,778	5,419	2,039
Alpha Insurance Romania S.A.	Life and General Insurance	65.00%	30.53%	95.53%	1,658	229	(615)
Gaiognomon A.E.	Real Estate	20.00%	0.00%	20.00%	1,437	1,395	(446)
Alpha Investment Services E.M.E.Y.	Private Banking	99.00%	1.00%	100.00%	3,157	2,405	(958)
Alpha Equity Fund	Venture Capital	99.00%	1.00%	100.00%	16,107	16,103	246
Alpha Group Jersey <sup>5</sup>	Special Purpose Vehicle	100.00%	0.00%	100.00%	301,089	1,089	10,702
<b>INDIRECT HOLDING ONLY</b>							
Alpha Insurance Brokers	Insurance Brokers		71.24%	71.24%	8,318	175	402
Alpha Bank Jersey Ltd	Banking	100.00%	100.00%	100.00%	119,318	6,507	124
ABL Independent Financial Advisers Ltd	Advisory Services	100.00%	100.00%	100.00%	768	645	294
Alpha Asset Finance Cyprus	Financial Leasing	100.00%	100.00%	100.00%	35,968	6,849	281
Alpha Trustees Ltd	Trustees services	100.00%	100.00%	100.00%	150	(261)	(123)
Alpha Insurance Cyprus Ltd	Life and General Insurance	95.51%	95.51%	95.51%	27,971	3,261	149
Alpha Finance Cyprus Ltd	Investment Banking-brokerage	100.00%	100.00%	100.00%	2,164	2,155	(399)
Alpha Bank London Nominees Ltd	Nominee services	100.00%	100.00%	100.00%	—	—	—
Singular Software AE	Software	38.76%	38.76%	38.76%	34,708	16,624	1,948
AEF European Capital Investment BV	Holding Company		100.00%	100.00%	5,097	5,089	(60)

### Notes

- The Bank's participating rates on group companies are based on portfolio data as of 31 December 2003.
- Financial data of Danube Fund as at 30 April 2003.

## Average Balances and Interest Rates

The following table sets forth Greek GAAP average balances of the assets and liabilities of the Bank for September 2004 and for the years ended 31 December 2002 and 2003 for interest earning assets and interest bearing liabilities and provides the amount of interest earned or paid and the average rate of such liability as applicable.

	At 30 September 2004			At 31 December 2003			At 31 December 2002		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
	(in '000 €)	(in '000 €)	(%)	(in '000 €)	(in '000 €)	(%)	(in '000 €)	(in '000 €)	(%)
<b>Assets</b>									
<b>Interest Earning Assets</b>									
Treasury bills, Bonds . . . . .	2,112,000	52,161	3.3%	2,438,000	105,809	4.3%	5,623,000	236,728	4.3%
Loans and advances to customers . . . . .	18,437,106	770,413	5.6%	16,596,349	928,536	5.5%	14,091,930	795,525	5.7%
Loans and advances to banks . . . . .	6,133,195	102,893	2.2%	6,004,093	151,382	2.5%	4,654,259	139,911	3.0%
Other . . . . .	396,107	6,036	2.0%	343,651	7,973	2.3%	525,000	17,325	3.3%
Non-Interest bearing Assets . . . . .	3,264,902	0	0.0%	3,514,578	0	0.0%	4,104,613	0	0.0%
<b>Total Assets . . . . .</b>	<b>30,343,309</b>	<b>931,503</b>	<b>4.0%</b>	<b>28,896,671</b>	<b>1,193,700</b>	<b>4.1%</b>	<b>28,998,802</b>	<b>1,189,489</b>	<b>4.1%</b>
<b>Liabilities</b>									
<b>Interest bearing liabilities</b>									
Due to customers . . . . .	19,613,223	142,165	1.0%	20,739,283	288,170	1.4%	22,040,130	455,455	2.1%
Due to Banks . . . . .	2,001,196	30,886	2.1%	3,776,368	91,553	2.4%	2,389,181	75,941	3.2%
Other . . . . .	1,416,577	37,191	3.4%	956,216	30,599	3.2%	528,125	10,563	2.0%
Bonded loans . . . . .	4,302,835	66,298	2.0%	774,688	16,233	2.1%			
Non-Interest bearing liabilities . . . . .	587,397	0	0.0%	884,050	0	0.0%	1,932,964	0	0.0%
Shareholder's Equity . . . . .	2,422,082			1,766,065			2,108,402		
<b>Total Liabilities and Shareholder's Equity . . . . .</b>	<b>30,343,309</b>	<b>276,540</b>	<b>1.2%</b>	<b>28,896,671</b>	<b>426,556</b>	<b>1.5%</b>	<b>28,998,802</b>	<b>541,959</b>	<b>1.9%</b>
Net Interest Income . . . . .		654,963			767,144			647,530	

## Interest Earning Assets: Margin and Spread

The following table shows the levels of average interest-earnings assets and net interest income of the Bank and the comparative gross yields, net interest margin and yield spread obtained for each of the periods indicated. These data are derived from the table of average balance and interest rates above.

	At	At 31 December	
	30 September 2004	2003	2002
		(in '000 €)	
Average interest earning assets . . . . .	27,078,408	25,382,093	24,894,189
Interest Income . . . . .	931,503	1,193,700	1,189,489
Net Interest Income . . . . .	654,963	767,144	647,530
Gross yield <sup>(1)</sup> . . . . .	4.52%	4.64%	4.71%
Net interest margin <sup>(2)</sup> . . . . .	3.18%	2.98%	2.57%
Spread <sup>(3)</sup> . . . . .	2.94%	3.04%	2.57%

### Notes:

- (1) Gross yield represents interest income as a percentage of average interest-earning assets.
- (2) Net interest margin represents net interest income as a percentage of average interest-earning assets.
- (3) Spread represents the difference between gross yield (interest income as a percentage of average interest earning assets) less interest expenses divided by interest-bearing liabilities.

## Securities by Maturity

The following table sets forth the book value of the Bank's debt securities by maturity as of 30 September 2004 and the weighted average yield for each maturity category:

	<i>Less than 1 Year</i>	<i>1 Year to 5 Years</i>	<i>5 Years to 10 Years</i>	<i>After 10 Years</i>	<i>Total</i>
	<i>(Millions of Euro)</i>				
Total . . . . .	515.6	1,424.9	314.9	11.9	2,267.3
Weighted average yield . . . . .	3.0%	2.7%	3.6%	5.7%	2.9%

## Loan Portfolio

*Loans and advances to Customers:* The following table provides details on the basic components of the Group's loans and advances to customers analysed by economic and geographic sector risk concentrations as of 31 December 2002 and 2003 and as of 30 September 2004 calculated in accordance with Greek GAAP:

