OFFERING CIRCULAR

Alpha Group Jersey Limited

(incorporated with limited liability in Jersey)

€100,000,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities

having the benefit of a subordinated guarantee of

Alpha Bank AE

(incorporated with limited liability in the Hellenic Republic)

(to constitute a single Series from and including 1st December, 2003 with the €200,000,000 Series A Floating Rate Non-Cumulative Guaranteed Non-voting Preferred Securities issued on 5th December, 2002)

Issue price: €1,000 per Preferred Security

(plus 87 days' accrued Preferred Dividend)

Unless expressly indicated otherwise, capitalised terms and expressions used herein have the same meaning as given to them in "Description of the Preferred Securities".

The €100,000,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities (the "New Preferred Securities") each with a liquidation preference of €1,000 (the "Liquidation Preference") are proposed to be issued by Alpha Group Jersey Limited (the "Issuer" and the "Company") on 1st December, 2003 (the "Closing Date"). The New Preferred Securities will constitute a single Series from and including the Closing Date with the €200,000,000 Series A Floating Rate Non-Cumulative Guaranteed Non-voting Preferred Securities (the "Existing Preferred Securities" and, together with the New Preferred Securities, the "Preferred Securities") issued on 5th December, 2002. All obligations of the Issuer to make payments in respect of the Preferred Securities will be guaranteed on a subordinated basis by Alpha Bank AE (the "Bank") pursuant to an amended and restated subordinated guarantee dated 1st December, 2003 (the "Guarantee"), all as more fully described herein under "Subordinated Guarantee".

The Preferred Securities will entitle holders to receive (subject as described herein under "Description of the Preferred Securities") non-cumulative preferential cash dividends payable quarterly in arrear on 5th March, 5th June, 5th September and 5th December in each year, in each case subject to adjustment as provided herein, commencing on 5th December, 2003, in respect of the period from and including 5th September, 2003 to but excluding the Preferred Dividend Payment Date falling on 5th December, 2003. In relation to any Preferred Dividend Period, the rate of Preferred Dividend shall be the sum of Three Month EURIBOR and the relevant Margin.

The Preferred Securities are perpetual securities and have no fixed redemption date. However, the Preferred Securities may be redeemed, in whole but not in part, on the First Call Date or on any Preferred Dividend Payment Date falling thereafter, upon not less than 30 nor more than 60 days' notice, each to be redeemed at the Redemption Price plus accrued and unpaid Preferred Dividends in respect of the most recent Preferred Dividend Period. Such redemption is subject to the consent of the Bank and the Bank of Greece.

In the event of a liquidation, dissolution or winding-up of the Issuer, holders of the Preferred Securities will be entitled to receive, for each Preferred Security, a liquidation preference of €1,000 plus accrued and unpaid Preferred Dividends for the then current applicable Preferred Dividend Period to the date of payment, as more fully described in "Description of the Preferred Securities".

Application has been made to list the Preferred Securities on the Luxembourg Stock Exchange.

In making an investment decision, potential investors should have particular regard to the "Investment Considerations" on page 10 of this Offering Circular.

The Preferred Securities are expected to be rated "Baa2" by Moody's Investors Service Limited, "BBB-" by Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. and "BBB" by Fitch Ratings Ltd. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Preferred Securities will be represented on issue by a single global certificate in registered form (the "Global Certificate"). The Global Certificate will be registered in the name of Citivic Nominees Limited as nominee for, and will be deposited with, a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear system ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on or around the Closing Date.

Sole Bookrunner and Manager

Morgan Stanley

The date of this Offering Circular is 26th November, 2003.

The Issuer and the Bank accept responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer and the Bank (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer and the Bank, having made all reasonable enquiries, confirm that this Offering Circular contains or incorporates all information which is material in the context of the Preferred Securities, 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 and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer and the Bank accept responsibility accordingly

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the offering of the Preferred Securities and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Bank or the Manager (as defined under "Subscription and Sale" below). Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, the Bank or the Bank and its subsidiaries as a whole (the "Group") since the date hereof. This Offering Circular does not constitute an offer of, or an invitation by, or on behalf of, the Issuer, the Bank or the Manager to subscribe for, or purchase, any of the Preferred Securities. This Offering Circular does not constitute an offer, and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Manager has 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 Manager as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by the Issuer or the Bank in connection with the Preferred Securities or their distribution.

This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Bank or the Manager that any recipient of this Offering Circular should purchase any of the Preferred Securities. Each investor contemplating purchasing Preferred Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Bank.

The Preferred Securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act"). Subject to certain exceptions, the Preferred Securities may not be offered, sold or delivered within the United States or to U.S. persons. For a further description of certain restrictions on the offering and sale of the Preferred Securities and on distribution of this Offering Circular, see "Subscription and Sale" below.

A copy of this Offering Circular has been delivered to the Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002 as amended and he has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4B of the Control of Borrowing (Jersey) Order 1958 as amended to the issue of the Preferred Securities by the Issuer. It must be distinctly understood that, in giving these consents, neither the Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions, expressed with regard to it.

An investment in the Preferred Securities is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

If you are in any doubt about the contents of this Offering Circular, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

Nothing in this Offering Circular or anything communicated to Holders of, or investors in, the Preferred Securities (or any such potential Holders or investors) by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase of or subscription for the Preferred Securities or the exercise of any rights attached thereto for the purposes of the Financial Services (Jersey) Law 1998, as amended.

IN CONNECTION WITH THE ISSUE OF THE PREFERRED SECURITIES, MORGAN STANLEY & CO. INTERNATIONAL LIMITED OR ANY PERSON ACTING FOR IT MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE PREFERRED SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD. HOWEVER THERE IS NO OBLIGATION ON MORGAN STANLEY & CO. INTERNATIONAL LIMITED 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.

All references in this Offering Circular to "Euro", "euro" and "€" refer to the currency introduced at he start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25th March, 1957), as amended, all references to "Sterling" and "£" refer to the currency of the United Kingdom and all references to "U.S.$", "USD" and "U.S. dollars" refer to the currency of the United States.

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DOCUMENTS INCORPORATED BY REFERENCE

The audited consolidated financial statements of the Bank for the years ended 31st December, 2000, 31st December, 2001 and the unaudited consolidated financial statements of the Bank for the year ended 31st December, 2002 prepared in accordance with international accounting standards ("IAS"), the audited consolidated and non-consolidated financial statements of the Bank for the years ended 31st December, 2001 and 2002 prepared in accordance with generally accepted accounting principles in Greece ("Greek GAAP"), the most recent unaudited published consolidated and non-consolidated financial statements of the Bank and the audited financial statements of the Issuer for the period ended 31st December, 2002 are incorporated by reference in this Offering Circular. Copies of these documents are available free of charge from the specified office of the Paying and Transfer Agent for the time being in Luxembourg as described in "General Information" below.

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by the more detailed information included elsewhere in this Offering Circular. Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them under "Description of the Preferred Securities".

Issuer: Alpha Group Jersey Limited, a wholly-owned subsidiary of the Bank incorporated in Jersey.

Guarantor: Alpha Bank AE.

Issue Size: €100,000,000.

Issue Details: €100,000,000 Series A Non-cumulative Guaranteed Non-voting Preferred Securities each with a par value and a liquidation preference of €1,000. The Preferred Securities will constitute a single Series from and including the Closing Date with the €200,000,000 Series A Floating Rate Non-Cumulative Guaranteed Non-voting Preferred Securities issued on 5th December, 2002.

Preferred Dividends: Preferred Dividends on the Preferred Securities will be declared by the Directors of the Issuer and paid by the Issuer out of funds legally available therefor, subject to certain limitations (see "Limitations on Payments" below).

For each Preferred Dividend Period, Preferred Dividends on the Preferred Securities will be payable quarterly in arrear on 5th March, 5th June, 5th September and 5th December in each year (subject to adjustment) at a rate of Three Month EURIBOR plus the relevant Margin.

The "Margin" is (i) for each Preferred Dividend Period during the period from and including the Closing Date to but excluding the First Call Date, 2.650 per cent. and (ii) for each Preferred Dividend Period commencing on or after the First Call Date, 3.975 per cent.

Guarantee: The Bank will guarantee payments on the Preferred Securities in respect of any declared but unpaid Preferred Dividends, payments on liquidation of the Issuer, payments on redemption of the Preferred Securities and any Additional Amounts (as defined below).

The Bank's obligations under the Guarantee will be subordinated so that they rank junior to all senior and subordinated indebtedness of the Bank, *pari passu* with the most senior preference shares and Parity Obligations, if any, of the Bank, and senior to the ordinary shares of the Bank.

Limitations on Payments: Subject to the Law and to the provisions relating to compulsory payments below, Preferred Dividends may be declared by the Directors, in their sole discretion, and paid by the Issuer out of funds legally available therefor.

However, subject to the provisions relating to compulsory payments below, the Issuer will not be permitted to pay any Preferred Dividend on the Preferred Securities if such Preferred Dividend, together with the amount of:

(i) any Preferred Dividends previously paid in respect of the Preferred Securities and distributions previously paid in respect of Preferred Dividend Parity Obligations in the then current financial year; and

(ii) any Preferred Dividends proposed to be paid in respect of the Preferred Securities and distributions proposed to be paid in respect of any Preferred Dividend Parity Obligations in the then current calendar quarter;

is greater than Distributable Funds.

For the avoidance of doubt, the Directors will not be required to declare, and the Issuer will not be required to pay, a Preferred Dividend if, in the then current financial year, the Bank has not paid any dividend to the holders of its ordinary shares and neither the Bank nor any Subsidiary has made certain other payments in respect of Junior Obligations or Preferred Dividend Parity Obligations, as set out in "Compulsory Payments" below.

References to Preferred Dividends include Additional Amounts.

Preferred Dividends non-cumulative:

If the Directors of the Issuer do not declare a Preferred Dividend payable on a Preferred Dividend Payment Date by virtue of the limitations set out above (see "Limitation on Payments"), then subject to the below (see "Compulsory Payments" and "Redemption") and without affecting the rights of the Holders of Preferred Securities under the Guarantee, the entitlement of the holders of Preferred Securities to such Preferred Dividend shall lapse. Accordingly no payment will need to be made at any time by the Issuer or the Bank in respect of any such missed payment.

Compulsory Payments:

Payment on Junior Obligations

If the Bank, the Issuer or any other Subsidiary of the Bank pays any distribution on or in respect of any class of Junior Obligations (other than in the form of shares or further or other Junior Obligations), then, subject to the Law, the Issuer will be required to pay Preferred Dividends on the Preferred Securities on one or more Preferred Dividend Payment Dates contemporaneous with or following such distribution, as follows:

(i) payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next four Preferred Dividend Payment Dates if the distribution on the Junior Obligation is made in respect of an annual period;

(ii) payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next two Preferred Dividend Payment Dates if the distribution on the Junior Obligation is made in respect of a semi-annual period; and

(iii) payment of the full amount of the Preferred Dividend payable on the Preferred Securities on the next Preferred Dividend Payment Date if the distribution on the Junior Obligation is made in respect of a quarterly period.

Redemption of Junior Obligations

Subject to the Law, the Issuer will be required to make payment of the full amount of Preferred Dividend payable on each of the next four Preferred Dividend Payment Dates contemporaneous with or following any date on which the Bank or any Subsidiary of the Bank has redeemed, repurchased or otherwise acquired any Junior Obligations for any consideration (or any moneys are paid to or made available for a sinking fund for, or for redemption of, any such securities) unless such acquisition is effected in accordance with the provisions of article 16 paragraphs 2(b) to (f) or paragraph 5 *et seq.* of Greek Codified Law 2190/1920 and does not result in a decrease of the Bank's own funds for the purposes of Greek capital adequacy requirements.

Payment on Dividend Parity Obligations

If the Bank, the Issuer or any other Subsidiary of the Bank pays any distribution on or in respect of any class of Preferred Dividend Parity Obligations (other than in the form of shares or Junior Obligations), then the Issuer will be required to make *pro rata* payments of Preferred Dividends on the Preferred Securities on one or more Preferred Dividend Payment Dates contemporaneous with or following such distribution, as follows:

(i) *pro rata* payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next four Preferred Dividend Payment Dates if the distribution on the Preferred Dividend Parity Obligation is paid in respect of an annual period;

(ii) *pro rata* payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next two Preferred Dividend Payment Dates if the distribution on the Preferred Dividend Parity Obligation is paid in respect of a semi-annual period; and

(iii) *pro rata* payment of the full amount of the Preferred Dividend payable on the Preferred Securities on the next Preferred Dividend Payment Date if the distribution on the Preferred Dividend Parity Obligation is paid in respect of a quarterly period.

When a distribution on Preferred Dividend Parity Obligations requires *pro rata* payment of Preferred Dividends as described above, the amount of the required payment will be in the same proportion to the aggregate specified amount of Preferred Dividends payable on the Preferred Securities as the aggregate payment that was made on such Preferred Dividend Parity Obligations bears to the amount that was payable on such Preferred Dividend Parity Obligations at the time of such payment.

Aggregation of Preferred Dividends in Preferred Dividend Period

Subject to the Law, compulsory payments of Preferred Dividends to be made by virtue of Article 4(a), 4(b) or 4(c) shall be aggregated on any Preferred Dividend Payment Date with any payments made or to be made by virtue of Article 3 in respect of any relevant Preferred Dividend Period, provided that in any relevant Preferred Dividend Period the aggregate amount paid in respect of Preferred Dividends on the Preferred Securities shall not exceed the scheduled amount of the Preferred Dividends.

All the compulsory Preferred Dividends described above will be guaranteed by the Bank under the Guarantee.

Withholding Tax and Additional Amounts:	The Preferred Securities will contain a gross up provision in respect of imposition of Jersey or Greek withholding taxes. The Guarantee will contain a gross up provision in respect of imposition of Greek withholding taxes. Each gross up provision will be subject to customary exceptions. Under the gross up provisions, subject to customary exceptions, the Issuer, or the Bank pursuant to the Guarantee, will pay to each holder of the Preferred Securities such additional amounts ("Additional Amounts") as may be necessary in order that every net payment in respect of the Preferred Securities, after withholding for any taxes imposed by Jersey or Greece, as the case may be, upon or as a result of such payment, will not be less than the amount otherwise required to be paid. The obligations of the Issuer and the Bank to pay any such Additional Amounts will be subject to limitations described in "Limitation on Payments" above.
Optional Redemption:	Subject to the Law, the Preferred Securities are redeemable at the option of the Issuer, in whole but not in part, on the First Call Date and on any Preferred Dividend Payment Date falling thereafter, at €1,000 per Preferred Security plus accrued and unpaid Preferred Dividends in respect of the most recent Preferred Dividend Period, whether or not declared, up to the Redemption Date, and any Additional Amounts. Such optional redemption will be subject to the prior consent of the Bank and the Bank of Greece.
Capital Disqualification Redemption:	If, at any time falling prior to but excluding the First Call Date, a Capital Disqualification Event has occurred and is continuing, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Issuer on the next Preferred Dividend Payment Date, upon not less than 30 or more than 60 days' notice to the Holders of the Preferred Securities. In this circumstance the Preferred Securities may be redeemed at €1,000 per Preferred Security plus any Additional Amounts remaining unpaid plus the Premium (as defined in "Description of the Preferred Securities"). Any such redemption will be subject to the prior consent of the Bank and the Bank of Greece.
Redemption for Tax Reasons:	If, at any time falling prior to but excluding the First Call Date, as a result of a change in the laws or regulations of Jersey or Greece the Issuer or the Bank is or would be required to pay Additional Amounts in respect of payments due on the Preferred Securities or under the Guarantee then, subject to the Law, the Preferred Securities will be redeemable at the option of the Issuer, in whole but not in part, on the next Preferred Dividend Payment Date, upon not less than 30 or more than 60 days' notice to the Holders of the Preferred Securities. In this circumstance the Preferred Securities may be redeemed at €1,000 per Preferred Security plus accrued and unpaid Preferred Dividends in respect of the most recent Preferred Dividend Period, whether or not declared, up to the Redemption Date and any Additional Amounts remaining unpaid. If, at any time falling prior to but excluding the First Call Date, the Issuer or the Bank, in relation to the Preferred Securities, the

Guarantee and any associated transactions (including, but not limited to, any loan from the Issuer to the Bank or any other Subsidiary of the Bank), is or would be required to pay more than a *de minimis* amount of (i) Jersey Tax (other than in respect of Jersey source income) or (ii) Greek Tax, then the Preferred Securities will be redeemable, at the option of the Issuer, in whole but not in part, on the next Preferred Dividend Payment Date, upon not less than 30 or more than 60 days' notice to the Holders of the Preferred Securities.

In this circumstance the Preferred Securities may be redeemed at €1,000 per Preferred Security plus any Additional Amounts remaining unpaid plus the Premium.

Any redemption for tax reasons will be subject to the prior consent of the Bank and the Bank of Greece.

Rights upon Liquidation:

In the event of any summary winding-up, voluntary liquidation or dissolution of the Issuer, Holders of Preferred Securities will be entitled to receive the Liquidation Distribution per Preferred Security held out of assets available for distribution to shareholders.

Notwithstanding the availability of sufficient assets of the Issuer to pay any Liquidation Distribution, if at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the voluntary or involuntary liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution per Preferred Security paid to Holders of Preferred Securities and the liquidation distribution paid to the holders of Liquidation Parity Obligations shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank had the Preferred Securities and Liquidation Parity Obligations been issued by the Bank and ranked (x) junior to all liabilities of the Bank (other than any liability expressed to rank *pari passu* with or junior to the Guarantee), (y) *pari passu* with the most senior preferred or preference shares, if any, of the Bank, and (z) senior to all Junior Obligations.

In the event of liquidation, dissolution or winding-up of the Bank, the Directors of the Issuer shall convene an extraordinary general meeting of the Issuer for the purpose of placing the Issuer in summary winding-up and the amount to which Holders of Preferred Securities shall be entitled as a Liquidation Distribution will be as described above.

The Bank has undertaken in the Guarantee that, so long as any of the Preferred Securities is outstanding, it will not permit, or take any action to cause, the liquidation, dissolution or winding-up of the Issuer unless the Bank of Greece has given its prior approval, or the Bank itself is in liquidation.

Voting Rights:

Generally Holders of the Preferred Securities will not be entitled to vote at any general meeting of shareholders of the Issuer.

