Audited Financial Results of Alpha Bank Cyprus Ltd for the year 2014

The audited financial results of Alpha Bank Cyprus Ltd (the "Bank") for the year 2014 showed an after tax loss of Euro 83.1 million, compared to losses of Euro 103.9 million for the year 2013.

Key Financial Data ***In Euro million***	Change	2014	2013
Total income	-1.7%	125.4	127.6
Total administration expenses	-0.4%	53.8	54.0
Profit from operations before provisions	-2.7%	71.6	73.6
Provisions for impairments of doubtful debts	-10.2%	155.1	172.8
Loss after taxation	20.0%	-83.1	-103.9
Loss per share		-52.1 cent	-72.7 cent
Net Loans and advances to customers	-23.7%	2,646.6	3,467.1
Deposits from Customers	3.1%	2,095.5	2,031.9

Net interest income amounted to Euro 114.1 million, an increase of 6.5% compared to Euro 107.1 million for the year 2013, mainly due to the reduction of 23.4% in the interest expenses compared to the reduction of 5.7% from interest income.

Total income of the Bank for the year 2014 amounted to Euro 125.4 million, a decrease of 1.7% compared to Euro 127.6 million for the year 2013, mainly due to the reduction of net income from fees and commissions and the profit from sale of investments recorded in 2013.

Total administration expenses of the Bank for the year 2014 amounted to Euro 53.8 million, a decrease of 0.4% compared to Euro 54.0 million for the year 2013. The cost to income ratio was 42.9%, and is not materially different to the year 2013 which was 42.3%.

Provisions for impairments of doubtful debts for the year 2014 amounted to Euro 155.1 million, a decrease of 10.2% compared to Euro 172.8 for the year 2013. Accumulated provisions for impairments of doubtful debts amounted to Euro 792.3 million as at December 31, 2014, and represent 23.0% of total gross loans and advances to Customers compared to 16.8% for the year 2013.

Net loans and advances to Customers amounted to Euro 2,646.6 million as at December 31, 2014, a decrease of 23.7% from December 31, 2013. Total deposits from Customers amounted to Euro 2,095.5 million, an increase of 3.1% from December 31, 2013. Net loans to deposits ratio was 126.3% compared to 170.6% at the end of 2013.

On December 31, 2014 Common Equity Tier I (CET I) ratio of the Bank was 15.1% (with transitional provisions), Additional Tier I ratio was 17.6% (with transitional provisions) and total Capital Adequacy ratio was 20.3% (with transitional provisions).

The improvement of the local economy and the structural changes promoted for the implementation of the program agreed with Troika is expected to stabilize the risks to which the Bank is exposed. The continuous credit upgrades of the Cyprus economy by international credit rating agencies, is expected to also reduce liquidity risk.

The achievement of satisfactory profitability of the Bank will remain uncertain mainly due to the level of Non Performing Loans.

The Bank will continue to follow a conservative business plan with priority to:

a. Containment of past due loans and effective Non Performing Loans management,
b. Maintaining and attracting new deposits,
c. Containment of operating expenses and increase in productivity, and
d. Continuous improvement in the quality of service provided to customers

The audited Financial Statements of the Bank for the year 2014 were approved during the meeting of the Board of Directors held on April 20, 2015.

The audited Financial Statements of the Bank are available on the website of Alpha Bank Cyprus Ltd at www.alphabank.com.cy.

Nicosia, April 21, 2015

ALPHA BANK CYPRUS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	From 1 January to	
	31.12.2014	31.12.2013
	€	€
Interest income	171.111.461	181.525.434
Interest expense	(57.017.452)	(74.414.692)
Net interest income	114.094.009	107.110.742
Fee and commission income	10.542.385	14.835.973
Fee and commission expense	(1.137.176)	(1.395.773)
Net fee and commissions income	9.405.209	13.440.200
Net profit/(loss) on changes of financial instruments measured at fair value	359.604	(331.325)
Profit on disposal of investments available for sale	36.794	6.018.279
Other income	1.465.717	1.347.922
	1.862.115	7.034.876
Total income	125.361.333	127.585.818
Loss from sale of investment to subsidiary	-	(85.400)
Staff costs	(35.472.248)	(38.368.970)
Depreciation and amortisation	(2.081.138)	(2.311.510)
Other expenses	(16.237.117)	(13.224.622)
Total expenses	(53.790.503)	(53.990.502)
Provision for impairment of doubtful debts	(155.119.978)	(172.842.090)
Loss for the year before taxation	(83.549.148)	(99.246.774)
Taxation	406.030	(4.616.894)
Loss for the year	(83.143.118)	(103.863.668)
Other comprehensive income recognised directly in Equity:		
Items that may be reclassified to the income statement		
(Deficit)/surplus on revaluation of investments	(322.838)	3.933.619
Transfer due to sale of investments available for sale	(36.794)	(5.945.997)
Other comprehensive expenses for the year	(359.632)	(2.012.378)
Total comprehensive expenses for the year attributable to owners of the Bank	(83.502.750)	(105.876.046)
Loss per share (€ cent)	(52,13)	(72,72)

ALPHA BANK CYPRUS LIMITED

STATEMENT OF FINANCIAL POSITION

	31.12.2014 €	31.12.2013 €
Assets		
Cash and deposits	74.864.630	42.507.963
Loans and advances to financial institutions	220.435.526	232.180.826
Loans and advances to customers	2.646.639.610	3.467.061.546
Investment securities available for sale	341.575.175	17.100.521
Derivative financial assets	1.279.360	2.469.601
Property, plant and equipment	24.278.021	27.378.828
Intangible assets	876.551	1.009.088
Investment property	2.022.985	-
Deferred tax asset	12.092.185	8.658.609
Other assets	3.707.055	5.253.241
Total assets	3.327.771.098	3.803.620.223
Liabilities		
Subordinated bonds	100.256.177	100.274.358
Deposits from financial institutions	654.000.159	1.102.232.585
Deposits from customers	2.095.462.364	2.031.940.141
Derivative financial liabilities	8.864.569	15.669.463
Taxation	711.947	711.947
Other liabilities	23.531.001	24.344.098
Total liabilities	2.882.826.217	3.275.172.592
Equity		
Share Capital	135.575.000	135.575.000
Convertible capital securities	64.000.000	64.000.000
Reserves	245.369.881	328.872.631
Total equity	444.944.881	528.447.631
Total equity and liabilities	3.327.771.098	3.803.620.223
Off balance sheet items	213.573.053	231.735.540