	<i>As of 31 December</i>				<i>As of 30 September</i>	
	<i>2002</i>		<i>2003</i>		<i>2004</i>	
	<i>(Millions of Euro)</i>	<i>(per cent.)</i>	<i>(Millions of Euro)</i>	<i>(per cent.)</i>	<i>(Millions of Euro)</i>	<i>(per cent.)</i>
Trade . . . . .	3,899.7	21.7	4,211.6	20.7	4,511.4	20.1
Manufacturing . . . . .	3,476.2	19.3	3,170.7	15.6	3,854.5	17.2
Individuals (consumer, credit cards, mortgages) . . . . .	4,238.6	23.6	5,356.8	26.3	6,415.1	28.6
Government . . . . .	651.4	3.6	498.1	2.4	381.8	1.7
Shipping . . . . .	940.3	5.2	855.9	4.2	874.7	3.9
Tourism . . . . .	931.4	5.2	1,182.8	5.8	1,283.1	5.7
Leasing . . . . .	608.2	3.4	708.7	3.5	838.7	3.8
Other . . . . .	3,219.1	18.0	4,368.9	21.5	4,283.1	19.0
<b>Gross Loans . . . . .</b>	<b>17,964.9</b>	<b>100.0</b>	<b>20,353.5</b>	<b>100.0</b>	<b>22,442.4</b>	<b>100.0</b>
Greece . . . . .	14,147.5	78.8	17,481.3	85.9	19,372.6	86.3
UK (primarily clients controlled from Greece) . . . . .	1,274.6	7.0	977.9	4.8	932.6	4.2
Other countries . . . . .	2,542.8	14.2	1,894.3	9.3	2,137.2	9.5
	<b>17,964.9</b>	<b>100.0</b>	<b>20,353.5</b>	<b>100.0</b>	<b>22,442.4</b>	<b>100.0</b>

*Loan Maturities:* The following table sets forth the Bank's loans and advances to customers by time remaining until maturity as of 30 September 2004, 31 December 2003 and 2002:

	<i>As of 31 December</i>		<i>As of</i>
	<i>2002</i>	<i>2003</i>	<i>30 September 2004</i>
	<i>(Millions of Euro)</i>		
1 year or less . . . . .	7,646.5	8,993.3	9,334.0
More than 1 year . . . . .	8,113.3	8,954.1	10,376.8
Total . . . . .	<b>15,759.8</b>	<b>17,947.4</b>	<b>19,710.8</b>

## Risk Elements

*Non-Accrual:* The following table sets forth management's estimate, without giving effect to available security or related specific provisions, of the related amounts of its loan portfolio.

	<i>For the years ended</i>		<i>As of</i>
	<i>31 December</i>		<i>30 June</i>
	<u>2002</u>	<u>2003</u>	<u>2004</u>
	<i>(Millions of Euro)</i>		
Loans not accruing interest . . . . .	291.7	379.7	490.5

## Summary of Loan Loss Experience

The following table provides details of changes in the aggregate amount of the Bank's non-performing loans as of 31 December 2002, 2003 and 30 June 2004:

	<i>For the years ended</i>		<i>As of</i>
	<i>31 December</i>		<i>30 June</i>
	<u>2002</u>	<u>2003</u>	<u>2004</u>
	<i>(Millions of Euro)</i>		
Starting Balance . . . . .	351.0	366.6	496.8
Additions:			
New non-performing loans . . . . .	201.4	275.9	190.2
Accrued Interest (plus expenses). . . . .	45.5	53.9	26.6
<b>Total . . . . .</b>	<u>246.9</u>	<u>329.8</u>	<u>216.8</u>
Subtractions:			
Recoveries . . . . .	(149.9)	(149.1)	(85.5)
Rescheduling . . . . .	(28.4)	(9.0)	(5.9)
Write off. . . . .	(53.0)	(41.5)	(2.0)
<b>Total . . . . .</b>	<u>(231.3)</u>	<u>(199.6)</u>	<u>(93.4)</u>
Ending balance . . . . .	366.6	496.8	620.2
Amount likely to be recovered . . . . .	331.4	434.4	503.5
Bad debts . . . . .	35.3	62.4	116.7
<b>Net write-off/average loans . . . . .</b>	<u>0.38%</u>	<u>0.25%</u>	<u>0.02%</u>

*Allocation of the Allowance for Loans Losses*

Banks in Greece are allowed, for tax purposes, to provide for loan losses up to 1 per cent. of the average annual balance of their loan portfolio, except for loans extended to state-owned organisations or loans guaranteed by the Greek state. The Bank's loan loss provision at the end of 30 September 2004 was €578.3 million, which is considered adequate to cover any likely future bad debt. The following shows the movement of the provision for bad debts for the Bank, for the years 2003, 2002 and the six-month period ending 30 June 2004, in relation with the annual loan balances:

	<i>As of 31 December</i>		<i>As of</i>
	<i>2002</i>	<i>2003</i>	<i>30 June 2004</i>
	<i>(Millions of Euro)</i>		
Annual loans <sup>(1)</sup> . . . . .	15,260.8	17,632.9	19,294.7
Loan loss provision (at the beginning of the year). . . . .	228.9	315.0	439.7
Write-offs during the year. . . . .	53.0	41.5	2.0
Additional provisions during the year . . . . .	139.1	166.1	92.2
Loan loss provision (at the end of the year) . . . . .	315.0	439.7	529.9

(1) Loans to the public sector and guaranteed by the Greek State are not included.

## DIRECTORS AND MANAGEMENT

The Bank is managed by a Board of Directors comprising a minimum of nine and a maximum of 15 members elected by the shareholders in General Meeting. Directors hold office for a term of five years and may be re-elected by the shareholders in General Meeting. The absence of a Director, from Board meetings for a period exceeding six consecutive months may be considered by the Board as constituting his resignation. The Board must elect its Chairman and Vice Chairman from among its members.

The Board resolves all matters concerning management and administration of the Bank except those which, under the Articles of Incorporation or under applicable law, are the sole prerogative of shareholders in General Meeting. Following a request by at least two Directors, the Chairman is obliged to summon a Board meeting.

Resolutions are adopted by an absolute majority of Directors present or represented, except in the case of share capital increases. A Director can only be represented in person by another Director. No Director can have more than two votes. To form a quorum, more than half of the Directors must be present in person and the number of Directors present in person in no case may be less than six.

A Director may not vote on, or be counted in the quorum in relation to, any resolution concerning any contract or arrangement in which he, or certain of his relatives, is or are interested, directly or indirectly. The Bank is prohibited absolutely from making loans to Directors or guaranteeing their obligations; any other contract with a Director may only be entered into if such contract is approved by a General Meeting of the Shareholders of the Bank.

The current Board was elected at the General Meeting held on 28 March 2000. The business address of the Chairman and the Executive Directors is 40 Stadiou Street, 102 52 Athens, Greece. The Board of Directors, while retaining responsibility for approving general policy and overall responsibility for significant decisions affecting the Bank, delegates day-to-day management to the Chairman and Managing Director and/or the General Managers of the Bank. Details concerning the members of the Board and General Managers are set out below.

### BOARD OF DIRECTORS

#### Chairman and Managing Director

*Yannis S. Costopoulos*

Yannis S. Costopoulos is Chairman and Managing Director of the Bank and Head of the Group. He is the grandson of the founder and joined the bank in 1963. In 1973 he became Managing Director and in 1984 Chairman of the Board of Directors and General Manager. He is also Chairman of Alpha Bank London Limited and Chairman of Ionian Hotel Enterprises S.A. Mr. Costopoulos is currently Chairman of the Board of Directors of the Hellenic Banks Association and a member of the Institute of International Finance. He is also Chairman of the J.F. Costopoulos Foundation, member of the Board of the Eustathia Costopoulos Foundation, Vice Chairman of the Board of Trustees of the Benaki Museum of Athens, member of the Board of the Nicholas P. Goulandris Foundation — Museum of Cycladic Art and an Honorary Trustee of the Metropolitan Museum of Art of New York.