Holders of the Preferred Securities (together with the holders of any other preferred or preference shares of the Issuer having the right to vote for the election of Directors in such event) are entitled to elect two additional Directors of the Issuer's board of Directors if, in respect of four consecutive Preferred Dividend Periods, Preferred Dividends on the Preferred Securities have not been paid in full, or if the Bank breaches its payment obligations under the Guarantee.

	Such Directors will vacate their office if Preferred Dividends are resumed by the Issuer, or payments by the Bank in respect thereof are made in full.
Form of the Preferred Securities:	The Preferred Securities will be represented on issue by a single global certificate in registered form, which will be registered in the name of Citivic Nominees Limited as nominee for, and will be deposited with, a common depositary for Euroclear and Clearstream, Luxembourg.
Governing Law:	The Preferred Securities will be governed by, and construed in accordance with, Jersey law. The Guarantee of the Bank will be governed by, and construed in accordance with, English law, save that the provisions concerning the ranking of the Guarantee as described above will be governed by, and construed in accordance with, Greek law.
Use of proceeds:	The net proceeds from the issue of the Preferred Securities will be used by the Bank and/or its consolidated Subsidiaries for general banking purposes.
Listing:	Application has been made to list the Preferred Securities on the Luxembourg Stock Exchange.
Rating:	The Preferred Securities are expected to be rated "Baa2" by Moody's Investors Service Limited, "BBB-" by Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. and "BBB" by Fitch Ratings Ltd. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

INVESTMENT CONSIDERATIONS

Prospective investors should consider carefully the following information in conjunction with the other information contained in this Offering Circular before investing in the Preferred Securities.

Risks Associated with the Bank's Financial Condition

An investment in the Preferred Securities will have substantially the same economic risks as an investment in non-cumulative perpetual preference shares issued directly by the Bank having the same liquidation preference and rate of distribution as the Preferred Securities. The Preferred Securities are guaranteed on a limited and subordinated basis by the Bank pursuant to the terms of the Guarantee. Accordingly, if the Bank's financial condition were to deteriorate, the Issuer and the Holders may suffer direct and materially adverse consequences, including non-payment of Preferred Dividends on the Preferred Securities or of payments under the Guarantee.

Preferred Dividends not Cumulative

Preferred Dividends on the Preferred Securities are not cumulative. Subject to the provisions relating to compulsory payments as set out in "Description of the Preferred Securities", Preferred Dividends on the Preferred Securities will not be paid on each Preferred Dividend Payment Date if the Bank has insufficient Distributable Funds. If Preferred Dividends on the Preferred Securities for any Preferred Dividend Period are not paid, Holders will not be entitled to receive such Preferred Dividends (or any payment under the Guarantee in respect of such Preferred Dividends) whether or not sufficient funds are, or subsequently become, available.

Perpetual Nature of the Preferred Securities

The Preferred Securities have no fixed final redemption date and Holders have no rights to require the redemption of the Preferred Securities. Although the Issuer may elect to redeem the Preferred Securities in certain circumstances (including at its option on the First Call Date or any Preferred Dividend Payment Date thereafter or following the occurrence of certain tax events or a Capital Disqualification Event (as set out in "Description of the Preferred Securities")), such election is discretionary and subject to certain limitations.

Any early redemption by the Issuer is subject to the prior consent of the Bank and the Bank of Greece. It is currently expected that such consent of the Bank of Greece will be given only in cases where, after such redemption of the Preferred Securities by the Issuer, (i) the solvency ratio of the Bank, on an unconsolidated and consolidated basis, remains above 8 per cent. and (ii) the ratio of "conventional" items of own funds (namely tier 1 capital excluding the Preferred Securities and similar instruments) to risk adjusted assets of the Bank, remains above 4 per cent.

No Limitation on Future Debt

The Bank is not prohibited from issuing, guaranteeing or otherwise incurring further debt ranking *pari passu* with, or senior to, its obligations under the Guarantee.

DESCRIPTION OF THE PREFERRED SECURITIES

The following summary sets forth the material terms and provisions of the Preferred Securities. It is qualified in its entirety by reference to the terms and conditions of the Company's Articles of Association. Copies of the Company's Articles of Association and other documents relating to the Preferred Securities are available as described under "General Information — Documents relating to the Preferred Securities"

1. Definitions and Interpretation

In this description of the Preferred Securities, except to the extent that the context requires otherwise:

"Additional Amounts" means the additional amounts which may be payable in respect of the Preferred Securities as described in Article 11;

"Agency Agreement" means the agency agreement dated 5th December, 2002 relating to the Existing Preferred Securities, as supplemented by the first supplemental agency agreement dated 1st December, 2003 relating to the New Preferred Securities, in each case between the Bank, the Company, the Principal Paying and Transfer Agent, the Registrar and the other agents named therein;

"Bank" means Alpha Bank AE and its successors and assigns;

"Business Day" means any day on which commercial and foreign exchange markets settle payments in London, Athens and Jersey and on which the TARGET System, or any successor thereto, is operating;

"Capital Disqualification Event" means a change in any applicable law or regulation (including the provisions of Circular 17/2002 of the Bank of Greece on tier 1 instruments), or in the official interpretation or application thereof, as a result of which for the purposes of capital adequacy requirements applicable to banks in Greece, at that time an amount equal to, and in respect of, the aggregate liquidation preference of the Preferred Securities outstanding (being €1,000 per Preferred Security) will not be included in the tier one capital of the Bank on a consolidated basis;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme or its successor;

"Closing Date" means 5th December, 2003, in respect of the Existing Preferred Securities and 1st December, 2003, in respect of the New Preferred Securities;

"Common Depositary" means Citibank, N.A. as common depositary for Euroclear and Clearstream, Luxembourg;

"Company" means Alpha Group Jersey Limited, the company incorporated under the Law in respect of which the articles have been registered;

"Distributable Funds" means the aggregate amount, as calculated as of the end of the immediately preceding financial year of the Bank, of the profit for such financial year and any accumulated retained earnings and any other reserves and surpluses of each member of the Group available for distribution as cash dividends to ordinary shareholders of the Bank under the companies laws of, and generally accepted accounting principles in, Greece; but before deduction of the amount of any dividend or other distribution declared on the Bank's ordinary share capital in respect of such financial year;

"Dividends" means the Preferred Dividends and the Ordinary Dividends or either of them;

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"Existing Preferred Securities" means the €200,000,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities issued by the Issuer on 5th December, 2002;

"First Call Date" means 5th December, 2012;

"Greek Tax" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Greece or any political sub-division thereof or by any authority therein or thereof having power to tax;

"Group" means the Bank together with its Subsidiaries;

"Guarantee" means the amended and restated subordinated guarantee in favour of the Holders of the Preferred Securities to be executed by the Bank on 1st December, 2003, as a deed poll;

"Holder" means, in relation to any Preferred Security, the member of the Company whose name is entered in the Register as the holder of such Preferred Security and in relation to any Ordinary Security the member of the Company whose name is entered in the ordinary register as the holder of such Ordinary Security;

"Jersey Tax" means any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Jersey or any political sub-division thereof or by any authority therein or thereof having power to tax;

"Junior Obligations" means (i) ordinary shares of the Bank, (ii) each class of preferred or preference shares or similar securities of the Bank that ranks junior to the most senior ranking preferred or preference shares or similar securities of the Bank and (iii) any preference share or preferred security of a Subsidiary or the Company (other than the Preferred Securities) entitled to the benefit of a guarantee or support agreement or similar undertaking of the Bank that ranks junior to the Guarantee, or any such guarantees, support agreements or similar undertakings of the Bank;

"Law" means the Companies (Jersey) Law,1991;

"Liquidation Distribution" means the Liquidation Preference plus (i) any accrued and unpaid Preferred Dividends (whether or not declared) calculated from and including the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to but excluding the date of payment, and (ii) any Additional Amounts, in each case payable in cash only;

"Liquidation Parity Obligations" means the most senior preferred or preference shares or similar securities of the Bank and any guarantee, support agreement or other contractual undertaking (ranking *pari passu* with the Guarantee as regards participation in the assets of the Bank) of any preferred or preference shares of Subsidiaries;

"Liquidation Preference" means the liquidation preference of €1,000 per Preferred Security;

"Margin" has the meaning set out in Article 2(b);

"New Preferred Securities" means the €100,000,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities to be issued on 1st December, 2003 by the Issuer;

"Ordinary Dividends" means the dividends in respect of the Ordinary Securities;

"Ordinary Securities" means the ordinary shares of the Company;

"Parity Obligations" means Liquidation Parity Obligations and Preferred Dividend Parity Obligations;

"Paying and Transfer Agents" means each of the Principal Paying and Transfer Agent and Kredietbank S.A. Luxembourgeoise and/or any other entity appointed as paying and transfer agent by the Company and notified to the Holders of the Preferred Securities;

"Preferred Dividends" means the non-cumulative dividends in respect of the Preferred Securities as described under Article 2;

"Preferred Dividend Parity Obligations" means the most senior preferred or preference shares or similar securities qualifying as tier 1 capital of the Bank and all preferred or preference shares of Subsidiaries or of the Company (other than the Preferred Securities) qualifying as tier 1 capital of the Bank on a consolidated basis and entitled to the benefit of any guarantee, support agreement or similar undertaking of the Bank ranking *pari passu* with the Guarantee as regards entitlement to distributions thereunder, or all such guarantees, support agreements or contractual undertakings;

"Preferred Dividend Payment Date" means each date on which a Preferred Dividend is payable in accordance with the provisions of Article 2(a);

"Preferred Dividend Period" means the period from and including the Closing Date to but excluding the first Preferred Dividend Payment Date and each successive period from and including a Preferred Dividend Payment Date to but excluding the next succeeding Preferred Dividend Payment Date;

"Preferred Dividend Floating Rate" has the meaning set out in Article 2(b);

"Preferred Securities" means the € Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of the Company outstanding, each with a Liquidation Preference of €1,000, and including the Existing Preferred Securities, the New Preferred Securities and any further Preferred Securities of the Company of the same series issued after the Closing Date and ranking *pari passu* with the Preferred Securities then in issue.

"Premium" has the meaning set out in Article 5(e);

"Principal Paying and Transfer Agent" means Citibank, N.A. or such other entity appointed by the Company and notified to the Holders of the Preferred Securities;

"Redemption Date" means the date on which the Preferred Securities are redeemed by the Company;

"Redemption Price" means €1,000 per Preferred Security;

"Reference Banks" means any four major banks in the euro-zone interbank market selected by agreement between the Principal Paying and Transfer Agent and the Bank;

"Registrar" means Citibank AG or such other entity appointed by the Company and notified to the holders of the Preferred Securities;

"Register" means the register of holders of Preferred Securities;

"Relevant Screen Page" means Moneyline Telerate Screen Page 248 or such replacement page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to Three Month EURIBOR;

"Subsidiary" means any corporation or other person or entity more than 50 per cent. of whose equity share capital is owned by the Bank, or 20 per cent., at least, of whose equity share capital is directly or indirectly controlled by the Bank and whose board of directors is controlled by the Bank or which is consolidated in the most recent annual audited consolidated financial statements of the Bank or which will be so consolidated in the next annual audited consolidated financial statements of the Bank;

"TARGET Settlement Day" means any day on which the TARGET System, or any successor thereto, is operating;

"TARGET System" means the Trans-European Automated Real-time Gross settlement Express Transfer system; and

"Three Month EURIBOR" has the meaning set out in Article 2(b).

2. Preferred Dividends on Preferred Securities

(a) *Preferred Dividend Payment Dates*

Preferred Dividends on the Preferred Securities are non-cumulative and will be deemed to accrue on a day by day basis whether or not declared. Subject to the Law, the Preferred Dividends will be payable quarterly in arrear on 5th March, 5th June, 5th September and 5th December in each year, commencing on 5th March, 2003 in respect of the Existing Preferred Securities and on 5th December, 2003 in respect of the New Preferred Securities, provided that if any such date would otherwise fall on a day which is not a Business Day, payment shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event it shall be brought forward to the immediately preceding Business Day.

(b) *Preferred Dividend Floating Rate*

In relation to any Preferred Dividend Period, the rate of Preferred Dividend shall be the sum (as determined by the Principal Paying and Transfer Agent) of Three Month EURIBOR and the relevant Margin (the "Preferred Dividend Floating Rate").

For the purpose of calculating the Preferred Dividend Floating Rate:

"Margin" means (i) for each Preferred Dividend Period during the period from and including the Closing Date to but excluding the First Call Date, 2.650 per cent. and (ii) for each Preferred Dividend Period commencing on or after the First Call Date, 3.975 per cent.; and

"Three Month EURIBOR" means the rate for deposits in euro for a period of three months which appears on the Relevant Screen Page as of 11.00 a.m., Brussels time, (or such other time as may be customary for the daily reset of such rate) on the day that is two TARGET Settlement Days preceding the first day of the relevant Preferred Dividend Period.

If such rate does not appear on the Relevant Screen Page on the day that is two TARGET Settlement Days preceding the first day of the relevant Preferred Dividend Period, then Three Month EURIBOR for the relevant Preferred Dividend Period will be determined on the basis of the rates at which deposits in euro are offered by the Reference Banks at approximately 11.00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding the first day of the relevant Preferred Dividend Period to prime banks in the euro-zone interbank market for a period of three months commencing on the first day of the relevant Preferred Dividend Period and in an amount that is representative for a single transaction in the relevant market at the relevant time. The Principal Paying and Transfer Agent shall request the principal euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate shall be the arithmetic mean of such quotations.

If fewer than two quotations are provided as requested, Three Month EURIBOR in respect of such Preferred Dividend Period shall be the arithmetic mean of the rates quoted by major banks in the euro-zone selected by the Principal Paying and Transfer Agent, at approximately 11.00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding the first day of the relevant Preferred Dividend Period for loans in euro to leading banks in the euro-zone for a period of three months commencing on the first day of such Preferred Dividend Period and in an amount that is representative for a single transaction in the relevant market at the relevant time, except that, if the banks so selected by the Principal Paying and Transfer Agent are not quoting as mentioned above, the Preferred Dividend Floating Rate for such Preferred Dividend Period shall be the Preferred Dividend Floating Rate in effect for the last preceding Preferred Dividend Period to which one of the preceding paragraphs of this definition of Three Month EURIBOR shall have applied.

The amount of any Preferred Dividend shall be calculated by multiplying the applicable Preferred Dividend Floating Rate by the Liquidation Preference and the actual number of days in the relevant Preferred Dividend Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

The Principal Paying and Transfer Agent shall, upon the determination of each Preferred Dividend Floating Rate, calculate the Preferred Dividend payable on the relevant Preferred Dividend Payment Date on each Preferred Security for the relevant Preferred Dividend Period. The Principal Paying and Transfer Agent shall cause the relevant Preferred Dividend Floating Rate and each Preferred Dividend payable in respect of the relevant Preferred Dividend Period to be notified to the Company, the Bank, the Luxembourg Stock Exchange and the Holders (in accordance with the provisions of Article 14) as soon as possible after their determination but in any event not later than the second Business Day thereafter.

3. Limitations on Payments of Preferred Dividends on Preferred Securities

(a) Subject to the Law and to the provisions of Article 4 below, Preferred Dividends on the Preferred Securities may be declared by the Directors, in their sole discretion, and paid by the Company out of funds legally available therefor.

However, subject to the provisions of Article 4 below, the Directors will not be required to declare, and the Company will not be permitted to pay, any Preferred Dividend if such Preferred Dividend, together with the amount of:

(i) any Preferred Dividends previously paid by the Company in respect of the Preferred Securities and distributions previously paid in respect of Preferred Dividend Parity Obligations in the then current financial year; and

(ii) any Preferred Dividends proposed to be paid in respect of the Preferred Securities and distributions proposed to be paid in respect of Preferred Dividend Parity Obligations in the then current calendar quarter;

would exceed Distributable Funds.

For the avoidance of doubt, the Directors will not be required to declare, and the Company will not be required to pay, a Preferred Dividend if, in the then current financial year, the Bank has not paid any dividend to the holders of its ordinary shares and neither the Bank nor any Subsidiary has made certain other payments in respect of Junior Obligations or Preferred Dividend Parity Obligations as set out in Article 4.

(b) References to Preferred Dividends in this Article include Additional Amounts.

(c) *Preferred Dividends non-cumulative*

If the Directors of the Company do not declare a Preferred Dividend payable on a Preferred Dividend Payment Date in respect of the Preferred Securities then, subject to Articles 4 and 5 and without affecting the rights of the Holders of the Preferred Securities under the Guarantee, the right of Holders of the Preferred Securities to receive such Preferred Dividend will be lost. The Company will have no obligation to pay the Preferred Dividend accrued for such Preferred Dividend Period or to pay any interest thereon, whether or not Preferred Dividends on the Preferred Securities are declared in respect of any future Preferred Dividend Period.

4. Compulsory payment of Preferred Dividends on Preferred Securities

(a) *Compulsory payment as a result of payment on Junior Obligations*

If the Bank, the Company or any other Subsidiary of the Bank makes any distribution on or in respect of any class of Junior Obligations (other than in the form of shares or further or other Junior Obligations), then, subject to the Law, the Company will be required to pay Preferred Dividends on the Preferred Securities on one or more Preferred Dividend Payment Dates contemporaneous with or following such distribution, as follows:

(i) payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next four Preferred Dividend Payment Dates if the distribution on the Junior Obligation is made in respect of an annual period;

(ii) payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next two Preferred Dividend Payment Dates if the distribution on the Junior Obligation is made in respect of a semi-annual period; and

(iii) payment of the full amount of the Preferred Dividend payable on the Preferred Securities on the next Preferred Dividend Payment Date if the distribution on the Junior Obligation is made in respect of a quarterly period.

(b) *Compulsory payment as a result of redemption of Junior Obligations*

Subject to the Law, the Company will be required to make payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next four Preferred Dividend Payment Dates contemporaneous with or following any date on which the Bank or any Subsidiary of the Bank has redeemed, repurchased or otherwise acquired any Junior Obligations for any consideration (or any moneys are paid to or made available for a sinking fund for, or for redemption of, any such securities) unless such acquisition is effected in accordance with the provisions of article 16 paragraphs 2(b) to (f) or paragraph 5 *et seq.* of Greek Codified Law 2190/1920 and does not result in a decrease of the Bank's own funds for the purposes of Greek capital adequacy requirements.

