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

The preliminary consolidated financial results of Alpha Bank Cyprus Ltd Group for the year 2013 showed an after tax loss of Euro 103.9 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	-20.2%	127.1	159.2
Total administration expenses	-6.3%	53.5	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 before taxation	233.0%	-103.9	-31.2
Loss per share		-65.1 cent	-22.4 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 28.9% 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 127.1 million a decrease of 20.2% compared to Euro 159.2 million for the year 2012.

Total administration expenses of the Group amounted to Euro 53.5 million, a decrease of 6.3% compared to Euro 57.1 million for the year 2012. The cost to income ratio was 42.1% 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 distressed economic conditions 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 31 December 2013 and represent 16.8% of total gross loans and advances to customers.

Net loans and advances to customers which amounted to Euro 3,467.1 million as at 31 December 2013, a decrease of 7.2% from 31 December 2012. Total deposits from Customers amounted to Euro 2,031.9 million, a decrease of 21.9% from 31 December 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 AE 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, based on the adverse scenario of the diagnostic assessment carried out by PIMCO.

For the year 2013 the share capital increase has a positive impact on core tier 1 capital while losses for the year have a negative impact. The Core Tier 1 ratio of the Group is fully complying with the minimum target ratio of 9%, set by Central Bank of Cyprus based on the Memorandum of Understanding agreed between Cyprus and Troika. As at 31 December 2013, the core tier 1 ratio stands at 15.8%, the tier 1 ratio stands at 17.9% and total capital adequacy ratio of the Group stands at 21.0%.

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 healthy activities in order to return to growth as soon as the economy allows it.

The audited Consolidated Financial Statements of the Group of Alpha Bank Cyprus Ltd will be published following the completion of the audit by the Group's external auditors.

During the preparation of these results the same accounting policies as those used in preparing the audited consolidated results were applied as those used in preparing the Group's audited consolidated financial statements of the previous year ended December 31 2012 which comply with International Financial Reporting Standards and the requirements of Cyprus Company Law chapter 113 and the rules and regulations of the Cyprus Stock Exchange.