#### Executive Director and General Manager

*Demetrios P. Mantzounis*

Mr. Mantzounis was appointed General Manager of the Bank in 2002 after serving as Executive General Manager since 1987. He joined the Bank in 1973. He is also Vice Chairman of Alpha Insurance and member of the Board of Directors of the Bank and J. F. Costopoulos Foundation. In addition, he is a Board Member of the European Banking Federation.

#### Non-executive Directors

##### Vice Chairman

*Andreas L. Canellopoulos*

Chairman, Titan Cement Company S.A.



*George E. Agouridis\*\**

Lawyer

*Photis P. Costopoulos*

Lawyer, Chairman, Alpha Insurance Company A.E.

*John G. Goumas\**

President, J.G. Goumas (Shipping) Co. S.A.

*Xenophon J. Kantonias\**

Vice Chairman & Managing Director, Albio Group

*Paul G. Karakostas\**

Chairman & Managing Director, GENKA Investments S.A.

*Constantine A. Kyriacopoulos*

Former General Manager, Alpha Bank

*Minas G. Tanes\*\**

Managing Director & General Manager, Athenian Brewery S.A.

#### **Non-executive Independent Directors**

*Anastasios M. Averoff\*\**

Chairman, Baron Michel Tossizza Foundation

*Thanos M. Veremis*

Professor, Athens University

#### **Secretary**

*Hector P. Verykios*

Manager, Alpha Bank A.E.

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

#### **EXECUTIVE COMMITTEE**

Yannis S. Costopoulos, Chairman and Managing Director

Demetrios P. Mantzounis, General Manager

*Marinos S. Yannopoulos*

Marinos S. Yannopoulos, Executive General Manager and Chief Financial Officer of Alpha Bank, also heads the Asset Management operations of the Group. Prior to joining the Bank in 1994 (from 1991 to 1993), he was the General Manager of Ionian and Popular Bank. Before returning to Greece, he worked from 1983 to 1991 for Chase Manhattan Bank in New York, London, Milan and Frankfurt. From 1978 to 1983, he also worked for Exxon in London, Rome and Athens. Mr. Yannopoulos is also Chairman and Managing Director of Alpha Astika Akinita, Chairman of Messana Holdings, Vice Chairman and Managing Director of Alpha Asset Management, Managing Director of Ionian Hotel Enterprises S.A., Vice-Chairman of the Board of Directors of Delta Singular and a Director of Alpha Bank Jersey, Alpha Bank Cyprus, Alpha Asset Finance Ltd and Hellenic Exchanges Holding S.A. He is a graduate of Athens College and holds degrees in Economics (MA University of Sussex) and Business (MBA Manchester Business School).

*Spyros N. Filaretos*

Spyros N. Filaretos has served as Executive General Manager of the Bank since December 1997. Prior to his appointment as Executive General Manager, he served the Bank in various managerial/executive positions, including Branch Manager, Assistant Manager in the Personnel Division and Assistant Manager in the Treasury Division. He first joined the Bank in 1985 as a Credit Officer. Mr. Filaretos is also President of the Board of Directors of Alpha Bank a.d. Skopje, Alpha Bank Cyprus and Alpha Private Investment Services, and member of the Board of Directors of Alpha Bank London Limited, Alpha Bank Jersey Limited and Alpha Insurance Company.

*Artemis Ch. Theodoridis*

Artemis C. Theodoridis is Executive General Manager of Alpha Bank and is responsible for Investment Banking, Corporate Banking and Treasury. He worked with the Merrill Lynch Capital Markets Group in New York and London from 1983 to 1985. Since 1986, he has been active in the Greek Capital Markets, first with the independent firm of Theodoridis stockbrokers and then with Alpha Brokerage. He has served as a member of the Board of Directors of the Athens Stock Exchange and of the Central Securities Depository. He is also Chairman and Managing Director of Alpha Finance, Alpha Finance U.S. Corporation and Alpha Ventures. He is a graduate of Athens College and holds an MBA from the University of Chicago.

## THE BANKING SECTOR IN GREECE

### Structure of the Market

Owing to the Greek legal framework, which historically has required the establishment of specialised institutions for the provision of specific financial services, the majority of Greek banks had until recently created subsidiaries for the provision of specific categories of financial services. As a consequence, the market was dominated by groups of companies each established around a principal bank.

The banking sector has expanded rapidly in the last ten years as a result of deregulation and modernisation, as well as entry into the Eurozone. In the past seven years restructuring has led to higher concentration. Six state-controlled banks and four private banks have changed ownership, while some new banks have entered the market. However, the five biggest commercial banks (National Bank of Greece, Alpha Bank, EFG Eurobank Ergasias, the Commercial Bank of Greece and Piraeus Bank) had a 66.5 per cent. share in the market at the end of June 2004, compared with a 60.7 per cent. share in 1997.

The domestic banks can be grouped into two principal categories, namely commercial banks and specialised credit institutions. However, most specialised institutions have recently been either absorbed by other commercial banks (e.g. The Hellenic Industrial Development Bank or ETBA Bank) or transformed into full-scale commercial banks (e.g. Agricultural Bank of Greece).

### Commercial Banks

There are currently five large commercial banks. These are the National Bank of Greece, Alpha Bank, EFG Eurobank Ergasias, the Commercial Bank of Greece and Piraeus Bank. Most specialised credit institutions, like the Agricultural Bank of Greece, have been transformed into commercial banks (listed on the Athens Stock Exchange) following increased liberalisation of the Greek market. Traditionally, commercial banks are the dominant group among all categories of deposit and credit institutions operating in the Greek financial market.

### Foreign Banks

There are 20 foreign-owned or incorporated credit institutions, which are still operating through branches in the Greek banking market. Principal participants include Citibank, HSBC and Bank of Cyprus. Overall, foreign banks have made limited inroads into the Greek retail market.

### Specialised Credit Institutions

Today, the major specialised credit institutions are the Aspis Bank (which is a private mortgage bank), the Deposits and Loans Fund (which is under the Ministry of Finance) and the Postal Savings Bank. The role of specialised credit institutions has been decreasing significantly in the last few years.

### Economic Environment

Greek banks operate in a stable economic environment with the economy growing at high rates and with good prospects for strong growth in the following years as well. Entry into the Eurozone (implying monetary stability and low interest rates) and the substantial investment programme of infrastructure projects associated with the 2004 Olympic Games and the Community Support Framework III (CSF III) have contributed to the achievement of high rates of growth of more than 4 per cent. in the last five years (2000-2004). Following the successful organization of the Olympic Games in August-September 2004 Greece is well placed to take advantage of an expected fast growth of exports of goods and services as well as of the need to accelerate the implementation of CSF III and other EU co-financed programs in order to maintain good prospects for the economy to grow in the following three or four years at growth rates above 3.5 per cent. As a consequence, Greek banks have the opportunity to expand their activities given the low bank intermediation in relation to Greek GDP when compared with their European peers. Greece's entry into the Eurozone has redefined the strategic goals and the activities of domestic financial institutions although rapid technological developments and the integration of the financial and capital markets pose a whole new range of challenges.

In order to face these challenges, Greek banks have made substantial investments in IT projects and in the modernisation of the products and services they provide. On the other hand, in recent years a significant

number of mergers and acquisitions have taken place as a result of the transformation of the Greek banking system to conform to the new European environment. At the same time, Greek banks have increased their presence in Southeastern Europe either through the acquisition of local credit institutions or through the establishment of branch networks. The expansion in the Balkans follows the significant expansion and growing presence in this area of Greek businesses and utility firms, which have made significant investments in the area.