(c) *Compulsory payment as a result of payment on Preferred Dividend Parity Obligations*

If the Bank, the Company or any other Subsidiary of the Bank pays any distribution on or in respect of any class of Preferred Dividend Parity Obligations (other than in the form of shares or Junior Obligations), then, subject to the Law, the Company will be required to make *pro rata* payments of Preferred Dividends on the Preferred Securities on one or more Preferred Dividend Payment Dates contemporaneous with or following such distribution, as follows:

(i) *pro rata* payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next four Preferred Dividend Payment Dates if the distribution on the Preferred Dividend Parity Obligation is paid in respect of an annual period;

(ii) *pro rata* payment of the full amount of the Preferred Dividend payable on the Preferred Securities on each of the next two Preferred Dividend Payment Dates if the distribution on the Preferred Dividend Parity Obligation is paid in respect of a semi-annual period; and

(iii) *pro rata* payment of the full amount of the Preferred Dividend payable on the Preferred Securities on the next Preferred Dividend Payment Date if the distribution on the Preferred Dividend Parity Obligation is paid in respect of a quarterly period.

When a distribution on Preferred Dividend Parity Obligations requires *pro rata* payment of Preferred Dividends as described above, the amount of the required payment will be in the same proportion to the aggregate specified amount of Preferred Dividends payable on the Preferred Securities as the aggregate payment that was made on such Preferred Dividend Parity Obligations bears to the amount that was payable on such Preferred Dividend Parity Obligations at the time of such payment.

(d) *Aggregation of Preferred Dividends in Preferred Dividend Period*

Subject to the Law, compulsory payments of Preferred Dividends to be made by virtue of Article 4(a), 4(b) or 4(c) shall be aggregated on any Preferred Dividend Payment Date with any payments made or to be made by virtue of Article 3 in respect of any relevant Preferred Dividend Period, provided that in any relevant Preferred Dividend Period the aggregate amount paid in respect of Preferred Dividends on the Preferred Securities shall not exceed the scheduled amount of the Preferred Dividends.

Save as described in this Article and in Article 5, after payment of the Preferred Dividend, the Holders of the Preferred Securities will have no right to participate in the profits of the Company.

5. Redemption of Preferred Securities

(a) *Optional redemption*

Subject to the Law, the Preferred Securities are redeemable, at the option of the Company, in whole but not in part, on the First Call Date and on any Preferred Dividend Payment Date falling thereafter, upon not less than 30 nor more than 60 days' notice to the Holders of the Preferred Securities (which notice shall be irrevocable). Upon the expiry of such notice, the Company shall be bound to redeem the Preferred Securities accordingly. Upon the Redemption Date, each Preferred Security will be redeemed at the Redemption Price plus (i) accrued and unpaid Preferred Dividends in respect of the most recent Preferred Dividend Period, whether or not declared, up to the Redemption Date and (ii) any Additional Amounts remaining unpaid.

(b) *Redemption for tax reasons*

If, at any time falling prior to but excluding the First Call Date, as a result of any amendment to or change in the laws or regulations of Jersey or Greece or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any change in the application of or official interpretation or administration of any such laws or regulations, which amendment or change becomes effective on or after 4th December, 2002, the Company is required to pay Additional Amounts, or the Bank would be unable for reasons outside its control to procure payment by the Company and in making payment itself would be required to pay additional amounts under the Guarantee, then, subject to the Law, the Preferred Securities will be redeemable, at the option of the Company, in whole but not in part, on the next Preferred Dividend Payment Date, upon not less than 30 or more than 60 days' notice to the Holders of the Preferred Securities (which notice shall be irrevocable). Upon the expiry of such notice, the Company shall be bound to redeem the Preferred Securities accordingly. Upon the Redemption Date, each Preferred Security will be redeemed at the Redemption Price plus accrued and unpaid Preferred Dividends in respect of the most recent Preferred Dividend Period, whether or not declared, up to the Redemption Date and any Additional Amounts remaining unpaid.

If, at any time falling prior to but excluding the First Call Date, the Company or the Bank, in relation to the Preferred Securities, the Guarantee and any associated transactions (including, but not limited to, any loan from the Company to the Bank or any other Subsidiary of the Bank), is or would be required to pay more than a *de minimis* amount of (i) Jersey Tax, other than in respect of Jersey source income, or (ii) Greek Tax, then the Preferred Securities will be redeemable, at the option of the Company, in whole but not in part, on the next Preferred Dividend Payment Date, upon not less than 30 or more than 60 days' notice to the Holders of the Preferred Securities (which notice shall be irrevocable). Upon the expiry of such notice, the Company shall be bound to redeem the Preferred Securities accordingly. Upon the Redemption Date, each Preferred Security will be redeemed at the Redemption Price plus any Additional Amounts remaining unpaid plus the Premium.

(c) *Redemption for Capital Disqualification Event*

If, at any time falling prior to but excluding the First Call Date, a Capital Disqualification Event has occurred and is continuing, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Company on the next Preferred Dividend Payment Date, upon not less than 30 or more than 60 days' notice to the Holders of the Preferred Securities (which notice shall be irrevocable). Upon the expiry of such notice, the Company shall be bound to redeem the Preferred Securities accordingly. Upon the Redemption Date, each Preferred Security will be redeemed at the Redemption Price plus any Additional Amounts remaining unpaid plus the Premium.

(d) *Precondition to redemption*

Any redemption under Article 5 (a), (b) or (c) will be subject to the prior consent of the Bank and the Bank of Greece.

The notice to the Holders of the Preferred Securities under Article 5 (a), (b) or (c) will specify the Redemption Date and the Redemption Price.

(e) *Calculation of Premium*

For the purposes of paragraphs (b) and (c) above:

"Premium" means, in respect of each Preferred Security, the amount, as determined by the Calculation Agent, equal to the present value of the Liquidation Preference multiplied by 2.65 per cent. per annum from the date on which the Preferred Security is to be redeemed to the First Call Date. The present value calculated above shall be calculated by discounting the relevant amounts to the date when the Preferred Security is to be redeemed on an annual basis at the Adjusted Yield;

For the purpose of determining the Premium:

"Adjusted Yield" means the Interpolated Swap Rate, plus 0.50 per cent.;

"Calculation Agent" means an investment bank of international standing selected by the Company;

"Calculation Date" means the third Business Day prior to the date when the Preferred Securities are to be redeemed;

"Interpolated Swap Rate" means a rate determined by the Calculation Agent through the use of straight-line interpolation by reference to two Swap Rates, one of which shall be determined as if the Designated Maturity were the whole number of unexpired Preferred Dividend Periods to the First Call Date (but excluding the Preferred Dividend Period in which the calculation is to be made) and the other of which shall be determined as if the Designated Maturity were the whole number of unexpired Preferred Dividend Periods to the First Call Date (including the Preferred Dividend Period in which the calculation is made); and

"Swap Rate" means a rate equal to the Floating Rate (as defined in the 2000 ISDA Definitions as amended, published by the International Swaps and Derivatives Association, Inc) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, and under which:

1. the Floating Rate Options (as defined in the 2000 ISDA Definitions) is "EUR-ISDA-EURIBOR Swap Rate — 11:00";
2. the Designated Maturity (as defined in the 2000 ISDA Definitions) in respect of a Swap Rate is as set out in the definitions of "Adjusted Yield" or "Interpolated Swap Rate" as applicable; and
3. the Reset Date (as defined in the 2000 ISDA Definitions) is the Calculation Date.

6. Payments

Preferred Dividends declared on the Preferred Securities will be payable on the relevant Preferred Dividend Payment Date (or where any Preferred Dividend Payment Date is not a Business Day on the next Business Day without interest in respect of such delay) by the Company to the Holders of record as they appear on the Register on the relevant record date, which will be five days prior to the relevant Preferred Dividend Payment Date.

Whilst the Preferred Securities are represented by a global certificate, payments in respect of the Preferred Securities will be made to or as directed by the Common Depositary as the registered Holder of the global certificate representing the Preferred Securities. Payments made to the Common Depositary shall be made by wire transfer, and Euroclear or Clearstream, Luxembourg, as applicable, will credit the relevant accounts of their participants on the applicable Preferred Dividend Payment Dates or Redemption Dates.

If definitive Preferred Securities are issued, payments of Preferred Dividends on Preferred Securities held in definitive form will be made at the office of the agent of the Company maintained for such purpose, which initially will be the office of Citibank, N.A. as Principal Paying and Transfer Agent in London, Kredietbank S.A. Luxembourgeoise as Paying and Transfer Agent in Luxembourg or, at the option of the Holder and subject to any fiscal or other laws and regulations applicable thereto, at the office of any other Paying and Transfer Agent (if any) appointed by the Company. Subject to any applicable fiscal or other laws and regulations, each payment in respect of Preferred Dividends on definitive Preferred Securities may, at the Company's option, be made by euro cheque drawn on a bank in a principal financial centre in the euro-zone and mailed to the Holder of record at such Holder's address as it appears on the Register on the relevant record date or by wire transfer if the Company (or its agent) so agrees with such Holder and if appropriate wire transfer instructions have been received by the Principal Paying and Transfer Agent not less than 30 days prior to the date of any such payments.

If the Company does not pay a Preferred Dividend, a Holder's right to receive payment of such Preferred Dividend will be satisfied if and to the extent that the Bank pays such Preferred Dividend pursuant to the Guarantee.

If the Company gives a notice of redemption in respect of the Preferred Securities, then, by 10.00 a.m., Brussels time, on the Redemption Date, the Company will irrevocably deposit with the Principal Paying and Transfer Agent funds sufficient to pay the Redemption Price and will give the Principal Paying and Transfer Agent irrevocable instructions and authority to pay the Redemption Price to the Holders of the Preferred Securities. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of Holders of the Preferred Securities will be extinguished, except the right of the Holders of Preferred Securities to receive the Redemption Price in respect of each Preferred Security, but without interest, and the Preferred Securities will cease to be outstanding.

In the event that payment of the Redemption Price in respect of any Preferred Security is improperly withheld or refused and not paid either by the Company or by the Bank pursuant to the Guarantee, Preferred Dividends on such Preferred Security, subject as described above, will continue to accrue, at the then applicable rate, from the Redemption Date to the date of actual payment of such Redemption Price.

7. Purchase of Preferred Securities

Subject to the foregoing and to applicable law, (including, without limitation, Greek, Jersey and Luxembourg securities and banking laws and regulations) and to the requirements of the rules of the Luxembourg Stock Exchange, the Company or the Bank or any of the Bank's other Subsidiaries may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement. If purchases are made by tender, the tender must be available to all Holders of Preferred Securities alike.

Any such purchase to be made by the Company or by the Bank or by any of the Bank's other Subsidiaries shall be subject to the prior consent of the Bank of Greece. Any purchase to be made by the Company shall be made in such manner and in such terms as the Company shall approve in general meeting.

The restrictions contained in this Article 7 shall not apply to any purchase of Preferred Securities where such purchase is made (i) in the ordinary course of a business of dealing in securities and (ii) for the account of a person other than the Company, the Bank or any of the Bank's other Subsidiaries.

8. Liquidation Distributions

In the event of any summary winding-up, voluntary liquidation or dissolution of the Company, the Holders of the Preferred Securities at the time outstanding will be entitled to receive the Liquidation Distribution in respect of each Preferred Security held out of the assets of the Company available for distribution to shareholders.

Such entitlement will arise before any distribution of assets is made to holders of Ordinary Securities or any other class of shares of the Company ranking junior as regards participation in assets to the Preferred Securities, but such entitlement will rank equally with the entitlement of the holders of any other preferred securities or preference shares, if any, of the Company ranking *pari passu* with the Preferred Securities as regards participation in assets of the Company.

Notwithstanding the availability of sufficient assets of the Company to pay any Liquidation Distribution to the Holders of the Preferred Securities, if, at the time such Liquidation Distribution is to be paid, proceedings are pending or have been commenced for the voluntary or involuntary liquidation, dissolution or winding-up of the Bank, the Liquidation Distribution per Preferred Security paid to Holders of the Preferred Securities and the liquidation distribution paid to the holders of Liquidation Parity Obligations shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with the Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability expressed to rank *pari passu* with or junior to the Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (x) junior to all liabilities of the Bank (other than any liability expressed to rank *pari passu* with or junior to the Guarantee), (y) *pari passu* with the most senior preferred securities or preference shares, if any, of the Bank and (z) senior to all Junior Obligations.

If the Liquidation Distribution and any other such liquidation distributions cannot be made in full by reason of the limitation described above, such amounts will be payable *pro rata* in the proportion that the amount available for payment bears to the full amount that would have been payable but for such limitation. After payment of the Liquidation Distribution, as adjusted if applicable, the Holders of the Preferred Securities will have no right or claim to any of the remaining assets of the Company or the Bank.

In the event of the liquidation, dissolution or winding-up of the Bank, the Directors of the Company shall convene an extraordinary general meeting of the Company for the purpose of proposing a Special Resolution to put the Company into summary winding-up and the amount to which Holders of the Preferred Securities shall be entitled as a Liquidating Distribution will be as set out above.

9. Voting Rights

Except as provided in this Article, Holders of Preferred Securities will not be entitled to receive notice of or attend or vote at any general meeting of shareholders of the Company.

If in respect of four consecutive Preferred Dividend Periods:

(a) Preferred Dividends (whether or not declared) or any Additional Amounts in respect of such Dividends on the Preferred Securities have not been paid in full by the Company in accordance with the terms and provisions of the Preferred Securities; or

(b) the Bank breaches any of its payment obligations under the Guarantee in respect of such Preferred Dividends or Additional Amounts,

then the Holders of outstanding Preferred Securities together with the holders of any other preferred securities or preference shares of the Company having the right to vote for the election of Directors in such event, acting as a single class without regard to series, will be entitled, by written notice to the Company given by the holders of a majority in liquidation preference of such shares or securities or by ordinary resolution passed by the holders of a majority in liquidation preference of such shares or securities present in person or by proxy at a separate general meeting of such holders convened for the purpose, to appoint two additional persons to act as Directors of the Company, and to remove any such Director from office and to appoint another person in place of such Director.

Not later than 30 days after such entitlement arises, if the written notice of the Holders of outstanding Preferred Securities and the holders of any other preferred securities or preference shares of the Company having the right to vote for the election of Directors in the circumstances described in the preceding sentence has not been given as provided for in the preceding sentence, the Directors of the Company will convene a separate general meeting for the above purpose. If the Directors fail to convene such meeting within such 30 day period, the holders of not less than 10 per cent. by liquidation preference of the outstanding Preferred Securities and such other preferred securities or preference shares will be entitled to convene such meeting. The provisions of the Articles concerning the convening and conduct of general meetings of shareholders shall apply with respect to such meeting. Subject to the terms of such other preferred securities or preference shares, if, in respect of four consecutive Preferred Dividend Periods, Preferred Dividends and any Additional Amounts in respect of such Dividends have been paid in full on the Preferred Securities by the Company and/or the Bank has made payment of all amounts guaranteed in respect of such Preferred Dividends (whether or not declared) and any Additional Amounts, any Director so appointed shall vacate the office.

Any variation or abrogation of the rights, preferences and privileges of the Preferred Securities by way of amendment of the Articles or otherwise (including, without limitation, the authorisation or issuance of any shares of the Company ranking, as to participation in the profits or assets of the Company, senior to the Preferred Securities) shall not be effective (unless otherwise required by applicable law) except with the consent in writing of the Holders of not less than two-thirds in nominal value of the outstanding Preferred Securities or with the sanction of a resolution, passed by a majority of not less than two-thirds in nominal value of the Holders of the outstanding Preferred Securities, present or represented at a separate meeting at which the quorum shall be Holders present or represented holding at least one-third in nominal value of the outstanding Preferred Securities.

No such sanction shall be required if, as determined by the Directors, the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity, provided that any such change does not reduce the amounts payable to or impose any obligation on the Holders of the Preferred Securities or adversely affect their voting rights or cause any modification of the terms of the Preferred Securities pursuant to Article 10.

Notwithstanding the foregoing, no vote of the Holders of the Preferred Securities will be required for the Company to redeem the Preferred Securities in accordance with the Company's Articles.

In addition to the voting rights referred to above, no resolution may be proposed for adoption by the Holders of the Ordinary Securities providing for the winding-up, liquidation or dissolution of the Company, unless the Holders of a simple majority by nominal value of the outstanding Preferred Securities and holders of any other preferred securities or preference shares ranking *pari passu* as regards participation in profits or assets with the Preferred Securities have approved such resolution. Such approval may only be given by the consent in writing of the holders of at least a simple majority in nominal value of the outstanding Preferred Securities and such other preferred securities or preference shares or with the sanction of a resolution passed by not less than a simple majority in nominal value at a meeting of the holders of the Preferred Securities and such other preferred securities or preference shares present and voting at such meeting. Such approval shall not be required if the winding-up, liquidation or dissolution of the Company is proposed or initiated because of the winding-up, liquidation or dissolution of the Bank.

Notwithstanding that Holders of Preferred Securities are entitled to vote under any of the limited circumstances described above, any Preferred Security outstanding at such time that is owned by the Bank, or any entity of which the Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or similar ownership interests, shall not carry a right to vote and shall, for voting purposes, be treated as if it were not outstanding.

The Company will cause a notice of any meeting at which Holders of the Preferred Securities are entitled to vote to be mailed to each Holder of a Preferred Security. Each such notice will include a statement setting forth (a) the date, time and place of such meeting, (b) a description of any resolution to be proposed for adoption at such meeting on which such Holders are entitled to vote and (c) instructions for the delivery of proxies.

10. Further Issues

Notwithstanding Article 9, provided that the most recent Preferred Dividend payable on the Preferred Securities has been paid in full by the Company (or the Bank pursuant to the Guarantee), the Holders of Ordinary Securities or the Directors of the Company may, without the consent or sanction of the Holders of the Preferred Securities, take such action as is required in order to amend the Company's Articles:

(a) to increase the authorised amount of Preferred Securities or to create and issue one or more other series of preferred securities or preference shares of the Company ranking *pari passu* with the Preferred Securities as regards participation in the profits and assets of the Company; or

(b) to authorise, create and issue one or more other classes of shares of the Company ranking junior, as regards participation in the profits and assets of the Company, to the Preferred Securities.

Thereafter, the Company may, provided that the circumstances for non-payment of Preferred Dividends under Article 3(a) are not subsisting, without the consent of the Holders of the Preferred Securities issue any such further securities either having the same terms and conditions as the Preferred Securities in all respects (or in all respects except for the first payment of Preferred Dividends on them) and so that such further issue shall be consolidated and form a single series with the Preferred Securities then in issue or upon such other terms as aforesaid.

