Audited Consolidated Financial Results of Alpha Bank Cyprus Ltd Group for the year 2013

The audited consolidated financial results of Alpha Bank Cyprus Ltd Group showed an after tax loss of Euro 103.8 million, compared to losses of Euro 31.2 million for the year 2012.

Key Financial Data ***In Euro million***	Change	2013	2012
Total net income	-19.8%	127.6	159.2
Total administration expenses	-5.6%	53.9	57.1
Profit from operations before provisions	-27.9%	73.6	102.1
Provisions for impairments of doubtful debts	21.9%	172.8	141.8
Loss after taxation	232.7%	-103.8	-31.2
Loss per share		-72.7 cent	-22.6 cent
Net Loans and advances to customers	-7.2%	3,467.1	3,737.0
Deposits from Customers	-21.9%	2,031.9	2,600.7

Interest income amounted to Euro 181.5 million, a decrease of 25.9% compared to Euro 245.0 million for the year 2012, mainly due to the reduction in the interest margin and the loan balances.

Interest expense amounted to Euro 74.4 million, a decrease of 31.8% compared to Euro 109.1 million for the year 2012, mainly due to the reduction in the cost of deposits and the deposit balances.

Net income from fees and commissions amounted to Euro 13.4 million, a decrease of 29.1 % compared to Euro 18.9 million for the year 2012, mainly due to the reduction in the economic activity, especially after the events following the decisions of the Eurogroup.

Total net income of the Group for the year 2013 amounted to Euro 127.6 million, a decrease of 19.8%, compared to Euro 159.2 million for the year 2012.

Total administration expenses of the Group amounted to Euro 53.9 million, a decrease of 5.6%, compared to Euro 57.1 million for the year 2012. The cost to income ratio was 42.2%, compared to 35.9% at the end of 2012.

Provisions for impairments of doubtful debts for the year 2013 amounted to Euro 172.8 million an increase of 21.9%, compared to Euro 141.8 for the year 2012. The increase in provisions for impairments is a due to the deterioration of economic conditions in 2013 and the increase in the credit risk of the loan portfolio. Accumulated provisions for impairments of doubtful debts amounted to Euro 698.7 million as at December 31, 2013, and represent 16.8% of total gross loans and advances to Customers.

Net loans and advances to Customers amounted to Euro 3,467.1 million as at December 31, 2013, a decrease of 7.2% from December 31, 2012. Total deposits from Customers amounted to Euro 2,031.9 million, a decrease of 21.9% from December 31, 2012.

Alpha Bank Cyprus Ltd announced on November 1, 2013, the strengthening of its capital base by Euro 129 million with the issuance of common shares for the amount of Euro 65 million and convertible securities for the amount of Euro 64 million. The shares and the convertible bonds have been acquired entirely by Alpha Bank A.E. which holds 100% of the share capital of Alpha Bank Cyprus Ltd.

As a result of the above issuances, Alpha Bank Cyprus Ltd fully complies with the capital requirements set by the Central Bank of Cyprus, under the adverse scenario of the diagnostic assessment carried out by PIMCO.

For the year 2013, the share capital increase had a positive impact on core tier 1 capital, while losses for the year had a negative impact.

The Core Tier 1 ratio of the Group fully complies with the minimum target ratio of 9%, set by Central Bank of Cyprus based on the Memorandum of Understanding agreed between Cyprus and the Troika. As at December 31, 2013, the core tier 1 ratio stands at 15.9%, the tier 1 ratio stands at 18.1% and total capital adequacy ratio of the Group stands at 21.1%.

The economic situation in Cyprus remains challenging, and it is expected that during 2014 the Group will continue to be exposed to increased risks.

As a result, Alpha Bank Cyprus Ltd has established a strict risk management framework in order to undertake all the necessary measures to reinforce itself against all types of financial risks. The Group aims to maintain and develop selected activities in order to return to growth as soon as the economy allows it.

The audited consolidated Financial Statements of Alpha Bank Cyprus Ltd Group were approved during the meeting of the Board of Directors held today April 30, 2014.

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