The growth prospects of the Greek market for financial products and services seem rather positive when compared to the other markets in the Eurozone. The outstanding balances of housing and consumer loans as a percentage of GDP were 19 per cent. and 10 per cent. respectively at the end of June 2004, while in the other markets in the Eurozone the corresponding figures were 33 per cent. and 16 per cent. respectively. This suggests there is significant potential for further growth of this retail banking business in the next few years.

Apart from the retail banking business, there are also very good prospects for expansion in the areas of investment banking and asset management services, such as pension fund management and private banking, as well as in bank assurance.

It is also important to note that although competition in the Greek market has intensified during recent years, the net interest margin of the Greek banks remain at satisfactory levels due to the major restructuring of the asset side of their balance sheets, which now include more profitable asset categories, in particular mortgages consumer lending, and lending to small and medium-sized firms.

Another important development characteristic of the Greek banking system is the gradual improvement of the quality of the Greek banks' assets following substantial clean-up operations in recent years. This has been supported by the strength of the economy and the lack of major credit exposures, either to businesses or to the individual sectors. For Alpha Bank, specifically, non-performing loans do not exceed 2.6 per cent. and bad loans (fully covered with specific provisions) 0.6 per cent. of the total loan portfolio.

#### Market Share of the Five Largest Banks

	<u>Assets</u>	<u>Lending</u> ( per cent.)	<u>Deposits and</u> <u>repos</u>
1998. . . . .	63.4	62.3	69.7
1999. . . . .	67.1	70.9	73.6
2000. . . . .	65.2	68.8	71.8
2001. . . . .	66.0	68.7	71.3
2002. . . . .	66.5	64.9	68.1
2003. . . . .	66.2	65.6	65.6

Source: Bank of Greece

#### Market Share of the Principal Commercial Banks in Greece at 31 December 2003\*

	<u>Assets</u>	<u>Lending</u> ( per cent.)	<u>Deposits and</u> <u>repos</u>
National Bank of Greece . . . . .	24.0	17.3	23.9
Alpha Bank . . . . .	14.5	15.7	13.6
EFG Eurobank . . . . .	12.8	13.4	12.4
Commercial Bank of Greece . . . . .	8.1	10.5	9.3
Piraeus Bank . . . . .	6.8	8.7	6.5
Other . . . . .	33.8	34.4	34.4

\*As of the total of the banking system.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION OF THE ALPHA BANK GROUP

The selected consolidated financial information of the Group presented below is extracted from the audited consolidated financial statements of the Group for the years ended 31 December 2002, 31 December 2003, 30 June 2004 and the unaudited consolidated financial information of the Group for the period 1 January to 30 September 2004 prepared in accordance with Greek GAAP.

### Consolidated Balance Sheet of the Group as of 31 December 2002, 31 December 2003, 30 June 2004 and 30 September 2004

	<i>As of 31 December</i>		<i>As of 30 June</i>		<i>As of 30 September</i>	
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2004</u>	<u>2004</u>
	<i>(Millions of Euro)</i>					
Cash and balances with Central Banks . . . . .	1,412.6	1,150.4	1,205.5			1,528.5
Treasury Bills and other Securities Eligible for Refinancing with the Central Bank . . . . .	2,190.2	417.1	1,959.7			1,557.5
Loans and Advances to Credit Institutions . . . . .	4,167.1	6,440.6	4,637.6			7,412.7
Loans and Advances to Customers . . . . .	17,964.9	20,353.5	21,954.3			22,442.4
Less: Allowances for credit losses . . . . .	369.5	508.1	613.0	21,341.3	670.9	21,771.5
Securities . . . . .	2,242.6	1,300.4	680.3			625.1
Investments . . . . .	223.2	262.4	311.8			313.4
Intangible Assets						
b. Formation and preliminary expenses . . . . .	6.7	4.7	3.7			3.2
c. Other intangible assets . . . . .	73.6	81.9	86.6	103.1	106.8	98.3
Tangible Assets						
a. Land . . . . .	73.9	400.3	399.5			401.8
b. Buildings, Buildings installation . . . . .	165.2	236.1	237.1			236.3
c. Furniture and fixtures . . . . .	30.3	28.6	28.4			27.8
d. EDP equipment . . . . .	64.4	50.0	45.7			44.8
e. Other tangible assets . . . . .	1.6	1.5	1.6			1.6
f. Payments in advance and tangible assets under construction . . . . .	1.4	336.8	1.0	717.5	5.6	717.9
Other Assets . . . . .	384.6	454.3	499.6			502.3
Prepayments and Accrued Income . . . . .	222.4	128.2	177.7			226.5
<b>Total Assets . . . . .</b>	<b>28,855.2</b>	<b>30,802.9</b>	<b>31,638.2</b>			<b>34,761.9</b>
Off Balance Sheet Accounts . . . . .	45,104.0	44,751.8	45,981.1			50,098.2

	<i>As of 31 December</i>		<i>As of 30 June</i>		<i>As of 30 September</i>	
	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2004</i>	<i>2004</i>	<i>2004</i>
	<i>(Millions of Euro)</i>					
<b>Liabilities</b>						
Due to Credit Institutions . . . . .	2,693.4	2,447.2	1,250.0		3,715.9	
Due to Customers . . . . .	23,191.0	21,807.2	21,025.3		21,123.7	
Senior debt . . . . .	—	2,138.0	4,509.3		4,853.1	
Other Liabilities . . . . .	626.3	762.6	759.0		752.7	
Accruals and Deferred Income . . . . .	226.8	238.0	334.3		491.5	
Provisions for Liabilities and Charges						
a. Provisions for staff retirement						
indemnities . . . . .	24.9	24.0	25.6		9.5	
b. Other	13.1	15.1	15.7	41.3	14.4	23.9
Subordinated Debts . . . . .	582.1	891.0	997.0		1,017.6	
Hybrid Securities . . . . .	181.4	225.5	300.0		298.6	
Capital and Reserves						
Share capital						
— Paid-up capital . . . . .	768.5	953.7	1,273.7		1,273.7	
Share premium account . . . . .	443.4	244.9	—		—	
Reserves . . . . .	817.3	835.8	801.6		804.9	
Reserve from fixed assets revaluation	—	393.4	62.8		60.3	
Retained earnings . . . . .	158.6	214.3	245.5		244.1	
Goodwill to be netted off . . . . .	(578.7)	(273.0)	—		—	
	1,609.1	2,369.1	2,383.6		2,383.0	
Less: Consolidation differences . . . . .	236.1	228.1	233.7		235.9	
Less: Treasury shares . . . . .	382.6	—	—		17.7	
	990.4	2,141.0	2,149.9		2,129.4	
Minority Interests . . . . .	325.8	113.3	53.6	2,203.5	50.5	2,179.9
<b>Net profit for the period.</b> . . . . .	—	—	218.5		305.0	
<b>Total Liabilities</b> . . . . .	<b>28,855.2</b>	<b>30,802.9</b>	<b>31,638.2</b>		<b>34,761.9</b>	

**Consolidated Profit and Loss Account of the Group for the years ended 31 December 2002 and 31 December 2003 and the period 1 January to 30 June 2004 and 1 January to 30 September 2004**