Notwithstanding the foregoing, the Company may only issue further Preferred Securities if, at the same time, the Bank issues in respect of the further Preferred Securities a guarantee having terms and conditions that are substantially identical to the Guarantee (or extends the Guarantee to cover the further Preferred Securities).

11. Additional Amounts

All payments in respect of the Preferred Securities by the Company will be made without withholding or deduction for, or on account of, any Jersey Tax or Greek Tax, unless the withholding or deduction of such Jersey Tax or Greek Tax is required by law. In that event, the Company will pay as further dividends such additional amounts (the "Additional Amounts") as may be necessary in order that the net amounts received by the Holders of Preferred Securities after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder of Preferred Securities (or to a third party on his behalf) with respect to any Preferred Security (i) to the extent that such Jersey Tax or Greek Tax is imposed or levied by virtue of such Holder (or the beneficial owner of such Preferred Security) having some connection with Jersey or Greece, other than being a Holder (or beneficial owner) of such Preferred Security or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th–27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or (iii) who would have been able to avoid such withholding or deduction by presenting the Preferred Securities to another Paying and Transfer Agent in a Member State of the European Union, and except that the Company's obligations to make any such payments are subject to the limitations on payments provisions under Article 3.

12. Prescription

Any moneys paid by the Company to the Principal Paying and Transfer Agent for the payment of Preferred Dividends or on a redemption of the Preferred Securities and remaining unclaimed at the end of two years following the date on which such Preferred Dividends or redemption proceeds become payable shall be returned to the Company at the Company's request, and the Holders of the Preferred Securities shall thereafter look only to the Company for the payment thereof and all liability of the Principal Paying and Transfer Agent with respect such moneys shall thereafter cease.

13. Form, Registration and Transfer of Preferred Securities

The Preferred Securities will be in registered form and evidenced by a global certificate deposited with, and registered in the name of, the Common Depositary or its nominee. Except as set forth below, no definitive Preferred Securities will be issued.

Beneficial interests in the Preferred Securities will be shown only on, and transfers thereof will be effected only through, book-entry records maintained by Euroclear and Clearstream, Luxembourg and their respective participants and, except in the limited circumstances described below, Preferred Securities in certificated form will not be issued. Holders of beneficial interests in the global certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg and (if applicable) their respective participants to exercise any rights of a Holder of Preferred Securities under the global certificate. None of the Bank, the Company, any Paying and Transfer Agent, or the Registrar for the Preferred Securities will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in the global certificate or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

The global certificate will cease to represent the Preferred Securities, and Preferred Securities in definitive registered form in aggregate Liquidation Preference equal to the Liquidation Preference of the global certificate will be exchangeable therefor, only if (i) either or both of Euroclear and Clearstream, Luxembourg is or are closed for business for a continuous period of 14 days or more (other than for the purposes of a public holiday) or announces an intention permanently to cease business or does in fact so cease business other than in connection with a merger of Euroclear and Clearstream, Luxembourg; or (ii) as a result of a change in law, transfer duties or similar taxes become payable on transfers of the Preferred Securities in Euroclear and/or Clearstream, Luxembourg. Such definitive Preferred Securities will be in denominations of €1,000 (and integral multiples thereof) and will be registered in such names as Euroclear and Clearstream, Luxembourg shall direct (such instructions being expected to be based upon directions received by Euroclear and Clearstream, Luxembourg from their participants with respect to ownership of beneficial interests in the Preferred Securities), and the Liquidation Preference and Preferred Dividends with respect thereto will be payable, and the transfer thereof will be registrable, at the offices described below. In addition, in all case where any Preferred Securities are issued in definitive registered form, the record dates for payment of Preferred Dividends will be 15 days prior to the relevant Preferred Dividend Payment Date (whether or not such date is a Business Day). Except as set forth in this paragraph, no definitive Preferred Securities will be issued.

If definitive Preferred Securities are issued, they may be exchanged or transferred in whole or in part by surrendering such definitive Preferred Securities at the office of the Registrar or any Paying and Transfer Agent with a written instrument of transfer (which may be obtained at any such office) duly executed by the Holder thereof or its attorney duly authorised in writing. In exchange for any definitive Preferred Security properly presented for transfer, the Registrar or such Paying and Transfer Agent will promptly authenticate and deliver or cause to be authenticated or delivered at the office of the Registrar or such Paying and Transfer Agent, to the Holder entitled to such Preferred Security, or send by mail (at the risk of such Holder) to such address as such Holder may request, a definitive Preferred Security or Preferred Securities.

Registration of transfers of Preferred Securities will be effected without charge by or on behalf of the Company, but only upon payment by the transferor of any tax or other governmental charges that may be imposed in connection with any transfer or exchange. The Company will not be required to register or cause to be registered the transfer of Preferred Securities after such Preferred Securities have been called for redemption. For so long as any Preferred Securities are outstanding, the Company will appoint and maintain a Preferred Securities Registrar having its office outside the UK.

14. Paying and Transfer Agents

The Principal Paying and Transfer Agent shall be permitted to resign as Principal Paying and Transfer Agent upon 30 days' written notice to the Company. In the event that Citibank, N.A. shall no longer be the Principal Paying and Transfer Agent, the Company shall appoint a successor (which shall be a bank or trust company acceptable to the Company) to act as Principal Paying and Transfer Agent. For so long as the Preferred Securities are listed on the Luxembourg Stock Exchange and the rules of such Exchange so require, the Company will maintain a Paying Agent and a Transfer Agent in Luxembourg and will give notice in the manner described under "Notices" below (see Article 15) when any new paying and transfer agent in Luxembourg is appointed. For so long as any Preferred Securities are outstanding, the Company will maintain a Paying and Transfer Agent having a specified office in a European Union Member State (if available) that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained whether by the Reference Banks (or any of them), the Principal Paying and Transfer Agent or the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Company, the Reference Banks, the Principal Paying and Transfer Agent, the Calculation Agent, the Registrar and all Holders of the Preferred Securities and (in the absence of any such wilful default, bad faith or manifest error) no liability to the Company, the Registrar or the Holders of the Preferred Securities shall attach to the Reference Banks, the Principal Paying and Transfer Agent or the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions.

15. Notices

Any Notice to Holders of the Preferred Securities will be given to them at their addresses set forth in the Preferred Securities Register. In addition, for so long as the Preferred Securities are listed on the Luxembourg Stock Exchange and the rules of such Exchange so require, all notices to Holders of Preferred Securities will also be published in English in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such Luxembourg publication is not practicable, in one other leading English language newspaper being published on each day in morning editions whether or not it shall be published in Saturday, Sunday or holiday editions. Such notices shall be deemed to have been given on the date of publication as aforesaid or, if published on different dates, on the date of the first such publication.

OTHER PROVISIONS OF THE ISSUER'S ARTICLES

In addition, the Articles of Association of the Issuer contain, *inter alia*, provisions (with the exception of sections in italics) to the following effect:

(a) Ordinary Securities

All the Company's Ordinary Securities are owned by the Bank. In any year, subject to Jersey law, the Company may, without the consent of the Holders of the Preferred Securities, declare and pay dividends on the Ordinary Securities to the Bank as the holder of the Ordinary Securities. Such dividends will be paid out of the Company's funds, if any, available after payment of the Dividends on the Preferred Securities if and as due in accordance with the terms and conditions of the Preferred Securities. *No dividend has been paid on the Ordinary Securities of the Issuer since its incorporation.*

(b) Prescription

Any Dividend unclaimed for a period of ten years from its date of declaration shall be forfeited and shall cease to be owing by the Company. *The Preferred Securities are governed by, and shall be construed in accordance with, Jersey law.*

SUMMARY OF PROVISIONS RELATING TO THE PREFERRED SECURITIES IN GLOBAL FORM

Initial Issue of Preferred Securities

The Preferred Securities will be issued in registered form and will be initially represented by interests in a Global Certificate which will be registered in the name of Citivic Nominees Limited, as nominee for, and will be deposited with, a common depositary for, Euroclear and Clearstream, Luxembourg on or about the Closing Date. Upon the initial registration of Preferred Securities in the name Citivic Nominees Limited as nominee for a common depositary for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the common depositary for Euroclear and Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg will, in accordance with their respective procedures, credit each subscriber with such number of Preferred Securities equal to the number thereof for which it has subscribed and paid.

Exchange

If (a) either or both of Euroclear and Clearstream, Luxembourg is or are closed for business for a continuous period of 14 days (other than for the purposes of a public holiday) or announces an intention permanently to cease business or does in fact so cease business other than in connection with a merger of Euroclear and Clearstream, Luxembourg or (b) as a result of a change in law, transfer duties or similar taxes become payable on transfers of the Preferred Securities in Euroclear and/or Clearstream, Luxembourg, a number of Preferred Securities corresponding to its book-entry interest in the Preferred Securities represented by the certificate held by the Common Depositary referred to above will be transferred to each holder of an interest in the Preferred Securities whose name is notified by a holder of such interest to the Registrar. Each such holder will be registered as a Holder of the Preferred Securities in the Register maintained by or on behalf of the Issuer and will receive a certificate made out in its name.

Accountholders

So long as the Preferred Securities are registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg, the nominee for Euroclear and Clearstream, Luxembourg will be the sole registered owner or holder of the Preferred Securities represented by the Global Certificate. Except as set forth under ''Description of Preferred Securities — Form, Registration and Transfer of Preferred Securities'' and under ''Transfers of Interests'' below, the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an ''Alternative Clearing System'') as the Holders of the Preferred Security evidenced by the Global Certificate (each an ''Accountholder'') will not be entitled to have Preferred Securities registered in their names, will not receive or be entitled to receive physical delivery of definitive certificates evidencing interests in the Preferred Securities and will not be considered registered owners or Holders thereof. Accordingly, each Accountholder must rely on the rules and procedures of Euroclear and Clearstream, Luxembourg, as the case may be, to exercise any rights and obligations of a Holder of Preferred Securities.

Payment

Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made by the Issuer to the registered Holder of the Preferred Securities and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be. Such persons shall have no claim directly against the Issuer in respect of payments due on the Preferred Securities for so long as the Preferred Securities are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the registered Holder of the Preferred Securities in respect of each amount so paid.

Transfers of Interests

Accountholders will only be able to transfer their beneficial interests in the Preferred Securities in accordance with the restrictions described under ''Description of Preferred Securities — Form, Registration and Transfer of Preferred Securities'' and with the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be.

SUBORDINATED GUARANTEE

Set forth below is the text of the Subordinated Guarantee substantially in the form to be executed by the Bank:

"THIS DEED OF GUARANTEE (the "Guarantee"), dated 1st December, 2003, is executed and delivered by ALPHA BANK AE a company incorporated under the laws of Greece (the "Bank") for the benefit of the Holders (as defined below).

WHEREAS the Bank desires to cause the Issuer to issue the New Preferred Securities (as defined below) and the Bank desires to issue this Guarantee, which amends and restates the deed of guarantee dated 5th December, 2002 in respect of the Existing Preferred Securities (as defined below), for the benefit of the Holders of the Preferred Securities (as defined below), as provided herein.

NOW THEREFORE the Bank executes and delivers this Guarantee for the benefit of the Holders of the Preferred Securities.

1. DEFINITIONS AND INTERPRETATION

As used in this Guarantee, capitalised terms not defined herein shall have the meanings ascribed to them in the Issuer's Articles of Association and otherwise the following terms shall, unless the context otherwise requires, have the following meanings:

"Additional Amounts" means, except where otherwise defined in relation to the Issuer, the additional amounts which may be payable in respect of the Preferred Securities as described in paragraph 4;

"Distributable Funds" means the aggregate amount, as calculated as of the end of the immediately preceding financial year of the Bank, of the profit for such financial year and any accumulated retained earnings and any other reserves and surpluses of each member of the Group available for distribution as cash dividends to ordinary shareholders of the Bank under the companies laws of, and generally accepted accounting principles in, Greece; but before deduction of the amount of any dividend or other distribution declared on the Bank's ordinary share capital in respect of such financial year;

"Existing Preferred Securities" means the €200,000,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities issued on 5th December, 2002;

"Group" means the Bank together with its Subsidiaries;

"Guarantee Payments" means (without duplication) payments under this Guarantee in respect of (a) any declared but unpaid Preferred Dividends on the Preferred Securities for the most recent Preferred Dividend Period; (b) any compulsory Preferred Dividends pursuant to, and in accordance with, Article 4 of the Issuer's Articles of Association; (c) the Redemption Price payable with respect to any Preferred Securities due to be redeemed by the Issuer; (d) the Liquidation Distributions due on the Liquidation Date; and (e) any Additional Amounts (as defined in the Issuer's Articles of Association) payable by the Issuer;

"Holder" means, in relation to any Preferred Security, the member of the Issuer whose name is entered in the Register as holder of such Preferred Security;

"Issuer" means Alpha Group Jersey Limited, a wholly-owned Subsidiary of the Bank incorporated in Jersey;

"Liquidation Date" means the date of final distribution of the assets of the Issuer in the case of a liquidation, dissolution or winding-up of the Issuer (whether voluntary or involuntary);

"Liquidation Distribution" means the Liquidation Preference plus (a) any accrued and unpaid Preferred Dividends (whether or not declared) calculated from and including the immediately preceding Preferred Dividend Payment Date (or, if none, the Closing Date) to but excluding the date of payment, and (b) any Additional Amounts, in each case payable in cash only;

"Liquidation Preference" means the liquidation preference of €1,000 per Preferred Security;

"New Preferred Securities" means the €100,000,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities issued on 1st December, 2003;

"Preferred Dividends" means the non-cumulative dividends in respect of the Preferred Securities as described in the Articles of Association of the Issuer;

"Preferred Dividend Parity Obligations" means the most senior preferred or preference shares or similar securities qualifying as tier 1 capital of the Bank and all preferred or preference shares or similar securities of Subsidiaries qualifying as tier 1 capital of the Bank and entitled to the benefit of any guarantee, support agreement or other contractual undertaking of the Bank ranking *pari passu* with the Guarantee as regards entitlement to distributions thereunder, or all such guarantees, support agreements or contractual undertakings;

"Preferred Securities" means the € Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of the Issuer outstanding, each with a Liquidation Preference of €1,000, and including the Existing Preferred Securities, the New Preferred Securities and any further Preferred Securities of the Issuer of the same series issued after the Closing Date and ranking *pari passu* with the Preferred Securities;

"Redemption Date" means the date on which the Preferred Securities are redeemed by the Issuer;

"Redemption Price" means, in respect of the Preferred Securities, €1,000 per Preferred Security;

"Register" means the register of Holders maintained outside the United Kingdom on behalf of the Issuer; and

"Subsidiary" means any corporation or other person or entity more than 50 per cent. of whose equity share capital is owned by the Bank or 20 per cent., at least, of whose equity share capital is directly or indirectly controlled by the Bank and whose board of directors is controlled by the Bank or which is consolidated in the most recent annual audited consolidated financial statements of the Bank or which will be so consolidated in the next annual audited consolidated financial statements of the Bank.

2. GUARANTEE

Subject to the limitations contained in the following paragraphs, the Bank irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (except to the extent paid by the Issuer), as and when due, regardless of any defence, right of set-off or counterclaim which the Issuer may have or assert. This Guarantee is continuing, irrevocable and absolute.

3. LIQUIDATION DISTRIBUTIONS

Notwithstanding paragraph 2 above, if, at the time that any Liquidation Distribution is to be paid by the Bank in respect of the Preferred Securities, proceedings are pending or have been commenced for the voluntary or involuntary liquidation, dissolution or winding-up of the Bank, payment under this Guarantee of such Liquidation Distributions and payment by the Bank in respect of any liquidation distributions payable with respect to Liquidation Parity Obligations, shall not exceed the amount that would have been paid as the liquidation distribution from the assets of the Bank (after payment in full in accordance with the Greek law of all creditors of the Bank, including holders of its subordinated debt but excluding holders of any liability expressed to rank *pari passu* with or junior to this Guarantee) had the Preferred Securities and all such Liquidation Parity Obligations been issued by the Bank and ranked (a) junior to all liabilities of the Bank (other than any liability expressed to rank *pari passu* with or junior to this Guarantee) ("Senior Creditors"), (b) *pari passu* with the most senior preferred securities or preference shares, if any, of the Bank and (c) senior to all Junior Obligations.

4. ADDITIONAL AMOUNTS

All Guarantee Payments made hereunder in respect of the Preferred Securities by the Bank will be made without withholding or deduction for, or on account of, any Greek Tax, unless the withholding or deduction of such Greek Tax is required by law. In that event, the Bank will pay such Additional Amounts as may be necessary in order that the net amounts received by the Holders of Preferred Securities after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Preferred Securities in the absence of such withholding or deduction; except that no such Additional Amounts will be payable to a Holder of Preferred Securities (or to a third party on his behalf) with respect to any Preferred Security (i) to the extent that such Greek Tax is imposed or levied by virtue of such Holder (or the beneficial owner of such Preferred Security) having some connection with Greece, other than being a Holder (or beneficial owner) of such Preferred Security, or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th–27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive or (iii) who would have been able to avoid such withholding or deduction by presenting the Preferred Securities to another Paying and Transfer Agent in a Member State of the European Union.

5. CONTINUING GUARANTEE

The obligations, undertakings, agreements and duties of the Bank under this Guarantee shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer; or

(b) the extension of time for the payment by the Issuer of all or any portion of the Preferred Dividends, Redemption Price, Liquidation Distributions or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities; or

(c) any failure, omission, delay or lack of diligence on the part of Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind; or

(d) the voluntary or involuntary liquidation, dissolution, amalgamation, reconstruction, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganisation, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer; or

(e) any invalidity of, or defect or deficiency in, the Preferred Securities; or

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

There shall be no obligation on the Holders to give notice to, or obtain consent of, the Bank with respect to the happening of any of the foregoing.

6. DEPOSIT OF GUARANTEE

This Guarantee shall be deposited with and held by Citibank, N.A. as Principal Paying and Transfer Agent until all the obligations of the Bank have been discharged in full. The Bank hereby acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, this Guarantee.

It is specifically agreed that the place of performance of any and all obligations of the Bank under this Guarantee shall be London, England and consequently any and all payments of the Bank under this Guarantee shall be made out of bank accounts maintained with banks legally operating and situated in London, England.

7. ENFORCEMENT; RIGHTS OF REMEDY

(a) A Holder may enforce this Guarantee directly against the Bank, and the Bank waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before proceeding against the Bank. Subject to paragraph 8, all waivers contained in this Guarantee shall be without prejudice to the right to proceed against the Issuer. The Bank agrees that this Guarantee shall not be discharged except by payment of the Guarantee Payments in full and by complete performance of all obligations of the Bank under this Guarantee.