	<i>As of 31 December</i>		<i>As of 30 June</i>	<i>As of 30 September</i>
	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2004</i>
	<i>(Millions of Euro)</i>			
Interest income and similar income . . .	1,420.5	1,394.7	741.2	1,128.9
Less: Interest expense and similar charges . . . . .	655.0	502.3	235.9	362.5
	<u>765.5</u>	<u>892.4</u>	<u>505.3</u>	<u>766.4</u>
Plus: Dividend income . . . . .	14.7	7.6	0.6	3.2
Commissions income . . . . .	320.3	335.1	187.6	281.4
Less: Commissions expense . . . . .	28.2	38.1	14.7	23.0
Plus: Net trading income . . . . .	71.7	111.7	53.4	65.2
Plus: Other operating income . . . . .	14.7	9.3	5.3	7.1
Surplus value from participation in companies consolidated under the equity method . . . . .	(4.7)	0.7	38.1	38.3
Gross operating results . . . . .	<u>1,154.0</u>	<u>1,318.7</u>	<u>775.6</u>	<u>1,138.6</u>
Less: General administrative expenses				
a. Staff costs . . . . .	372.1	380.0	203.9	300.0
b. Other administrative expenses . . .	234.7	244.2	121.6	185.3
Less:				
Depreciation and amortization expenses . . . . .	94.8	90.8	44.9	68.2
Revaluation differences of receivables and provisions for contingent liabilities . . . . .	175.7	212.3	108.4	167.4
Total operating results . . . . .	<u>276.7</u>	<u>391.4</u>	<u>296.8</u>	<u>417.7</u>
Extraordinary income . . . . .	6.5	7.8	3.1	3.7
Extraordinary charges . . . . .	(3.9)	(3.5)	(1.3)	(1.7)
Extraordinary profit or loss . . . . .	<u>3.1</u>	<u>20.9</u>	<u>(0.4)</u>	<u>(0.3)</u>
Net profit for the year (before taxes) .	282.4	416.6	298.2	419.4
Less: Income tax . . . . .	99.5	125.6	77.4	111.7
Net profit for the year . . . . .	<u>182.9</u>	<u>291.0</u>	<u>220.8</u>	<u>307.7</u>
Less: Minority interest . . . . .	8.5	6.8	2.3	2.7
Net profit . . . . .	<u><u>174.4</u></u>	<u><u>284.2</u></u>	<u><u>218.5</u></u>	<u><u>305.0</u></u>

### Consolidated Capitalisation of the Alpha Bank Group

The following table sets out the consolidated capitalisation and indebtedness of the Group, as of 30 September 2004. The information below was extracted from the unaudited consolidated financial statements of the Group as of 30 September 2004, prepared in accordance with Greek GAAP. There has been no material change in this capitalisation table since 30 September 2004.

	<i>As of</i> <u>30 September 2004</u>
	<u>Actual</u>
	<i>(Millions of Euro)</i>
Shareholders' Equity . . . . .	2,129.4
Minority interest . . . . .	50.5
Due to credit institutions . . . . .	3,715.9
Due to customers . . . . .	21,123.7
Other liabilities . . . . .	752.7
Accruals and deferred income . . . . .	491.5
Provisions for liabilities and charges . . . . .	23.9
Subordinated debts . . . . .	1,017.6
Hybrid securities . . . . .	298.6
Senior debt . . . . .	4,853.1
Net profit for the period 1.1-30.9. . . . .	305.0
Total . . . . .	<u><u>34,761.9</u></u>



## FORM OF THE GUARANTEE

The following is the form of the Deed of Guarantee of Alpha Bank:

“**THIS DEED OF GUARANTEE** is made on 28 November 2001, in London, England

by

- (1) **ALPHA BANK AE**, a company incorporated in the Hellenic Republic (the “Guarantor”).

**IN FAVOUR OF**

- (2) **THE HOLDERS AND THE ACCOUNTHOLDERS** (each as defined below) (together, the “Beneficiaries”).

**WHEREAS**

- (A) Alpha Bank AE, in its capacity as an issuer and Alpha Credit Group PLC (“Alpha PLC” and together with Alpha Bank AE in its capacity as issuer, (the “Issuers”) have established a Euro Medium Term Note Programme (the “Programme”) for the issuance of notes. The Guarantor has authorised the giving of its irrevocable guarantee in relation to the notes issued by Alpha PLC (the “Notes”).
- (B) The Issuers and the Guarantor have, in relation to the notes issued under the Programme, entered into an amended and restated fiscal agency agreement (as amended, supplemented and/or restated from time to time, the “Agency Agreement”) dated 28 November 2001 with Citibank, N.A. as fiscal agent (the “Agent”, which expression shall include any successor) and the other paying agents named therein.
- (C) The Issuers have, in relation to the notes issued under the Programme, executed in London, England a deed of covenant (as amended, supplemented and/or restated from time to time, the “Deed of Covenant”) dated 28 November 2001.
- (D) The Guarantor has agreed to irrevocably guarantee the payment of all sums expressed to be payable from time to time by Alpha PLC in respect of the Notes and under the Deed of Covenant.

**THIS DEED OF GUARANTEE WITNESSES** as follows:

### 1.1 Definitions, Interpretation and Application

“Accountholder” means any accountholder or participant with a Clearing System which at the Relevant Date has credited to its securities account with such Clearing System one or more Entries in respect of a Global Note issued by Alpha PLC, except for any Clearing System in its capacity as an accountholder of another Clearing System;

“Clearing System” means each of Euroclear and Clearstream, Luxembourg, and any other clearing system specified in the relevant Pricing Supplement;

“Clearstream, Luxembourg” means Clearstream Banking, société anonyme;

“Conditions” means the terms and conditions of the relevant Notes, including those contained in the applicable Pricing Supplement, as the same may be modified or supplemented in accordance with the terms thereof, and any reference to a numbered “Condition” is to the correspondingly numbered provision thereof;

“Direct Rights” means the rights referred to in Clause 3 of the Deed of Covenant;

“Entry” means, in relation to a Global Note issued by Alpha PLC, any entry which is made in the securities account of any Accountholder with a Clearing System in respect of Notes represented by such Global Note;

“Euroclear” means Euroclear Bank S.A./N.V. as operator of the Euroclear system;

“Global Note” has the meaning given to it in the Agency Agreement;

“Holder” means, in relation to any Note, at any time, the person who is the bearer of such Note;

“person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Relevant Date” means, in relation to the payment of any sum expressed to be payable by Alpha PLC, the date on which such payment first becomes due and payable; and

“Senior Creditors of the Guarantor” means creditors of the Guarantor (a) who are unsubordinated creditors of the Guarantor, or (b) who are subordinated creditors of the Guarantor whose claims are expressed to rank in priority to the claims of the holders of Dated Subordinated Notes or other persons claiming under the Guarantor (whether only in the winding up of the Guarantor or otherwise).

- 1.2 Terms defined in the Conditions have the same meanings in this Deed of Guarantee.
- 1.3 Any reference in this Deed of Guarantee to any obligation or payment under or in respect of the Notes shall be construed to include a reference to any obligation or payment under or pursuant to Clause 3 of the Deed of Covenant.
- 1.4 Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.
- 1.5 Headings are inserted for convenience and ease of reference only and shall not affect the interpretation of this Deed of Guarantee.
- 1.6 This Deed of Guarantee shall apply to Notes issued on or after the date hereof and all references herein to a Note shall be construed accordingly. Notes issued prior to the date hereof under the Programme shall continue to have the benefit of any guarantee given to them on issue.