(b) Following a breach by the Bank of its payment obligations under this Guarantee, a Holder may petition for the winding-up of the Bank and claim in the liquidation of the Bank but no other remedy shall be available to the Holder.

(c) No Holder shall, following any breach by the Bank of any of its obligations under this Guarantee, be entitled to exercise any right of set-off or counterclaim which may be available to it against amounts owing by the Bank to such Holder. Notwithstanding the provisions of the foregoing sentence, if any of the said rights and claims of any Holder against the Bank is discharged by set-off, such Holder will immediately pay an amount equal to the amount of such discharge to the Bank or, in the event of its winding-up, the liquidator of the Bank and until such time as payment is made, will hold a sum equal to such amount in trust for the Bank, or the liquidator of the Bank and accordingly such discharge will be deemed not to have taken place.

(d) In the event of a winding-up of the Bank if any payment or distribution of assets of the Bank of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Bank being subordinated to the payment of amounts owing under this Guarantee, shall be received by any Holders before the claims of Senior Creditors have been paid in full, such payment or distribution shall be held in trust by the Holder, as applicable, and shall be immediately returned by it to the liquidator of the Bank and in that event, the receipt by the liquidator shall be a good discharge to the relevant Holder. Thereupon, such payment or distribution will be deemed not to have been made or received.

8. SUBROGATION

The Bank shall be subrogated to any and all rights of the Holders against the Issuer in respect of any amounts paid to the Holders by the Bank under this Guarantee. The Bank shall not (except to the extent required by mandatory provisions of law) exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of a payment under this Guarantee, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee. If any amount with respect to the Preferred Securities shall be paid to the Bank in violation of the preceding sentence, the Bank agrees to pay over such amount to the Holders.

9. STATUS

(a) The Bank acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the Preferred Securities and that the Bank shall be liable as principal and sole debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee, notwithstanding the occurrence of any event referred to in paragraph 5.

(b) Subject to applicable law, the Bank agrees that the Bank's obligations hereunder constitute unsecured obligations of the Bank and rank and will at all times rank (i) junior to Senior Creditors, (ii) *pari passu* with the most senior preferred or preference shares, if any, of the Bank and (iii) senior to the Bank's ordinary shares.

10. UNDERTAKINGS OF THE BANK

(a) The Bank undertakes that it will not issue any preferred or preference shares ranking senior to its obligations under this Guarantee or give any guarantee in respect of any preference shares issued by any Subsidiary if such guarantee would rank senior to this Guarantee (including, without limitation, any guarantee that would provide a priority of payment with respect to Distributable Funds) unless, in each case, (i) this Guarantee is changed to give the Holders such rights and entitlements as are contained in or attached to such preferred or preference shares or such other guarantee so that this Guarantee ranks *pari passu* with, and contains substantially equivalent rights of priority as any such preferred or preference shares or other guarantee and (ii) the most recent Dividend payment on the Preferred Securities has been paid in full either by the Issuer or by the Bank pursuant to this Guarantee.

(b) The Bank undertakes that any amount required to be paid pursuant to this Guarantee in respect of any Preferred Dividend payable in respect of the most recent Preferred Dividend Period will be paid before any payment or other distribution in respect of any dividends (except distributions in kind or dividends in the form of the Bank's ordinary shares or other shares of the Bank ranking junior to the obligations of the Bank under this Guarantee) upon the Bank's ordinary shares or any other shares of the Bank ranking junior to this Guarantee (whether issued directly by the Bank or by a Subsidiary and entitled to the benefits of a guarantee ranking junior to this Guarantee).

(c) The Bank undertakes that, unless one of the provisions of article 16 paragraphs 2(b) to (f) or paragraph 5 of Greek Codified Law 2190/1920 applies which does not result in a decrease of the Bank's own funds for the purposes of Greek capital adequacy requirements, if the Bank's Junior Obligations are redeemed, repurchased or otherwise acquired for any consideration (or any moneys are paid to or made available for a sinking fund for the redemption of any such Junior Obligations) by the Bank or any Subsidiary (except by conversion into or in exchange for shares of the Bank ranking junior to this Guarantee), the Bank will procure that the Issuer will pay, or set aside payment with respect to, full Preferred Dividends on all outstanding Preferred Securities for four consecutive Preferred Dividend Periods.

(d) The Bank undertakes to maintain the Issuer as a wholly-owned Subsidiary for so long as any Preferred Security remains in issue. The Bank undertakes that, so long as any of the Preferred Securities are outstanding, unless the Bank of Greece has given its prior approval or unless the Bank is itself in liquidation, the Bank will not permit, or take any action to cause, the liquidation, dissolution or winding-up of the Issuer.

(e) The Bank undertakes to procure that the Issuer will maintain at all times whilst the Preferred Securities are outstanding, (i) whilst the Preferred Securities are listed on the Luxembourg Stock Exchange, a Paying and Transfer Agent in Luxembourg, (ii) a Registrar having its office outside the UK and (iii) a Paying and Transfer Agent having a specified office in a European Union Member State (if available) that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

11. TERMINATION

With respect to the Preferred Securities, this Guarantee shall terminate and be of no further force and effect upon payment of the Redemption Price or purchase and cancellation of all Preferred Securities or full payment of the Liquidation Distributions and liquidation of the Issuer, provided however that this Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time payment of any sums paid under the Preferred Securities or this Guarantee must be restored by a Holder for any reason whatsoever.

12. TRANSFER

Subject to operation of law, all guarantees and agreements contained in this Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Bank and shall inure to the benefit of the Holders. The Bank shall not transfer its obligations hereunder without the prior approval of the Holders of not less than two-thirds of the Preferred Securities (excluding any Preferred Securities held by the Bank or any entity of which the Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or similar ownership interests), which consent shall be obtained in accordance with procedures contained in the

Issuer's Articles of Association and the applicable law of Jersey; provided, however, that the foregoing shall not preclude the Bank from merging or consolidating with, or transferring or otherwise assigning all or substantially all of its assets to, a banking organisation organised under the laws of Greece or another European Union Member State, without obtaining any approval of such Holders.

13. AMENDMENTS

Except for those changes (a) required by paragraph 10(a) above, (b) which do not adversely affect the rights of Holders, or (c) necessary or desirable to give effect to any one or more transactions referred to in the proviso to paragraph 12 above (in any of which cases no agreement will be required), this Guarantee shall be changed only by agreement in writing signed by the Bank with the prior approval of the Holders of not less than two-thirds of the Preferred Securities (excluding any Preferred Securities held by the Bank or any entity of which the Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or other similar ownership interests), in accordance with the procedures contained in the Issuer's Articles of Association and the applicable law of Jersey.

14. NOTICES

Any notice, request or other communication required or permitted to be given hereunder to the Bank shall be given in writing by delivering the same against receipt therefor or by facsimile transmission (confirmed by mail) addressed to the Bank, as follows (and if so given, shall be deemed given upon mailing of confirmation, if given by facsimile transmission), to:

Alpha Bank AE
40 Stadiou Street
GR 102 52 Athens
Greece

Facsimile: + 30 2 10 326 4004
Attention: Head of Treasury Department

The address of the Bank may be changed at any time and from time to time and shall be the most recent such address furnished in writing by the Bank to Citibank, N.A. as Principal Paying and Transfer Agent.

Any notice, request or other communication required or permitted to be given hereunder to the Holders shall be given by the Bank in the same manner as notices sent by the Issuer to Holders.

15. MISCELLANEOUS

(a) This Guarantee is solely for the benefit of the Holders and is not separately transferable from the Preferred Securities.

(b) The Bank will furnish any Holder, upon request of such Holder, with a copy of its annual report, and any interim reports made generally available by the Bank to holders of the ordinary shares of the Bank.

(c) The Bank hereby waives notice of acceptance of this Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of non-payment, notice of dishonour, notice of redemption and all other notices and demands.

16. GOVERNING LAW AND JURISDICTION

(a) This Guarantee shall be governed by, and construed in accordance with, English law save that paragraphs 3 and 9(b) shall be governed by, and construed in accordance with, Greek law.

(b) The Bank hereby irrevocably agrees for the benefit of the Holders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") may be brought in such courts.

(c) The 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 final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Bank and may be enforced in the courts of any other jurisdiction. Nothing contained in this paragraph shall limit any right to take Proceedings against the 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 competent jurisdictions, whether concurrently or not.

(d) The Bank will receive service of process in respect of this Guarantee at its London branch for the time being (being at the date hereof, 66 Cannon Street, London EC4N 6EP) in respect of any Proceedings.

IN WITNESS WHEREOF this Guarantee has been manually executed as a deed poll on behalf of the Bank

Executed as a deed by
ALPHA BANK AE
acting by

. . . . Director

and

. . . . Director/Secretary

in the presence of:

. . . .

Witness's signature

Name:

Address:

Dated 1st December, 2003"

USE OF PROCEEDS

The net proceeds of the issue of the New Preferred Securities, excluding the accrued Preferred Dividend paid as part of the issue price of the New Preferred Securities, amounting to approximately €100,000,000, will be used by the Bank and/or its consolidated subsidiaries for general banking purposes.

ALPHA GROUP JERSEY LIMITED

History

Alpha Group Jersey Limited (the "Issuer") was incorporated in Jersey on 21st November, 2002 for an unlimited duration and with limited liability under the laws of Jersey with registered number 84392.

The registered office of the Issuer is Whiteley Chambers, Don Street, St. Helier, Jersey JE4 9WG. The Issuer has no place of business in Greece.

Business

The Issuer is a wholly-owned subsidiary of Alpha Bank AE. The Issuer has no subsidiaries. It was formed to act as a general finance vehicle for the Group. It has no operating history other than the issue of the Existing Preferred Securities.

Share Capital

(a) The existing issued Ordinary Securities of the Issuer are not listed on the Luxembourg Stock Exchange or on any other stock exchange and are not dealt on any other recognised market.

(b) The Issuer has an authorised share capital of up to €301,000,000 divided into 1,000,000 Ordinary Securities of €1 each and 300,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of €1,000 each.

At the date hereof 20,000 Ordinary Securities and 200,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities have been issued and are fully paid. There has been no subsequent change in the share capital of the Issuer.

(c) The holders of the Ordinary Securities of the Issuer have no rights of pre-emption or preferential subscription rights in respect of the Preferred Securities.

(d) No capital of the Issuer is under option or is agreed conditionally or unconditionally to be put under option.

Capitalisation of Alpha Group Jersey Limited

The table below sets forth the capitalisation of the Issuer, prepared at 31st December, 2002:

	At 31st December, 2002	
	Actual	*As Adjusted*[3]
	€	€
Held to Maturity Securities	200,000,000	300,000,000
Cash, cash equivalents and other assets	839,867	839,867
Short-term debt[1]	Nil	Nil
Long-term debt	Nil	Nil
Net assets	200,839,867	300,839,867
Shareholders' equity:		
Share capital	20,000	20,000
Preferred Securities[3]	200,000,000	300,000,000
Retained earnings	819,867	819,867
Total shareholders' equity	200,839,867	300,839,867
Total capitalisation[2]	200,839,867	300,839,867

1. Figures include current portion of long-term debt.
2. Includes short-term debt, long term debt and total shareholders' equity
3. The "As Adjusted" figures reflect the issue of the New Preferred Securities, and excludes the accrued Preferred Dividend paid as part of the issue price of the New Preferred Securities.

There have been no material changes in the total capitalisation of the Issuer since 31st December, 2002.

Indebtedness

Since the date of its incorporation, the Issuer has not had outstanding any loan capital and has not incurred any other borrowings or indebtedness and has had no contingent liabilities or granted any guarantees.

Dividends

The following dividends have been paid in respect of the 200,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities issued by the Issuer on 5th December, 2002:

Amount per Share	*Total Amount*	*Date*
€	€	€
14.19	2,838,000	5th March, 2003
13.17	2,634,000	5th June, 2003
12.48	2,496,000	5th September, 2003

Directors

(a) The Directors of the Issuer and their principal activities outside the Issuer are as follows:

Name	*Function in the Issuer*	*Principal Activity Outside the Issuer*
John Coxon	Director	Senior Manager Financial Control and Company Secretary of Alpha Bank London Limited
George Kontos	Director	Manager of Alpha Bank AE
Nikolaos Zagorissios	Director	Employee of Alpha Bank AE
Michael Lombardi	Director	Partner of Ogier & Le Masurier, Jersey
Peter Gatehouse	Director	Director of Ogier SPV Services Limited

For the purpose of this Offering Circular, the business address of each of the Directors is that of the Issuer's registered office.

(b) The Directors do not, and it is not proposed that they will, have service contracts with the Issuer. No Director has entered into any transaction on behalf of the Issuer which is or was unusual in its nature of conditions or is or was significant to the business of the Issuer since its incorporation.

At the date of this Offering Circular there were no loans granted or guarantees provided by the Issuer to any Director.

(c) As at the date of this Offering Circular, the Directors have not received, nor is it expected that they will receive, any remuneration for the provision of their services as directors of the Issuer. Michael Lombardi is a partner of Ogier & Le Masurier, the Jersey legal adviser to the Issuer, and Peter Gatehouse is a director of Ogier SPV Services Limited, both of which derive fees from the provision of legal and administrative services to the Issuer. Ogier & Le Masurier is associated with the Ogier Group Partnership, the owner of Ogier Fiduciary Services Limited. Ogier Fiduciary Services Limited is the holding company of Ogier SPV Services Limited, the secretary and corporate services provides to the Issuer.

(d) The Articles of Association of the Issuer provide that:

Subject to the provisions of the Law, any Director may vote on any proposal, arrangement or contract in which he is materially interested provided he has disclosed the nature of his interest in it prior to its consideration and any vote thereon.

The remuneration of the Directors shall from time to time be determined by the Issuer in general meeting.

Subject to the provisions of the Articles of Association, a Director shall hold office until such time as he is removed from office by resolution of the Issuer in general meeting.

For purposes of the Issuer's Articles of Association, "Law" means the Companies (Jersey) Law, 1991, as the same may be amended from time to time.

Secretary

The Secretary of the Issuer is Ogier SPV Services Limited of Whiteley Chambers, Don Street, St. Helier, Jersey JE4 9WG.

General

(a) Since 31st December, 2002, the date of the Issuer's latest audited financial statements, there has been no significant change in the trading or financial position of the Issuer.

(b) KPMG, of 5 St. Andrews Place, Charing Cross, St. Helier, Jersey JE4 8WQ have been appointed as auditors to the Issuer. It is intended that the Issuer will prepare financial statements on an annual basis.

(c) No transactions have occurred since incorporation of the Issuer other than (i) the allotment of the shares described under "Capitalisation" above, (ii) the execution of the Subscription Agreement dated 4th December, 2002 and the Agency Agreement dated 5th December, 2002, relating to the Existing Preferred Securities and of a Corporate Administration Agreement dated 5th December, 2002 and made between the Issuer and Ogier SPV Services Limited and (iii) the execution of the Subscription Agreement dated 26th November, 2003 and the Supplemental Agency Agreement to be dated 1st December, 2003, each as described in this Offering Circular.

Financial Statements

The financial statements of the Issuer (the "Financial Statements") for the period ended 31st December, 2002 are reproduced on pages 37 to 46 below. References therein to page numbers are to the page numbers of the original Financial Statements.

KPMG
P.O. Box 453
St. Helier
Jersey JE4 8WQ
Channel Islands

45 The Esplanade
St. Helier
Jersey JE4 8WQ
Channel Islands

Independent auditors' report to the members of Alpha Group Jersey Limited

We have audited the financial statements on pages 4 to 15.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law; we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable Jersey law and UK accounting standards. Our responsibilities, as independent auditors, are established in Jersey by law, the UK Auditing Practices Board, the Luxembourg Stock Exchange, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the UK Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

KPMG

Chartered Accountants
14th March, 2003

ALPHA GROUP JERSEY LIMITED

Income statement for the period ended 31 December 2002

		21 November 2002 to 31 December 2002	
	Notes	*€*	*€*
Revenue			
Note interest	3		819,867
Expenditure		Nil	
Net profit for the period			819,867
Dividend proposed	2		Nil
Retained profit for the period			819,867

Continuing activities: all the items dealt with in arriving at the net profit for the period relate to continuing activities.

ALPHA GROUP JERSEY LIMITED

Balance Sheet as at 31 December 2002

	Notes	*31 December 2002* €	€
Non Current Assets			
Held-to-maturity securities	3		200,000,000
Current Assets			
Interest receivable		819,867	
Cash and cash equivalents	4	20,000	
		839,867	
Net Current Assets			839,867
Total Assets			200,839,867
Represented by:			
Share capital	5		200,020,000
Profit and loss account			819,867
Equity Shareholder's Funds			200,839,867

The accounts on pages 4 to 15 were approved by the Board of Directors on 6th March, 2003 and signed on their behalf by:

Michael Lombardi

Director

ALPHA GROUP JERSEY LIMITED

Statement of cash flows for the period ended 31 December 2002

	Notes	*21 November 2002 to 31 December 2002*
Net profit from ordinary activities		819,867
Interest receivable		(819,867)
Net cash provided by operating activities		Nil
Investing activities		
Purchase of held-to-maturity securities	3	(200,000,000)
Net cash used in investing activities		(200,000,000)
Financing activities		
Proceeds from Issue of ordinary share capital	5	20,000
Proceeds from Issue of preferred securities	5	200,000,000
Net cash provided by financing activities		200,020,000
Net increase in cash and cash equivalents		20,000
Cash and cash equivalents at 21st November, 2002		—
Cash and cash equivalents at 31st December, 2002		20,000

ALPHA GROUP JERSEY LIMITED

Statements of Equity Changes for the period ended 31st December, 2002

	Share Capital €	*Retained Profit* €	*Total* €
Balance at 21st November, 2002	—	—	—
Changes in equity resulting from capital contributions			
Issue of ordinary shares	20,000	—	20,000
Issue of preferred securities	200,000,000	—	200,000,000
Changes in equity recognised in Income			
Net profit for the period	—	819,867	819,867
Balance at 31st December, 2002	200,020,000	819,867	200,839,867

ALPHA GROUP JERSEY LIMITED

Notes to the financial statements for the period ended 31st December, 2002

1. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). A summary of significant policies is as follows:

(a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

(b) Foreign currencies

Transactions denominated in foreign currencies are translated to Euro at the rate ruling on the date of the transaction. Assets and liabilities at the balance sheet date denominated in foreign currencies are translated to Euro at the rate ruling on the balance sheet date. Any gains or losses arising on translation are recognised in the profit and loss account.