## **2. GUARANTEE AND INDEMNITY**

- 2.1 The Guarantor hereby irrevocably guarantees:
  - (a) to each Holder the due and punctual payment of all sums from time to time payable by Alpha PLC in respect of the Notes as and when the same become due and payable and accordingly undertakes to pay to such Holder, forthwith upon the demand of such Holder and in the manner and currency prescribed by the Conditions for payments by Alpha PLC in respect of the Notes, any and every sum or sums which Alpha PLC is at any time liable to pay in respect of the Notes and which Alpha PLC has failed to pay; and
  - (b) to each Accountholder the due and punctual payment of all sums from time to time payable by Alpha PLC to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions for payments by Alpha PLC in respect of the Notes, any and every sum or sums which Alpha PLC is at any time liable to pay to such Accountholder in respect of the Notes and which Alpha PLC has failed to pay.
- 2.2 The Guarantor irrevocably undertakes to each Beneficiary that, if any sum referred to in Clause 2.1 is not recoverable from the Guarantor thereunder for any reason whatsoever (including, without limitation, by reason of any Note, the Deed of Covenant or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law), then (notwithstanding that the same may have been known to such Beneficiary) the Guarantor will, forthwith upon demand by such Beneficiary, pay such sum by way of a full indemnity in the manner and currency prescribed by the Conditions. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action if any sum is not recoverable under Clause 2.1.
- 2.3 Notwithstanding the foregoing provisions of Clauses 2.1 and 2.2 hereof, it is specifically agreed that the place of performance of any and all obligations under the Deed of Guarantee shall be London, England and consequently any and all payments of the Guarantor under this Guarantee shall be made out of or to the credit of bank accounts maintained with banks legally operating and situated in London, England.

### **3. NEGATIVE PLEDGE**

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 4.

### **4. TAXATION**

The Guarantor covenants in favour of each Holder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 10. In particular, if in respect of any payment to be made under this Deed of Guarantee, any withholding tax is payable, the Guarantor shall pay the additional amounts referred to in Condition 10, all subject to and in accordance with the provisions of Condition 10.

### **5. PRESERVATION OF RIGHTS**

- 5.1 The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.
- 5.2 The obligations of the Guarantor hereunder shall be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and, in particular but without limitation, shall not be considered satisfied by any intermediate payment or satisfaction of all or any of Alpha PLC's obligations under any Note or the Deed of Covenant and shall continue in full force and effect until all sums due from Alpha PLC in respect of the Notes and under the Deed of Covenant have been paid, and all other obligations of Alpha PLC thereunder have been satisfied, in full.
- 5.3 Neither the obligations expressed to be assumed by the Guarantor herein nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:
- (a) the winding up, liquidation or dissolution of Alpha PLC or analogous proceeding in any jurisdiction or any change in its status, function, control or ownership;
  - (b) any of the obligations of Alpha PLC under or in respect of the Notes or the Deed of Covenant being or becoming illegal, invalid or unenforceable;
  - (c) time or other indulgence being granted or agreed to be granted to Alpha PLC in respect of any of its obligations under or in respect of the Notes or the Deed of Covenant;
  - (d) any amendment to, or any variation, waiver or release of, any obligation of Alpha PLC under or in respect of the Notes or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof; or
  - (e) any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.
- 5.4 Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by Alpha PLC or any other person on Alpha PLC's behalf being avoided or reduced by virtue of any provision or enactment relating to bankruptcy, insolvency or liquidation for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.
- 5.5 No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:
- (a) to make any demand of Alpha PLC, save for the presentation of the relevant Note;
  - (b) to take any action or obtain judgment in any court against Alpha PLC; or
  - (c) to make or file any claim or proof in a winding up or dissolution of Alpha PLC,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of each Note.

5.6 The Guarantor agrees that, so long as any sums are or may be owed by Alpha PLC in respect of the Notes or under the Deed of Covenant or Alpha PLC is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any right which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

- (a) to be indemnified by Alpha PLC;
- (b) to claim any contribution from any other guarantor of Alpha PLC's obligations under or in respect of the Notes or the Deed of Covenant;
- (c) to take the benefit (in whole or in part) of any security enjoyed in connection with the Notes or the Deed of Covenant by any Beneficiary; or
- (d) to be subrogated to the rights of any Beneficiary against Alpha PLC in respect of amounts paid by the Guarantor under this Deed of Guarantee.

5.7 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Pricing Supplement as Senior Notes will constitute direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured (subject to Condition 4) and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by mandatory provisions of law.

5.8 The Guarantor irrevocably undertakes that its obligations hereunder in respect of Notes specified in the applicable Pricing Supplement as Dated Subordinated Notes will constitute direct, general and unconditional, subordinated and unsecured obligations of the Guarantor which will be subordinated to the claims of Senior Creditors of the Guarantor in that payments under the Guarantee (whether in the winding up of the Guarantor or otherwise) will be conditional upon the Guarantor being solvent at the time of payment by the Guarantor and in that no amount shall be payable under the Guarantee (whether in the winding up of the Guarantor or otherwise) except to the extent that the Guarantor could make such payment and still be solvent immediately thereafter. For this purpose, the Guarantor shall be considered to be solvent if it can pay principal and interest in respect of the Notes and still be able to pay its outstanding debts to Senior Creditors of the Guarantor, which are due and payable.

In case of dissolution, liquidation and/or bankruptcy of the Guarantor the Noteholders will only be paid by the Guarantor after all Senior Creditors of the Guarantor have been paid in full and the Noteholders irrevocably waive their right to be treated equally with all other unsecured, unsubordinated creditors of the Guarantor in such circumstances.

## **6. DEPOSIT OF DEED OF GUARANTEE**

An original of this Deed of Guarantee shall be deposited with and held by the Agent until the date which is two years after all the obligations of Alpha PLC under or in respect of the Notes and the Deed of Covenant have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

## **7. STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other similar taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, reasonable legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

## **8. BENEFIT OF DEED OF GUARANTEE**

8.1 This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

- 8.2 This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.
- 8.3 The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

## 9. PARTIAL INVALIDITY

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any applicable jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other applicable jurisdiction shall in any way be affected or impaired thereby.

## 10. NOTICES

- 10.1 All notices and other communications to the Guarantor hereunder shall be made in writing (by letter, telex or fax) and shall be sent to the Guarantor at:

Alpha Bank AE

Address: 40 Stadiou Street  
GR-102 52 Athens  
Greece

Tel: +30 210 326 0000

Fax: +30 210 326 4004

Fax (Legal Dept.): +30 210 322 5341

Attention: Head of Treasury or to such other address, telex number or fax number or for the attention of such other person or department as the Guarantor has notified to the Beneficiaries in the manner prescribed for the giving of notices in connection with the Notes.