(c) Taxation

The Company is a Jersey exempt company for taxation purposes and is subject to an annual fee of GBP600. This expense has been borne by Alpha Bank AE.

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks, and any short term investments with maturities not exceeding three months from the date of acquisition.

(e) Functional currency

Due to the fact that the Company's operation's are carried out in Euro, the Company has adopted the Euro as its functional currency as opposed to Sterling, the currency of Jersey where the Company is incorporated and resident.

(f) Held-to-maturity securities

The Company has adopted IAS 39, Financial Instruments, and classified its loan note receivables as held-to-maturity securities. Held-to-maturity securities are stated at cost less provisions for non-recoverability. The terms relating to the company's held-to-maturity securities are detailed in note 3.

(g) Interest income and expenditure

Interest income and expenditure arising on the companies financial assets and liabilities is recognised in the income statement on an accruals basis.

(h) Operating expenditure

Operating expenses are recognised in the income statement on an accruals basis. In the current year operating expenses were of an immaterial amount and were not accrued for. Initial legal fees of EUR 61,236 associated with incorporation were paid by Alpha Bank AE and appear in their consolidated financial statements and, as these are non recurring fees and as such consultations were with Alpha Bank AE, do not appear in the company's financial statements .The relationship between these parties is set out in Notes 7 and 8. Going forward, the relevant margin has been increased on the Notes held by 3 basis points which will create a sufficient spread over interest payments on the Preferred Securities to facilitate payment of any expenses incurred and is reflected in paragraph 9 of the revised pricing supplement.

(i) Dividends

In accordance with IAS 10, dividends are recognised as a liability in the accounting period in which they are proposed and declared.

2. Dividends

In accordance with Note 1(i) above, no dividend was declared in 2002 and, thus, no liability exists at the period end. Subject to sufficient distributable reserves being available, the directors plan to pay dividends on the Preferred Securities as discussed in Note 5.

3. Held to maturity securities

	31st December, 2002 €
Alpha Credit Group plc	200,000,000

On 5th December, 2002, Alpha Group Jersey Limited purchased 200,000 €l,000 Floating rate subordinated callable notes ("the Notes") maturing in 2033, redeemable at par. The notes were issued by Alpha Credit Group plc as a part of their €3,000,000,000 Euro Medium Term Note Programme guaranteed by Alpha Bank AE, and were purchased by the company at par.

The Notes earn interest based on three month EURIBOR plus the Relevant Margin, payable quarterly in arrears on 5th March, 5th June, 5th September and 5th December annually starting in 2003. The Relevant Margin is set initially at 2.680 per cent. until (but not including) the Interest Payment Date in December 2012, and rises to 4.005 per cent. thereafter.

An optional redemption date exists on each interest payment date from and including the first call date, at 100 per cent. of the par value, subject to prior consent of the Guarantor and the Bank of Greece. The Notes are redeemable in full only, and are redeemable only at the option of the issuer.

Application has been made to list the notes on the Luxembourg Stock Exchange.

If at any time falling prior to but excluding the First Call Date, a Capital Event (as defined in the Pricing supplement to the Notes) has occurred and is continuing, the Notes may be redeemed, in whole but not in part, at the option of the Issuer on the next interest payment date, upon not less than 30 or more than 60 days notice to the noteholders. Upon the expiry of such notice, the Issuer shall be bound to redeem the notes at par, plus any additional amounts remaining unpaid.

4. Cash and cash equivalents

	31st December, 2002 €
Cash at bank — call account	—
— current account	20,000
— fixed deposit account	—
	20,000

5. Share capital

	31st December, 2002 €
Authorised:	
1,000,000 €1 ordinary shares	1,000,000
300,000 €l,000 preferred securities	300,000,000
	301,000,000
Allotted, called up, issued and fully paid:	
20,000 €1 ordinary shares	20,000
200,000 €1,000 preferred securities	200,000,000
	200,020,000

During the period the Company issued 20,000 ordinary shares of €1 each. These shares entitle holders to voting rights at any annual general meeting of the company, to ordinary dividends as may be declared by the directors from time to time, and to participate in the winding up of the company.

On 5th December, 2002, the company issued 200,000 €l,000 Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities (the "Preferred Securities") each with a liquidation preference of €1,000. The directors have considered the characteristics of these securities, and the requirements of IAS 32 "Financial Instruments: Disclosure and Presentation", and consider that the most appropriate classification of these securities is as equity.

All obligations of the Issuer to make payments in respect of the Preferred Securities will be guaranteed on a subordinated basis by Alpha Bank AE pursuant to a subordinated guarantee dated 5th December, 2002.

The Preferred Securities entitle holders to receive non-cumulative preferential cash dividends payable quarterly on 5th March, 5th June, 5th September, and 5th December annually, commencing on 5th March, 2003. In relation to any preferred dividend period, the rate of preferred dividend shall be the sum of three month Euribor and the relevant margin. The Relevant Margin is set initially at 2.650 per cent. until (but not including) the Interest Payment Date in December 2012, and rises to 3.975 per cent. thereafter.

Payments of dividends on the Preferred Securities are non-cumulative and are subject to the provisions regarding distributions contained within the Companies (Jersey) Law 199l, and within the Offering Circular. The issuer will not be permitted to pay any Preferred Dividend on the Preferred Securities if such a amount would exceed the funds available for distribution.

The Preferred Securities are perpetual securities and have no fixed redemption date. However, the Preferred Securities may be redeemed at the option of the issuer, in whole but not in part, on the First Call Date (5th December 2012) or on any Preferred Dividend Payment Date falling thereafter, upon not less than 30 nor more than 60 days' notice. Redemption is subject to the consent of Alpha Bank AE and the Bank of Greece. On such a redemption, the holders will be entitled to receive the Redemption price plus accrued and unpaid Preferred Dividends in respect of the most recent Preferred Dividend period.

If at any time falling prior to but excluding the First Call Date, a Capital Disqualification Event (as defined in the Description of the Preferred Securities within the Offering Circular) has occurred and is continuing, the Preferred Securities may be redeemed, in whole but not in part, at the option of the Issuer on the next interest payment date, upon not less than 30 or more than 60 days notice to the holders.

In the event of a liquidation, dissolution or winding-up of the Issuer, holders of the Preferred Securities will be entitled to receive, for each Preferred Security, a liquidation preference of €1,000 plus accrued and unpaid Preferred Dividends for the then current Applicable Preferred Dividend Period to the date of payment.

Holders of the Preferred Securities will not be entitled to vote at any general meeting of shareholders of the Company. However, they are entitled to elect two additional Directors to the board if in respect of four consecutive Dividend periods, Preferred Dividends on the Preferred Securities have not been paid in full, or if

Alpha Bank AE breaches its payment obligations under the Guarantee. Such Directors will vacate their office if Preferred Dividends are resumed by the company, or payments by Alpha Bank AE in respect thereof are made in full.

The Preferred Securities are represented on issue by a single global certificate in registered form. The Global Certificate will be registered in the name of Citivic Nominees Limited. Application has been made to list the Preferred Securities on the Luxembourg Stock Exchange.

For a more detailed description of the Preferred Securities, reference should be made to the ''Description of the Preferred Securities'' as set out in the Offering Circular dated 4th December, 2002.

6. Financial Instruments

In pursuing its objectives as a group financing vehicle, the Company holds a number of financial instruments. These comprise:

— floating rate notes issued by Alpha Credit Group PLC

— cash and cash equivalents

— short term debtors and creditors arising from it's operations

— equity instruments

The main risks arising from holding the Company's financial instruments are detailed below together with the policies adopted by the Board to manage the risk.

Interest rate risk

The Floating Rate Note held by the Company bears interest at 3 month Euribor, plus the relevant margin, as detailed in Note 3 The interest on the Preferred Securities bears interest at 3 month Euribor, plus the relevant margin, as detailed in Note 5. As the relevant margin on the Floating Rate Notes exceeds the margin on the Preferred Securities by 3 basis points, the Directors' believe that interest rate risk facing the company has been minimised.

Credit risk

Credit risk is the risk that a counterparty will be unable or unwilling to meet a commitment that it had entered into with the Company. Floating Rate Notes held by the Company have been issued to companies who are related to the Company's ultimate controlling party. It is the opinion of the Directors that there is no significant credit risk to the Company. Alpha Bank AE will guarantee payments on the Preferred Securities in respect of any declared but unpaid Preferred Dividends, payments on liquidation of the Issuer, payments on redemption of the Preferred Securities and any additional amounts as specified in the Offering Circular dated 4th December, 2002.

Currency risk

All significant assets and liabilities are denominated in Euro. Accordingly, the Directors believe that the effects of fluctuations in exchange rates are likely to have minimal effect on the Company.

Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its payment obligations as they fall due.

Additionally, under the terms set out in the offering circular dated 4th December, 2002, distributions on the Preferred Securities will only be paid under certain conditions (as explained more fully in note 5).

As explained in note 1(h) above, operating expenses incurred to date have been borne by the parent company.

Accordingly, the Directors believe that the liquidity risk facing the company has been minimised.

Maturity of financial assets and liabilities

The maturity of the Company's financial assets as at 31st December, 2002 was as follows:

	31st December, 2002
	€
Within one year	839,867
Between one and five years	—
Five years or more	200,000,000
Total	200,839,867

No financial liabilities were held by the company at the period end.

Fair values of financial assets

There is no material difference between the carrying value and the fair value of the financial assets disclosed in the balance sheet.

7. Related parties

The following are related parties of the Company:

— Alpha Credit Group PLC by virtue of the common control exercised by Alpha Bank AE;

— Alpha Bank AE as ultimate controlling party.

Peter Gatehouse is a director of Ogier SPV Services Limited which receives fees from the Company for the provision of company secretarial and other administrative services; and

Michael Lombardi is a partner of Ogier & Le Masurier, which may receive fees for providing legal advice from time to time in respect of the Company. He is also partner in the Ogier Group Partnership which holds all of the shares in Ogier Fiduciary Services Limited, of which Ogier SPV Services Limited is a wholly owned subsidiary.

G Kontos and N Zagorissios are senior employees of the holding company, Alpha Bank AE.

The transactions with related parties of the Company have been described in notes 1(h), 3 and 5.

8. Controlling party

As at the balance sheet date the Company was a wholly owned subsidiary of Alpha Bank AE which is also, in the opinion of the Directors, the ultimate controlling party of the Company.

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.

ASE	means the Athens Stock 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 1st 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, real estate management, brokerage and information technology services. The Group's extensive national branch network (Alpha Bank: 395 branches, Alpha Private Bank: 17 branches, Alpha Insurance: 1,200 insurance advisors), its international branch network (Alpha Bank: 11 branches, Alpha Bank Cyprus: 29 branches, Alpha Bank Romania: 9 branches, Alpha Bank AD Skopje: 8 branches, Alpha Bank London Ltd: 2 branches) and its extensive ATM network (760 ATMs), 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.

In addition to its national and international networks and its large customer base, the Bank's management considers other competitive strengths of the Group to include the "Alpha" brand name, which is further enhanced through the operation of the Bank as the Grand National Sponsor and Official Bank of the Athens 2004 Olympic Games, its highly motivated and trained personnel and the advanced state of development of its applied IT systems and of the reorganisation and modernisation of its 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 30th June, 2003, consolidated total assets of the Bank were approximately €29.2 billion and customer deposits (including repos) were approximately €22.2 billion. Total shareholders' equity of the Bank on a consolidated basis was approximately €970 million as of 30th June, 2003, with a total BIS ratio of 10.2 per cent. and Tier 1 capital ratio of 7.1 per cent. Approximately 76 per cent. of the Bank's funding is obtained through deposits.

The Bank's equity is widely held by approximately 120,000 individual and institutional shareholders. As of 10th September, 2003, institutional shareholders hold approximately 39.5 per cent. of the Bank's issued capital (of which 22.1 per cent. is owned by international institutional investors and 17.4 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 owns 2.7 per cent. of the Bank's existing issued share capital and also exercises significant influence over the voting rights attaching to a further 8.1 per cent. which are held by members of the founding family and their associates. The remaining 49.7 per cent. of the Bank's share capital is owned by private shareholders. It should be noted that an 8.6 per cent. of the share capital held by Ionian Holdings (as treasury shares) was sold through a book building procedure at 10th September, 2003. The shares of the Bank are listed on the ASE and the London Stock Exchange plc in the form of global depositary receipts.

Recent Developments

Strategy in 2003

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. The Group has taken advantage of the deregulation and consolidation of the Greek financial services and banking industry in the 1990s, as well as of the convergence process of Greece to the basic monetary aggregates of the Eurozone in the period between 1995 and 2000. Following Greece's entry into the Eurozone as of 1st January, 2001, the Group has continued to exploit the 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, insurance and the investment banking sectors, all of which are characterised by growing demand for new investment, insurance and borrowing products in the new Euro environment of very low (in comparison with Greek) interest rates.

The Bank has succeeded in increasing its share of the domestic retail sector (starting from a low base in 2000) 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. The state of the Greek and the international stock markets in 2000-2002, has negatively affected earnings from financial operations, fund management and other stock exchange related commissions, as well as the profitability of the Group in these years. However, net interest income and non-stock exchange related commissions continue to expand steadily. This led to the substantial recovery of profitability in H1 2003. The management believes that the Group, following the extensive restructuring of its branch network (which now essentially covers the whole area of Greece), its reorganisation at the Group level, its continuous technological advancement and its on going effort for effective control of its operational costs, is now well placed to consolidate and 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 H1 2003 serves as an indication of the good prospects of the Group in 2003 and in the following years.

The management of the Bank 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 successful integration of the businesses of the former Ionian and the Alpha Credit Bank Groups and the establishment of the new Alpha Bank Group has led to substantial cost savings and, more importantly, enhanced revenue opportunities. The Bank will continue to place emphasis on advanced technological systems both for the branch network and for the central applications to increase efficiency. The completion of the implementation of the Proteus 21 project (described below) is contributing to a substantial improvement of the Bank's network system for better and faster customer service and increased Group cross-selling opportunities. 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, in an effort to adjust to the new environment of low interest rates within the Eurozone, 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 certain banking, financial and brokerage services via the telephone, personal computer, the internet and the mobile phone.

The management of the Bank 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 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 equity and bond based products and services, following the stock market recovery since April 2003, as the Bank believes customers will eventually 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 June 2003 are approximately 22.2 per cent. of 2003 GDP compared with the level of development of other markets in Europe and in particular in the Eurozone (outstanding balances are approximately 47 per cent. of GDP). The low interest rate environment, after entry into the Eurozone, still gives rise to a continuous demand for these products. In particular, the management of the Bank 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 merchant acquirer (35 per cent. market share) and issuer (28 per cent. market share), both of Visa cards (including the Athens 2004 Visa and the Dynamic Visa), AMEX cards and Alpha Bank MasterCard. In addition, the Bank intends to build on the success of the Dynamic Visa card (launched in 1996) to further increase the number of store and co-branded cards. Of particular importance is the new project of the Bank in issuing a new Athens 2004 co-branded Visa card bearing logos of the major Olympic sponsors Alpha Bank, OTE and COSMOTE. In addition all Alpha Bank Visa cards are set to participate in the new customer loyalty scheme ''Epathlon'' (a program offering to users redemption of bonus points with large retailers) with the target to issue 450,000 new cards in the following five years and entice 700,000 program participants.

The management of the Bank considers that the Group's gradually expanding network of offices 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 offices are opened as appropriate opportunities arise, while the Group's investment in the region, amounting to around €230 million, is still relatively small in relation to the total assets of the Group as a whole, while new capital commitments in the near future will also stay at relatively low level. 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 6 per cent. currently of total earnings of the Group to 15 per cent. by 2006. The operations in these areas focus on servicing the Group's Greek clients active in the region, but in the last few years there have been growing opportunities to service domestic and other foreign companies in these areas as well.

The Olympic Sponsorship: In February 2001, the Bank was appointed Grand National Sponsor and Official Bank of the Athens 2004 Olympic Games, an event of great national significance.

The real significance of the sponsorship lies in the communication opportunities it creates. The Bank aims to promote the Olympic ideal to the best of its abilities by mobilising its staff on behalf of the Olympic Games, by launching Olympic banking products, and by organising events related to the Olympic Games.

As regards special Olympic events, the Bank designed the ''Alpha Bank Panorama of Olympic Sports'' which has been present since September 2001, with the aim of covering the capitals of all Greek prefectures and the largest cities in Cyprus by June 2004. As of mid-September 2003, 50 Panorama events have already been organised with beneficial effects to the Bank's corporate image. The Bank also assumed the sponsorship of the Athens Annual Marathon, which will be promoted as the ''Athens Classic Marathon — Alpha Bank''. The promotion of the Bank as Official Bank of the Athens 2004 Olympic Games commenced in March 2001 with announcements in the press, and will continue up to commencement and completion of the Games. The Bank sees it as a unique opportunity to further promote its brand name and profitability.

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 10th 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 ASE 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 19th 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 11th 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.

According to the plan, 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 395 bank branches and 17 private banking branches, supported by an ATM network of some 760 machines, of which 270 machines are off-site. The branch network and the networks of all Group companies, including the network of 1,200 insurance advisors maintained by Alpha Insurance Company, are responsible for the retail banking activities, which 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.

Deposits and Repos: 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 based on the EURIBOR, customer repos, final sales of government bonds and sales of mutual funds and other portfolio investment and bank-assurance products.

A number of mutual fund products, providing a potentially higher-yielding alternative to traditional deposit accounts, are available through the Bank's banking network.

The Bank also offers **capital guarantee products.** These are modern investment products, offering the security of guaranteed capital but also the opportunity to realise gains from a potential future rise in share, currency or rate values. Upon termination, the investor earns the percentage of increase in the price of specific shares or indices, and in the event of a negative course of such indices, he secures his initially deposited capital. The Bank's capital guarantee products are offered in euros or foreign currencies and are of fixed duration.

Finally, as of mid-June the Bank is offering a New Product for the Young People, the **Alpha 1/2/3 Accounts:** This is an integrated offer adapted to the life cycle needs of children, adolescents, young adults and their families. It includes savings accounts, cards, insurance and loans, promoted with the use of gifts, shopping discounts, other promotions and rebates. It also provides educational/recreational opportunities for the young customers through the development of a dedicated website (www.alpha1-2-3.gr). Already, 4,000 accounts by 2,000 customers have been opened, pointing to the great potential of success of the new product.

The Bank has deployed financial planners, serving the affluent client segment, in over 65 branches, with a view to expand in 208 branches by the end of 2003, that is in those branches in which it is economically feasible. An extensive training programme for the staff is currently being implemented. 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. The results have been positive with approximately 25 per cent. of funds being invested on the basis of suggestions by financial planners, representing new money coming from outside the Bank.

Deposits and customer repos amounted to €22.2 billion in June 2003, compared with €23 billion at the end of 2002, €24.6 billion at the end of 2001 and €21.7 billion at the end of 2000. In particular, customer repos decreased in 2002 and 2003 as a result of no longer being tax-exempt, as they were until the end of 2001.

Mutual Funds

Mutual funds amounted to €4.6 billion in June 2003, compared with €3.1 billion at the end of 2002 and €3.8 billion at the end of 2001. Thus, at the end of June 2003, money market mutual funds amounted to 62 per cent. of the total, equity funds amounted to 19 per cent., bond funds amounted to 17 per cent. and balanced funds amounted to 2 per cent. On the other hand, sales of government bonds amounted to €3.8 billion in June 2003, compared with €3.7 billion at the end of 2002 and €2.9 billion at the end of 2001.

Total client savings with the Group were estimated at €30.7 billion, including mutual funds, sales of securities and clients' funds under management (private banking and asset management).

The Bank gives particular emphasis to the strong growth of total funds under management (particularly managed assets such as mutual funds and life insurance products), as well as to a healthy increase of revenue generated in asset management through its main distribution channels.

Loans

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

In particular, in mortgages, Alpha Mortgage Loans offer a favourable interest rate of 4.0 per cent. per annum for the first 18 months and thereafter a choice between fixed rates throughout the duration of the loan or assistance to cover the needs of its clients for purchasing, building, completing or repairing houses or acquiring land. In addition, Alpha Mortgage Loans offer a range of important benefits, such as financing up to 140 per cent. of the property's value or of the cost of its repair and financing expenses related to the purchase of real estate (transfer tax and other transactions costs) with the application of special charges and conditions if the financing exceeds the 100 per cent. of the property value. Also full transparency as regards the loan's terms and conditions, with no hidden charges, applies to all loan categories. Finally, the Bank offers Alpha House Repair Loans, which cover repairs, renovations or improvements to residences, and are made available on flexible terms and procedures so as to reflect fully the specific needs of today's customers.

In the consumer loans sector, an increase was recorded in particular 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 €1,500 to €30,000) and, also, (c) the Alpha 710 Consumer Loan, for purchases of durable goods. In addition, the Bank has tried to take advantage of existing opportunities for instituting close relationships with retail firms, which in order to facilitate the sale of their products, are willing to offer various financing schemes in close co-operation with the Bank. The Bank has used internet technology to develop a pioneering range of flexible financing products, reflecting the special requirements of the firms for faster approval procedures for the loans at the point of sale of the goods but also achieving very low levels of operating costs. In particular, important deals were concluded with firms specialising in the sale of cars and house appliances.

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 the trading (22 per cent. of total loans on a consolidated basis) and manufacturing (19 per cent. of total loans on a consolidated basis) sectors. Loans to the tourism sector as a percentage of the Bank's consolidated loan portfolio decreased to 6 per cent. (from more than 8 per cent. in 1993). More recently, the Bank has targeted smaller companies and has developed a number of innovative products available to this market, including fixed rate mortgages (Alpha 810 account) and working capital loans (Alpha 620). At the end of 2002, the Bank had approximately 50,000 corporate loan accounts outstanding.

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. 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 €19.2 billion at the end of June 2003 compared with €16.4 billion at the end of June 2002, registering an increase of 17.5 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 2002 and 2.6 per cent. at the end of June 2003. Loans to small and medium-sized firms as at the end of June 2003 represented approximately 53 per cent. of total loans, and loans to large corporations represented approximately 21 per cent. of total loans. Mortgage loans, to which the Bank gave special attention in 2002-2003, increased by 101 per cent. in 2002 and by 60 per cent. on a year-on-year basis in June 2003. Alpha Bank's market share in the banking system increased to 14.7 per cent. at the end of June 2003, compared with 9.5 per cent. at the end of 2001. Consumer loans (excluding credit cards) also increased by 32 per cent. in 2002 and by 16 per cent. in June

2003, with Alpha Bank's market share reaching 11.9 per cent. at the end of June 2003, compared with 10.8 per cent. at the end of 2001.

Card Services

In cards, Alpha Bank, with its seventeen different products addressed to individuals and corporations, retains its leading position in the Greek market as regards both the issue of credit cards (market share exceeds 28 per cent.) and transaction clearing (market share approximately 35 per cent.). Alpha Bank also remains the only Greek bank which offers the entire range of Visa, American Express and MasterCard cards. The ATHENS 2004 VISA credit cards were the first Olympic banking products to be launched. They are very popular, since holders have the privilege of participating positively in the preparations for the Olympic Games in Athens. The first such card in circulation was the Gold ATHENS 2004 VISA, a unique, collectable, high-prestige card. In the autumn of 2001, the Silver ATHENS 2004 VISA card was launched, and as of January 2002, the ATHENS 2004 VISA Business card. Part of the revenue generated from these cards will be given to the Organising Committee of the Athens 2004 Olympic Games. The cards have many features that appear for the first time in the Greek market, such as the Epathlon reward scheme. Epathlon is currently Greece's largest multi-retailer customer loyalty scheme launched by the Bank, in partnership with OTE and Cosmote, two Greek leading telecommunication companies. Epathlon is based on a co-branded Athens 2004 VISA card, bearing the logo of the Bank, OTE and Cosmote, all three major sponsors of the Athens 2004 Olympic Games. The rewards earned under the scheme are redeemable in department stores, gas stations, electrical appliance stores as well as travel agencies.

In September 2001, Alpha Bank issued its millionth Visa card in Greece. It is the first Greek bank to attain this level of issuance and was accordingly honoured with an award by Visa International. The Alpha Bank Visa card has a leading position in the credit card market and has become identified with the Bank's name and image. The Corporate Alpha Bank Visa has increased its share of the corporate card market. The Dynamic Visa card is the most successful co-branded card in the Greek market. There has been an increase in the number of cards issued and the turnover of these cards. The debit card Alpha Bank Electron Visa has acquired an extensive customer base, which increased to 1.2 million holders in 2002. A satisfactory percentage of the cards is also used for transactions beyond ATM facilities, such as purchases in shops, thus contributing to the increase of turnover of 33 per cent. in 2002.

The number of American Express cards, of which the Bank is the exclusive issuer in Greece, increased by 16 per cent. in 2002 (over 136,000 cards were in use at the end of June 2003), with a proportionate increase in turnover. The American Express credit card is available to the public and is the main vehicle for expanding the market share of American Express cards. The American Express credit card was offered to those receiving Alpha 702 and Alpha 710 loans, with encouraging results. The "traditional" American Express Green and American Express Gold cards maintain their leading position in the market as regards prestige, and the Corporate American Express Card is considered the most distinguished corporate card. The BMW-American Express Card was also launched in 2001.

The Bank consolidated its relationship with the Europay MasterCard International in early 2001 by issuing 50,000 Alpha Bank MasterCard credit cards and the Alpha Bank Maestro debit card in early 2002. In the field of department store cards, the Clever Shopping Card and Nutriclub Card have now been launched, in addition to the Kalogirou card.

Automated payment terminals have been installed in certain branches for customers to make payments in connection with all cards and mortgage payments. They function by means of a touch screen.

Finally, the Alphalink Network has been provided with terminals of the latest technology, which reduces the time required for transactions by using a modern communication system which serves smart cards and transactions with American Express, Visa and Mastercard cards initiated by entry of Personal Identification Numbers (PINs). The new terminals are part of the Bank's ongoing effort to improve the services it offers. The network consists of 31,750 EFT/POS terminals.

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 it has since increased its participation to 74.99 per cent.

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 25.9 per cent. of total production in general insurance as compared with 28.2 per cent. in 2001. Premium production in 2002 amounted to €122.3 million as compared with €112.9 million in 2001, an increase of 8.3 per cent.

Premia in the life insurance sector increased slightly by 3.4 per cent. to €66.2 million, despite unfavourable conditions prevailing in the market, while premia in the general insurance sector increased by 12.9 per cent. Alpha Insurance is the only company 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 4.3 per cent. in 2002 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 1,200 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 31st December, 2002, Alpha Insurance had total assets of €330.7 million and own funds of €57.8 million. Profits before tax amounted to €1.1 million; a decrease of 70 per cent. as compared with 2001. The main reasons for this result are the negative portfolio revaluation made according to the Greek company law, as well as the high depreciation charges due to investments in systems and technology, and the cost of new premises for Alpha Insurance.

For the period ended on 30th June, 2003, Alpha Insurance posted profit before taxes of €0.4 million. As of the same date, total assets amounted to €350 million and own funds to €57.8 million. Premia in both Life and General Insurance sectors increased to €64.8 million as compared with €58.6 million on 30th June, 2002.

As of 30th June, 2003, Alpha Insurance had 420 employees.

Alpha Leasing

Alpha Leasing, established in 1981, provides a wide range of finance leases to approximately 3,000 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 19 per cent., based on leased assets. At the end of 2002 leased assets amounted to €720.1 million as compared with €633.4 million at the end of 2001. 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 ASE. As of 31st December, 2002 Alpha Leasing had a market capitalisation of €163.9 million and posted profits before tax of €15.3 million, as compared with profits before tax of €11.9 million in 2001, i.e. an increase of 28 per cent. This increase was mainly due to an increase in turnover of 11.9 per cent. and a decrease of operating expenses and extraordinary charges of 16 per cent. and 79.5 per cent. respectively. Total revenues increased to €150.5 million as compared with €134.5 million in 2001. Own funds as of the same date amounted to €252.9 million and total assets to €507.7 million. As of 31st December, 2002, the Bank held directly 75.39 per cent. and indirectly 1.09 per cent. of the issued share capital of Alpha Leasing.

On 30th June, 2003 the company had a market capitalisation of €186.8 million. Its pre-tax profit totalled €8.3 million and own funds €252.9 million. As of the same date, the Bank held directly 75.51 per cent. and indirectly 0.92 per cent. of the company's issued share capital.

As of 30th June, 2003, 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 31st December, 2002, profitability was enhanced, mainly as a result of the successful promotion of factoring services through Alpha Bank's branches and the increase in gross operating results by 35 per cent. Despite high competition in the sector, ABC Factors retained a leading market share of 55 per cent. In 2002, profits before tax amounted to €7.7 million as compared with €3.9 million in 2001. The value of active factoring contracts increased to €1.5 billion and total revenues (net interest and fee income) to €26.8 million. As of 31st December, 2002 own funds amounted to €35.1 million and total assets to €330.1 million.

For the period ended on 30th June, 2003, the company posted a pre-tax profit of €5.5 million. Own funds as of the same date amounted to €35.1 million and total assets to €378.9 million.

As of 30th June, 2003, ABC Factors had 92 employees.

Distribution Network

Branch Re-engineering Proteus 21 Progamme

In 2001, the merger of the Alpha Credit Bank and Ionian Bank branch networks was completed, as was the harmonisation of the corporate identity of the branches in Greece and abroad. Since the merger, 98 branches located in the same areas have been closed, in application of the Bank's policy of reducing operational expenses (rents, costs, maintenance, etc.) and evaluating and redeploying, where applicable, equipment and standardised materials for use in new units. In addition, branches are now operating in areas where the Bank previously had no presence. As of 30th June, 2003, the Bank's network had 395 branches throughout Greece.

The Proteus 21 Programme was completed in October 2002. The branches designed in accordance with its principles are fully functional, including the support centre at Aghia Paraskevi, which supports the operation of 84 branches that were successfully brought under its management. In 2002, the support centres in Piraeus (supporting 82 branches) and in Thessalonica (37 branches) became operational together with five other centres in big urban centres in Greece. In all cases, branches operated as new platform branches, in accordance with the principles of the Programme. The Programme is to create a single back-office organisation.

The Proteus 2l Programme constitutes a fundamental element of the Bank's policy, since redesigning the branches and centralising procedures aims to reinforce sales and attain economies of scale. In addition, new opportunities are created for adopting new trade policies for gaining access to specific market sectors (individuals, firms) and increasing the corresponding market shares.

ATM Network

The Bank created the first ATM network in Greece, which numbered 760 machines at the end of 2002. The ATMs are installed in branches or other premises (272 off-site branches) 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 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. The linking of subscribers with the customer base of credit card holders is currently under consideration.

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 raised bay 50 per cent. by August 2003 as compared with August 2002, 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 Aug 2003) doubled as compared to 2002. 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 will be launched by end of year 2003.

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: In the context of the Proteus 21 Programme, the basic infrastructure for the operation of the Call Centre has been completed. The Call Centre has been installed on the premises of Delta Singular 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.

Corporate Banking, Shipping and International Activities

Corporate Banking

In April 1999, the Bank established a Corporate Banking Division to centralise the management of certain corporate banking functions. This division oversees the accounts of larger corporate customers with the principal aim of enhancing the Bank's relationship with such customers. During 2002 the Bank's relationships with large business groups in the private and state sectors has improved. Loans to large corporations increased by 11 per cent. at the end of 2002 and by 9.5 per cent. on a year-on-year basis at the end of June 2003. In addition, the quality of the loan portfolio and the effectiveness of the relationship with large business groups were improved by offering structured financing in the form of bilateral or syndicated loans, covering such clients' special requirements, and by offering Group products. The Bank arranged the largest loans realised in the Greek market in 2002. The balance of loans to large corporations as of 30th June, 2003 amounted to €2 billion, and they accounted for 11.7 per cent. of the Bank's total loans.

The solid foundations laid in recent years have led to the continued growth of the Bank's relationships with large Greek corporations active in South-Eastern Europe. In particular, the Bank's relations with the leading Greek companies active in Albania, Romania, Bulgaria and FYROM increased, as did the revenue derived from activities in these regions.

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.

In 2002, the Bank extended its activities considerably in financing the shipping sector. The solid foundations laid over four years of active presence in the sector enabled a further growth of its portfolio and parallel activities, which in total yielded better returns than in previous years. The balance of loans to the shipping sector as of 30th June, 2003 amounted to €0.9 billion, accounting for 5.0 per cent. of the Bank's total loans.

International Banking Activities

Alpha Bank's Presence in South Eastern Europe

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 positive rates of economic growth and reinforces demand for financial services, rendering such countries very attractive to Greek banks. These factors have encouraged the Bank to keep strengthening its presence in the region. Currently, seven branches operate in Albania and one in Bulgaria, and the commencement of the operations of the Bank's first branch in Yugoslavia took place in 2002. 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 the range of its activities whilst monitoring developments.

Branches in Albania: The Bank's first branch in Albania commenced operations in Tirana in January 1998. Currently three more branches operate in Durres, Elbassan and Gjirokaster. In the context of dealing with the increasing competition and with offering the best possible service to its clients, three more branches were opened in Berati, Aulona and Fieri during the course of 2002. 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. No defaults in this portfolio have occurred as of 31st December, 2002.

Sofia Branch: The 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 will be relocated, upgraded and restructured, offering a better and faster service to its customers. Also, two new branches will be opened in the beginning of 2004 in the cities of Plovdiv and Varna. Also, the Bank plans to expand its network further in 2005.

Alpha Bank Romania ("ABR")

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 2002, ABR expanded its network of branches, increased its loan portfolio by 20 per cent. (representing 60 per cent. of total assets) as well as its client base (both corporate and retail), engaged in small-medium enterprise financing in the context of an EBRD credit facility, and continued targeting the retail segment predominantly through mortgage loans. On 31st December, 2002, ABR had total assets of USD 438 million, outstanding loans of USD 264.4 million and customer deposits of USD 182.7 million. Net profits decreased to USD 4.6 million as compared with USD 7.4 million in 2001. This was due to an increase in operating expenses of 25 per cent. resulting from the growing operations of ABR, the operation of new branches, staff increases and investments in technical equipment. Rapid expansion has required an increase in regulatory capital resulting in a share capital increase of USD 10 million during 2002.

As of 30th June, 2003, total assets amounted to USD 498.1 million, customer loans to USD 347.9 million, and customer deposits to USD 206.1 million. For the same period ABR posted pre-tax profits of USD 4 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 30th June, 2003, ABR had 549 employees.

Alpha Leasing Romania

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 its 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 2002, around 80.5 per cent. were vehicles, 17.3 per cent. was industrial equipment and 2.2 per cent. was other types of equipment. In 2002, Alpha Leasing Romania had booked new leased assets of USD 28.7 million.

As of 31st December, 2002 total assets amounted to USD 32 million, revenues to USD 4.5 million and profits before tax amounted to USD 2 million, as compared with USD 1.1 million in 2001.

For the period ended at 30th June, 2003, the company posted a pre-tax profit of USD 1.4 million and had total assets of USD 39.4 million. As of the same date the Bank held, directly and indirectly, 51.71 per cent. of the company's share capital.

As of 30th June, 2003, the company had 26 employees.

Alpha Finance Romania ("AFR")

Established in 1994 as one of the first Romanian brokerage companies, AFR is now 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 2002 to 6.7 per cent. from 5.06 per cent. in 2001 and 3.09 per cent. in 2000, and took the second position in the overall ranking among brokerage houses in terms of the accumulated annual traded volume on both the Bucharest Stock Exchange and Rasdaq market. 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 31st December, 2002, AFR posted profits before tax of USD 0.04 million, as compared with a loss of USD 0.06 million in 2001, mainly due to the increase in operating income of 26.8 per cent. (IAS accounts). For the period ending 31st December, 2002, own funds amounted to USD 1.3 million and total assets were USD 1.5 million.

As on 30th June, 2003, the company posted a loss of USD 0.04 million. Own funds as of the same date amounted to USD 1.3 million and total assets to USD 1.9 million. The Bank held, directly and indirectly, 99.11 per cent. of the company's share capital.

As of 30th June, 2003, AFR had 27 employees.

Alpha Bank AD Skopje

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 eight branches and will be further expanded by the end of 2003.

In 2002, customer deposits amounted to €18.1 million. Customer loans, increased by 30.5 per cent. up to €10.2 million, while Alpha Bank AD Skopje pursued the improvement of asset quality and credit risk management.