- 10.2 Every notice, demand or other communication sent in accordance with Clause 10.1 shall be effective as follows:

- (a) if sent by letter or fax, upon receipt by the Guarantor; and
- (b) if sent by telex, upon receipt by the sender of the Guarantor's answerback at the end of transmission;

*provided that* any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

## 11. GOVERNING LAW AND JURISDICTION

- 11.1 This Deed of Guarantee (other than Clause 5.8) is governed by, and shall be construed in accordance with, English law. Clause 5.8 is governed by and shall be construed in accordance with, Greek law.
- 11.2 The Guarantor agrees, for the exclusive benefit of the Beneficiaries, that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Deed of Guarantee (respectively, "Proceedings" and "Disputes") and, for such purposes, irrevocably submits to the jurisdiction of such courts.
- 11.3 The Guarantor irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 11.2 being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

- 11.4 The Guarantor agrees that the process by which any Proceedings are begun may be served on it by being delivered to Alpha Bank AE, London Branch at its principal place of business for the time being in England (currently 66 Cannon Street, London EC4N 6EP). If the Guarantor ceases to maintain a branch in England, the Guarantor shall appoint a further person in England to accept service of process on its behalf. Nothing in this sub-clause shall affect the right to serve process in any other manner permitted by law.
- 11.5 The submission to the jurisdiction of the courts referred to in Clause 11.2 shall not (and shall not be construed so as to) limit any right to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

**12. MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Holders to consider matters relating to the Notes, including the modification of any provision of this Deed of Guarantee. Any such modification may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

**IN WITNESS** whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed  
 by  
 acting as attorney-in-fact  
 for and on behalf of  
 ALPHA BANK AE  
 in the presence of: }

Signature of witness: . . . . .

Name of Witness: . . . . .

Address: . . . . .

Occupation: . . . . .”

## TAXATION

### **Taxation in the Hellenic Republic**

The following discussion of Greek taxation, as it relates to the Notes and to the Guarantee, is of a general nature and is based on the provisions of tax laws currently in force in Greece. Noteholders who are in doubt as to their personal tax position should consult their professional advisers.

Under Greek tax laws as of the date hereof, a withholding tax of 10 per cent., shall be imposed on payments of interest from Alpha Bank in respect of Notes issued by it, if such Noteholder is a resident of Greece or maintains a permanent establishment in Greece, for Greek tax law purposes. Nevertheless, such withholding shall not be imposed should the issue and placement of such Notes be considered as having taken place outside Greece.

Furthermore, should a Noteholder of such Notes not be a resident of Greece, provided that such Noteholder presents a “tax residence certificate” issued at a date not later than one (1) year before such certificate is presented, no Greek income tax is imposed upon such a payment of interest.

Under Greek tax laws as of the date hereof, no Greek withholding tax shall be imposed on payments of principal or interest by Alpha Credit Group PLC (or of principal by Alpha Bank under the Guarantee), in respect of Notes issued by Alpha Credit Group PLC.

Under Greek tax laws as of the date hereof, a withholding tax of 20 per cent., which does not exhaust the tax liability of the Noteholder, might be imposed on Noteholders who are tax resident in Greece and on Noteholders who maintain, for tax purposes, a permanent establishment in Greece, and a withholding tax of 35 per cent, which exhausts the tax liability of a Noteholder, might be imposed on Noteholders who are companies or legal entities and who are not resident in Greece and do not maintain a permanent establishment in Greece, in relation to payments made to such Noteholders by Alpha Bank under the Guarantee which payments represent accrued interest on the Notes. However, if a Noteholder is a resident of a country with which Greece has executed a bilateral treaty for the avoidance of double taxation then the provisions of such bilateral treaty shall prevail over the provisions of internal Greek tax laws and shall apply, provided that such a Noteholder presents a duly signed and stamped “*claim*” for the application of the relevant treaty supported by a tax residence certificate issued at a date not later than one (1) year before such certificate is presented.

### **Taxation in the United Kingdom**

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments are made on the assumption that Alpha Bank is not resident in the United Kingdom for United Kingdom tax purposes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes as specified in the relevant Pricing Supplement may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers.

Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

#### **A. UK Withholding Tax on UK Source Interest**

##### *A.1 UK Notes Listed on a Recognised Stock Exchange*

The Notes issued by Alpha PLC (the “UK Issuer”) or Alpha Bank issuing through its UK branch (also the “UK Issuer”, and together with Alpha PLC, the “UK Issuers”) which carry a right to interest (“UK Notes”)

will constitute “quoted Eurobonds” provided they are and continue to be listed on a recognised stock exchange. On the basis of the United Kingdom Inland Revenue’s published interpretation of the relevant legislation, securities which are to be listed on a stock exchange in a country which is a member state of the European Union or which is part of the European Economic Area will satisfy this requirement if they are listed by a competent authority in that country and are admitted to trading on a recognised stock exchange in that country; securities which are to be listed on a stock exchange in any other country will satisfy this requirement if they are admitted to trading on a recognised stock exchange in that country. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

#### *A.2 UK Notes issued by a bank*

In addition to the exemption set out in A.1 above, interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom tax if the UK Issuer is a “bank” for the purposes of section 349 of the Income and Corporation Taxes Act 1988 (the “Act”) and so long as such payments are made by the UK Issuer in the ordinary course of its business. In accordance with the published practice of the United Kingdom Inland Revenue, such payments will be accepted as being made by the UK Issuer in the ordinary course of its business unless either:

- (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Services Authority whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or
- (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

#### *A.3 Notes with short maturity dates*

Interest on the UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the relevant interest is paid on Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

#### *A.4 All other Notes*

In all cases falling outside the exemptions described in A.1, A.2 and A.3 above interest on the UK Notes may fall to be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

### **B. Provision of Information**

Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by any UK Issuer or any person in the United Kingdom acting on behalf of any Issuer (a “paying agent”) or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a “collecting agent”), then the relevant UK Issuer, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to the United Kingdom Inland Revenue details of the payment and certain details relating to the Noteholder (including the Noteholder’s name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to the United Kingdom Inland Revenue may, in certain cases, be passed by the United Kingdom Inland Revenue to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

For the above purposes, “interest” should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes where the amount payable on redemption is greater than the issue price of the Notes, although



Inland Revenue published practice indicates that the Inland Revenue will not exercise its power to require this information where such amounts are paid on or before 5 April 2005.

**C. Payments by the Guarantor**

If the Guarantor makes any payments in respect of interest on Notes issued by Alpha PLC (or other amounts due under such Notes other than the repayment of amounts subscribed for the Notes) such payments may be subject to United Kingdom withholding tax at the basic rate (currently 22 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for the exemptions described in A above.

**D. Payments under the Deed of Covenant**

Any payments made by an Issuer under the Deed of Covenant may not qualify for the exemptions from United Kingdom withholding tax described above.

**E. Other Rules Relating to United Kingdom Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in A above, but may be subject to reporting requirements as outlined in B above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to “interest” in A to C above mean “interest” as understood in United Kingdom tax law. The statements in A to C above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation (e.g. see Condition 5 of the Notes).
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer pursuant to Condition 16 of the Notes and does not consider the tax consequences of any such substitution.

**F. EU Savings Directive**

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The directive is scheduled to be applied by Member States from 1 July 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to or collected by such a person for, an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

## SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (as further amended, supplemented and/or restated from time to time, the “Programme Agreement”) dated 6 December 2004 agreed with Alpha Bank and Alpha PLC a basis upon which they or any of them may from time to time agree to subscribe for Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. In the Programme Agreement, Alpha Bank and Alpha PLC have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer, or in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all the Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, US persons and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional US selling restrictions as the relevant Issuer and the relevant Dealer or Dealers may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. Each relevant Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will offer, sell and deliver such Notes only in compliance with such additional US selling restrictions.

### Germany

Each Dealer has confirmed that it is aware of the fact that no German sales prospectus (*Verkaufsprospekt*) within the meaning of the Securities Sales Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*, the “Act”) of the Federal Republic of Germany has been or will be published with respect to the Notes and that it will comply with the Act and any other laws and legal and regulatory requirements applicable in the Federal Republic of Germany with respect to the issue, sale and offering of securities. In particular, each of the Dealers has represented that it has not engaged and has agreed that it will not engage in a public offering (*öffentliches Angebot*) within the meaning of the Act with respect to any Notes otherwise than in accordance with the Act.

### Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan

including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and any other applicable laws and regulations of Japan.

### **Republic of France**

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in connection with their initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in the Republic of France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France, this Offering Circular or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in the Republic of France to qualified investors (*investisseurs qualifiés*) acting for their own account as defined in, and in accordance with Articles L.411-1 and L.411-2 of the *Code Monétaire et Financier* and *décret* no. 98-880 dated 1 October 1998.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (1) *No offer to public*: with respect to Notes with a maturity of one year or more, it has not offered or sold and will not offer or sell any such Notes to persons in the United Kingdom prior to the expiry of a period of six months from the Issue Date of such Notes except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (2) *General compliance*: it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the “FSMA”) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom;
- (3) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor, if applicable; and
- (4) *No deposit taking*: with respect to any Tranche of Notes issued by Alpha PLC which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (b) it has not offered or sold and will not offer or sell any such Notes other than to persons:
  - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by Alpha PLC.

### **Greece**

No public offering of the Notes is permitted in the Hellenic Republic without the issuance and publication of a prospectus approved by the Capital Market Committee and consequently no advertisement of any kind, notifications, statements or other actions are permitted to be taken in the Hellenic Republic with a view to attracting the public in Greece to acquire any of the Notes. All applicable provisions of Codified Law

2190/1920, as currently in force, Law 3156/2003, Law 876/1979 and of presidential decree 52/92 must be complied with in respect of anything done in relation to the public offering of the Notes in, from or otherwise involving the Hellenic Republic.

### **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief having made all due and proper enquiries) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of Alpha PLC, Alpha Bank and any other Dealer shall have any responsibility therefor.

None of Alpha PLC, Alpha Bank and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

## GENERAL INFORMATION

### Authorisation

The establishment and update of the Programme and the issue of Notes by Alpha PLC have been duly authorised by resolutions of the Board of Directors of Alpha PLC dated 16 July 1999, 20 November 2001, 27 November 2002, 14 November 2003 and 30 November 2004. The establishment and update of the Programme, the issue of Notes by Alpha Bank and the giving of the Guarantee have been duly authorised by general meetings of the shareholders of Alpha Bank on 30 March 1999, 11 April 2000, 27 May 2003 and 30 March 2004 and resolutions of the Board of Directors of Alpha Bank dated 22 June 1999, 22 November 2001, 21 November 2002, 6 November 2003 and 23 November 2004.

### Listing of Notes on the Luxembourg Stock Exchange

Application has been made to list Notes issued under the Programme on the Luxembourg Stock Exchange. A legal notice relating to the Programme and copies of the constitutional documents of Alpha PLC and Alpha Bank will be lodged with the Registrar of the District Court in Luxembourg *Registre de Commerce et des Sociétés à Luxembourg* where such documents may be examined and copies obtained. The Luxembourg Stock Exchange has allocated to the Programme the number 12203 for listing purposes.

### Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection (in the case of items (iv) and (vii) below) or (in the case of items (i), (ii), (iii), (v) and (vi) below) available from the registered office of Alpha PLC and from the specified offices of the Paying Agents for the time being in London and Luxembourg, free of charge:

- (i) the constitutional documents of Alpha Bank and Alpha PLC (in English);
- (ii) the audited consolidated financial statements of Alpha Bank and audited unconsolidated financial statements of Alpha PLC in respect of the financial years ended 31 December 2002 and 31 December 2003 (with, in respect of the financial statements of Alpha Bank, an English translation thereof);
- (iii) the most recently published audited consolidated and unconsolidated annual financial statements of Alpha Bank and audited unconsolidated financial statements of Alpha PLC and the most recently published quarterly unaudited financial statements of Alpha Bank (with, in respect of the financial statements of Alpha Bank, an English translation thereof), and the most recently published unaudited interim financial statements of Alpha PLC being as at the date hereof, 31 October 2004, and Alpha Bank being as at the date hereof, 30 September 2004, (with, in respect of the financial statements of Alpha Bank, an English translation thereof). Alpha PLC does not produce consolidated or interim financial statements;
- (iv) the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Guarantee, the forms of the temporary global Notes, the permanent global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (v) a copy of this Offering Circular;
- (vi) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to Alpha PLC or the relevant Paying Agent, as the case may be, as to its holding and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (vii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. If the Notes are to clear through an

additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

### **Material Change**

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position of Alpha Bank and its subsidiaries as a whole (the “Group”) since the date of its last financial year end.

### **Litigation**

Save as disclosed in this Offering Circular, none of Alpha PLC, Alpha Bank and any other member of the Group is or has been involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which Alpha PLC or Alpha Bank are aware) which may have or have had in the 12 months preceding the date of this Offering Circular a significant effect on the financial position of Alpha PLC, Alpha Bank or the Group.

### **Auditors of Alpha PLC**

The auditors of Alpha PLC are KPMG Audit Plc, 1 Canada Square, Canary Wharf, London E14 5AG, who were appointed on 19 July 2002. The previous auditors of Alpha PLC were Arthur Andersen, London, who audited Alpha PLC’s financial statements in accordance with generally accepted auditing standards in the United Kingdom for each of the three financial years ended on 31 December 1999, 2000 and 2001.

### **Auditors of Alpha Bank**

The statutory auditors of Alpha Bank are KPMG Kyriacou Certified Auditors A.E., of 3 Stratigou Tombra Street, Aghia Paraskevi GR-15342, Athens. KPMG, Athens were appointed for the first time on 2 April 2002.

The consolidated financial statements of the Bank for the financial years ended 31 December 2000, 2001 and 2002 prepared in accordance with international accounting standards (“IAS”). The consolidated and non-consolidated financial statements of the Bank for the three financial years ended 31 December 1999, 2000 and 2001 were prepared in accordance with generally accepted accounting principles in Greece (“Greek GAAP”) and were audited by Arthur Andersen S.A., Athens (the previous auditors of the Bank) and by Sol AE. The consolidated and non-consolidated financial statements of the Bank for the year ended 31 December 2002 were prepared in accordance with Greek GAAP and were audited jointly by KPMG and Sol AE. KPMG were appointed to audit the consolidated financial statements of the Bank and the Greek GAAP consolidated and non-consolidated financial statements of the Bank for the financial year ended 31 December 2003.

On an annual basis, the Bank currently prepares audited consolidated and non-consolidated financial statements in accordance with Greek GAAP. On a semi-annual basis, the Bank currently prepares unaudited (but reviewed) consolidated and non-consolidated financial statements in accordance with Greek GAAP. On a quarterly basis, the Bank currently prepares unaudited consolidated and non-consolidated financial statements in accordance with Greek GAAP.

KPMG’s report on the 30 June 2004 statutory financial statements, the 31 December 2003 statutory financial statements and the 31 December 2002 statutory financial statements include certain qualifications.

### **Bank of Greece Requirements**

No Dated Subordinated Notes shall be redeemed unless in compliance with the applicable capital adequacy regulations of the Bank of Greece from time to time in force. At the date hereof, such redemption may not occur within five years from the Issue Date of the relevant Dated Subordinated Notes or without the prior consent of the Bank of Greece.

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*To the Dealers  
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