In 2002, Alpha Bank AD Skopje's return on assets was 8.9 per cent. and the net interest margin was 8.7 per cent. Profit before taxes increased by 13 per cent. in 2002 to €2.3 million. Total assets of the bank as of 31st December, 2002, amounted to €37.0 million and own funds to €17.8 million.

As on 30th June, 2003, total assets amounted to €44.9 million, own funds to €17.7 million and profit before taxes to €1.1 million. As of the same date, Alpha Bank AD Skopje had 79 employees.

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 7 per cent. of total assets and 8 per cent. of the loan market (year end 2002). 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 29 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 during these years.

On 31st December, 2002, total assets amounted to CYP 1,074.4 million, profit before taxes to CYP 8.5 million and shareholder's funds to CYP 98.9 million. Loans to customers amounted to CYP 613.3 million and customer deposits to CYP 741.2 million.

During the first six months of 2003, Alpha Bank Cyprus posted a profit of CYP 1.5 million. Its total assets amounted to CYP 1,117.3 million and shareholders' funds to CYP 98.9 million. As of the same date, ABC had 570 employees.

Alpha Insurance Cyprus ("AILC")

AILC 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.

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

In 2002, it had market shares of 3 per cent. and 2.5 per cent. in the general and life insurance sectors respectively. For the period ending 31st December, 2002, it posted losses of CYP 0.7 million, mainly due to the valuation of its investments portfolio. Own funds amounted to CYP 1.9 million.

For the period ending 30th June, 2003, the company posted a loss of CYP 0.09 million and its own funds totalled CYP 1.9 million. As of the same date, the Bank held, indirectly, 95.49 per cent. of the company's share capital.

As of 30th June, 2003, AILC had 75 employees.

Presence in the 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: It specialises in corporate banking activities.

Alpha Bank London Limited ("ABL")

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 1st 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. Through its subsidiaries, ABL Independent Financial Advisers and Alpha Bank London Nominees, it offers mutual funds and nominee services to its clientele.

ABL provides traditional banking services and products, however 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 emphasising 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 web-banking solutions.

On 31st December, 2002 loans to customers, on a consolidated basis, amounted to GBP 192.9 million and customer deposits totalled GBP 362.1 million. Total assets amounted to GBP 427.5 million and own funds to GBP 55 million. Profits before tax amounted to GBP 3.7 million, posting an increase of 5.6 per cent., despite a low interest rate environment, the depreciation in value of the US Dollar against the British Pound and the reduced margins on deposits.

As of 30th June, 2003, ABL posted, on a consolidated basis, total assets of GBP 484.9 million, own funds of GBP 56 million and pre-tax profits of GBP 2 million. ABL has 57 employees.

Alpha Bank Jersey completed its fifth full trading year on 31st December, 2002, with profits before tax amounting to GBP 0.36 million. From 1st 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 31st December, 2002, Alpha Bank Jersey's total assets amounted to GBP 122.2 million, total loans to

GBP 6.8 million and customer deposits to GBP 115.4 million. As of 30th June, 2003, its total assets amounted to GBP 123 million, own funds to GBP 6.4 million and pre-tax profits to GBP 0.05 million.

Alpha Credit Group PLC

Alpha Credit Group PLC was set up in April 1999 in the UK and is an issuer under the Bank's EUR8 billion Euro Medium Term Note Programme. It is a finance subsidiary and its only activity is to raise funds and on-lend them to Alpha Bank.

Since its inception Alpha Credit Group PLC has issued €3,650 million of the notes under the Programme and has on-lent the full cash proceeds to the Bank. The Bank owns 100 per cent. of Alpha Credit Group PLC's share capital.

Investment Banking, Sales and Trading

Alpha Finance

Investment banking and the provision of consulting and brokerage services are undertaken by Alpha Finance. In April 2001, Alpha Bank absorbed the former Alpha Finance, which was founded in 1989 and floated on the ASE in 1995, and consequently, the investment banking activities of the Group have been undertaken by Alpha Brokerage, since renamed Alpha Finance. The asset management services provided by the former Alpha Finance to Alpha Mutual Fund Management, have been undertaken by a newly founded company called Alpha Asset Management.

Alpha Finance is one of the leading securities firms active in the ASE with a market share of 7.7 per cent. in 2002, ranking third out of 88 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. As a result of unfavourable conditions prevailing in the market in 2002, revenues from brokerage transactions decreased by 39 per cent. in 2002 to €11.7 million, in line with the sharp fall of the average daily trading volume in the ASE (40 per cent.). Despite that trend, Alpha Finance increased its market share in 2002 to 7.7 per cent. as compared with 6.1 per cent. in 2001.

In 2002, revenues derived from Alpha Finance's corporate finance division posted an increase of 82 per cent. as compared with 2001, despite a significantly lower number of equity offerings. 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, concluded the sale of Skaramanga Shipyards, as well as acquisition by Hellenic Petroleum.

For the period ended 31st December, 2002, Alpha Finance posted profits before tax of €0.8 million, as compared with losses of €3.7 million in 2001, mainly as a result of increased revenues from corporate finance, as well as a 26 per cent. decrease in staff and administration expenses. Own funds amounted to €36.4 million and total assets to €82.8 million.

For the first six months of 2003 the company posted a loss of €1.4 million, as compared to a loss of €3.2 million in the relevant period of 2002. Own funds as of the same date amounted to €36.4 million and total assets to €85.2 million. The Bank held directly 99.62 per cent. and indirectly 0.38 per cent. of the company's issued share capital.

As of 30th June, 2003, Alpha Finance had 138 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 30th June, 2003, AFUS had 5 employees.

Alpha Ventures ("AV")

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

Alpha Ventures 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. Alpha Ventures 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 two 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.

On 31st December, 2002, Alpha Ventures had losses of €1.3 million, as compared with losses of €4.6 million in 2001. As of the same date Alpha Ventures had total assets of €8.7 million and own funds of €8.5 million.

As on 30th June, 2003 the company posted profits before taxes of €2.9 million. Its total assets reached €11.6 million and own funds to €8.5 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 Alpha Ventures. The approved capital for investments amounts to €44.0 million and up to year end 2002, €11 million have been invested. In 2002, Alpha Ventures assessed 70 investment proposals and made two new investments by means of participating in share capital increases.

Alpha Ventures is a fully owned subsidiary of the Bank. As of 30th June, 2003, the company had 9 employees.

The Danube Fund Limited ("The Danube Fund")

The Danube Fund is sponsored directly by the Group and is managed by Alpha Ventures. Other equity participants include the EBRD, the International Finance Corporation ("IFC"), and various Greek industrialists. The Danube Fund has raised approximately USD 18.4 million for direct equity investments in the Balkans. Since its inception, it has committed USD 15.6 million, in 10 investments in Romania, Moldavia and FYROM. The Danube Fund is now fully invested and is expected to liquidate its investments by 2004-2006.

Sales and Trading

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 European 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 spots 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 two new companies, 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 common 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. Due to unfavourable market conditions prevailing in 2001 and 2002, AIS has accumulated losses of €6.6 million since its incorporation in April 2001.

As on 30th June, 2003, total assets amounted to €2.4 million, own funds to €1.9 million and losses to €1.5 million. As of the same date, AIS had 112 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 Portfolio Investments, to Alpha Insurance and to other institutional clients.

AAM's revenues during its second year of operations derived mainly from providing investment services to Alpha Mutual Fund Management Company, to state-owned companies and to corporations. For 2002, AAM's turnover amounted to €7.6 million, and profits before tax to €5.2 million. Own funds amounted to €4.8 million and total assets to €9.9 million.

As on 30th June, 2003, total assets amounted to €7.7 million, own funds to €4.4 million and pre-tax profits to €2.7 million. As of 30th June, 2003, AAM had 27 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 12.2 per cent. in 2002 (if money-market funds are excluded, the market share of the company is higher) funds under management amounted to €3.1 billion as of 31st December, 2002. It offers the largest number of mutual funds and the broadest variety as to their investment orientation. In 2001, it established two new funds and modified nine of the existing funds, in an effort to rationalise the range of available choices. It now manages 23 funds, out of which eight are fixed income funds, eight are equity funds, four are mixed funds and three are money market funds. 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 the period ended 31st December, 2002, turnover and gross operating profit amounted to €27.3 million and €9.2 million respectively. AMFMC, for the same period had losses of €0.98 million, mainly as a result of a portfolio revaluation of €7.1 million. Own funds amounted to €30.1 million and total assets to €35.3 million.

As of 30th June, 2003, the company posted profits before taxes of €4.9 million as against losses of €0.5 million on 30th June, 2002. Own funds amounted to €30.1 million and total assets to €38.7 million.

The prospects for the mutual fund management sector in Greece are favourable, despite the negative trends of the past two years. 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 30th June, 2003 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 39 employees.

Alpha Investments

Alpha Investments was established in 1984 as a closed-fund and is listed on the ASE. It is the largest portfolio investment firm in Greece based on total assets and own funds. At year end 2002, 74 per cent. of the company's portfolio was invested in Greece and 26 per cent. in international markets. Equity investments and money market investments, represented 83 per cent. and 17 per cent., of total investments respectively.

Due to unfavourable market conditions in 2002, net profit fell to €4.4 million as compared with €20.9 million in 2001. Negative valuation adjustments of €126.7 million have reduced Alpha Investments' total equity by an equivalent amount to €300.4 million. As a result, and in accordance with the provisions of Greek company law 2190/1920, Alpha Investments was not able to distribute a dividend in 2002.

As of 31st December, 2002, Alpha Investments had a market capitalisation of €234.2 million and its shares were trading at €2.23 each, i.e. at a discount of 19.8 per cent. (intrinsic value per share €2.78). As of the same date, total assets amounted to €301.4 million.

For the first six months of 2003, the company had a market capitalisation of €294 million and its share were trading at €2.8 each. Its pre-tax profits reached €8 million, own funds €300.4 million and total assets €308.9 million. The Bank held directly and indirectly, 38.34 per cent. of the company's share capital.

On 5th June, 2003, the Boards of Directors of Alpha Bank A.E. and Alpha Investments decided the merger between the two companies through absorption of the latter by the former, via an exchange of shares. Each shareholder of Alpha Investments will exchange 5.3 existing shares in the company for one new share of Alpha Bank A.E. Due to the merger the total outstanding number of shares of Alpha Bank will increase from a current 185,171,560 to 195,738,664, and the nominal value of each share will increase from €4.15 to €4.87. The merger is expected to be completed by year end 2003. Alpha Investments will cease to exist as a separate legal entity and all its assets and liabilities will be transferred to Alpha Bank A.E.

As of 30th June, 2003, Alpha Investments had five employees.

Other Activities of the Group

Delta Singular

Delta Singular is the result of a merger between Delta Informatics and Singular, two firms sharing a complementary field of activities. The new company is restructuring its operations in order to maximise the synergies that have arisen. Delta Singular and its subsidiaries have evolved into the largest information technology group in Greece, aiming to increase its market share in large information technology projects undertaken by the state and private sectors, in the standardised software sector and in the provision of IT Outsourcing and Systems Integration Services. It is already active in Central and Eastern Europe and has laid the foundations for considerable and substantial growth. An important part of Delta Singular's strategy is to further expand in the above regions and to gain access to West European markets.

For the period ended as of 31st December, 2002, Delta Singular's profits before tax, on a consolidated basis, amounted to €18 million as compared with €24 million in 2001. Own funds on a consolidated basis as of the same date amounted to €165.6 million and total assets to €256.8 million. Delta Singular's shares are traded on the ASE. As of the same date, the market capitalisation of Delta Singular totalled €350.8 million.

As of 30th June, 2003, the market capitalisation of the company totalled €263.1 million. As of the same date, pre-tax profits on a consolidated basis amounted to €6 million, total assets to €263.4 million and own funds to €164.1 million. The Bank currently holds, directly and indirectly, 38.78 per cent. of its issued share capital.

As of 30th June, 2003, Delta Singular had 1,562 employees on a consolidated basis.

Alpha Astika Akinita ("AAA ")

AAA was founded by the Bank in 1942. In June 1999, AAA's shares were listed on the ASE and subsequently the Bank's holding decreased to 51.79 per cent. of its issued share capital. As of 31st December, 2002, AAA's market capitalisation amounted to €58.8 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.

Prospects in real estate are considered positive, especially in the forthcoming years. Properties related to infrastructural projects and the Olympic Games have the best potential. The Group seeks to participate in development projects and to provide a large variety of services related to real estate management through AAA.

On 31st December, 2002, AAA had total assets €62.1 million and own funds of €53.8 million. Turnover amounted to €15.7 million, i.e. an annual increase of 6 per cent., mainly derived from valuations and real estate development studies. Profits before tax increased by 20 per cent., amounting to €9.1 million, including €1.3 million of capital gains from the sale of a real estate property.

For the six month period ended at 30th June, 2003 the company posted a pre-tax profit of 4.2 million. Own funds as of the same date amounted to €53.8 million and total assets to €60.1 million. As of the same date, the market capitalisation of the company was €75.3 million. The Bank currently holds, directly or indirectly, 52.86 per cent. of its issued share capital.

As of 30th June, 2003, AAA had 36 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:

(a) 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.

(b) 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 31st December. 2002, Icap's total assets amounted to €19.6 million and own funds to €15.5 million. Turnover totalled €17.7 million and profits before tax €1.2 million.

For the six month period ended on 30th June, 2003, the company posted a pre-tax profit of €1 million. Own funds as of the same date amounted to €15.5 million and total assets to €19.1 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 30th June, 2003, Icap had 300 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 ASE and its market capitalisation, as of 31st December, 2002, amounted to €147.5 million. On the same date, the Bank held, directly and indirectly, 87.9 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 will be completed before the 2004 Olympic Games. The first phase of the renovation project has been already completed and since February 2003 Athens Hilton has gradually restarted operations after 14 months of absence from the local market. Athens Hilton will restart full operations in the last quarter of 2003.

IHE had a turnover of €7.6 million in 2002, as compared with €13.8 million in 2001, mainly due to the closing of the Athens Hilton for the renovation project. For the same reason, IHE posted losses in 2002 of €4.2 million. Own funds as of 31st December, 2002 amounted to €49.7 million and total assets to €163.5 million.

As on 30th June, 2003, the company had losses of €4.3 million and a turnover of €8.9 million, posting an increase of 248 per cent. as against 30th June, 2002. Own funds reached €45.1 million and total assets €187 million.

It is expected that IHE's EBITDA will improve as the Athens Hilton becomes fully operational. As of 30th June, 2003 IHE had a total of 703, 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 31st December, 2002, 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 10th 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 strengthens the capital adequacy of Alpha Bank Group.

For the period ended 31st December, 2002, Ionian Holdings posted losses of €82.4 million due to a portfolio revaluation of €99.7 million made according to Greek company law. Own funds, as of the same date, amounted to €257.5 million and total assets to €257.9 million.

As of 30th June, 2003, the company had profits before taxation of €51.6 million. Own funds amounted to €257.6 million and total assets amounted to €312.8 million.

Investment in Systems and Technology

Information Technology: In order to be able to deal with a large volume of transactions, new activities, and the new requirements created by the introduction of the single currency, the Bank made the required adaptations and increased the capacity of its central systems by 50 per cent. It also set in operation an auxiliary standby system of the central computer. In addition, it expanded and upgraded its telecommunications network to ensure greater security, availability and speed.

Improvements and Upgrades of the Central System concern: (a) the upgrade of software and hardware; (b) the completion of the systems management system and the enhancement of access capability; (c) the installation of a system enabling comprehensive management of work stations and the network; (d) the procurement and installation of equipment serving the central system in the context of developing the new accounting system (SAP); and (e) technical and functional upgrades of systems indifferent of divisions, branches abroad and Group companies.

Internet/Intranet: New applications were developed and new capabilities were offered, such as support for holding general meetings and distributing insurance products and telephone directory information. The new risk management system applied via the Intranet is being pilot-tested in selected branches. An ''e-learning'' system was installed and is being pilot-tested, and an application was developed to monitor mail traffic between Support Centres and Branches coming under their jurisdiction. The money order transfer system operating via the Bank's Intranet network was enriched with additional capabilities. Moreover, a new system taking advantage of the Intranet's capabilities for the distribution of Alpha Insurance Company's products via the Bank's branch network was designed and developed.

Management Information Systems (''MIS'')

In 1994, the Bank began developing local MIS systems that consisted of separate but inter-related applications, involving costing, profitability analysis, and budgeting. The costing application was introduced at the end of 1997 and became fully operational in 1998. 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 achieve more accurate, precise and detailed reporting to Management.

A team from the MIS Division is co-operating with consultants from SAP to install of 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 in-house developed software in order to measure the effect of interest rate changes on net interest income. Recently, the Bank purchased IPS-Sendero as the asset liability management system. It is expected to be implemented in the second half of 2003.

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 independent Internal Audit and Inspection Division. The main purpose of the division is to enable General Management to monitor adequacy, application and effectiveness of internal controls within the Bank and the Group. The Internal Audit and Inspection Division reports directly to the General Manager. At least once a year, the Internal Audit and Inspection Division reports to the Audit Committee for the Internal Controls mentioned above. The division usually carries out regular audits at each Branch every two years, although in practice the period between two consecutive audits ranges from 18 to 36 months, and spot inspection visits are made without prior notice. The division has a sufficient number of auditors and five of them (including one supervisor) are trained in auditing the electronic data processing operations of the Bank.

Certain audits are conducted throughout the divisions and affiliate companies in Greece and abroad.

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 such report is submitted to 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 31st 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 approximately 3,000 domestic and foreign institutional clients. The Bank holds approximately €5.8 billion of portfolio value on behalf of its clients. Profits of the Bank attributable to the provision of custody services were €3.1 million in 2002. The Bank's principal customers for custodian services are mutual funds, including Alpha Mutual Fund Management which is the Bank's largest single custodial client.

Employment

As of 30th June, 2003, the Group employed 9,570 persons. The number of employees of the Bank reached 7,692 as of 30th June, 2003, falling 1.7 per cent. since 31st December, 2002, mainly due to the continuous operational restructuring of the Group. During 2001, a programme offering retirement incentives was introduced. The programme facilitated the departure of employees who had fulfilled specific criteria and contributed to the forwarding of new executives, thus giving the Bank a new impetus. By upgrading specialised jobs and offering career opportunities, it has since created a working environment that promotes creativity, personal effort and professionalism.

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 arrangements are normally made on the basis of the Government's expectations for inflation between representatives of the Greek banks and OTOE and then implemented by each Bank in agreement 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 ten years.

Employees of the Group working in Greece, including employees of the Bank, participate in the pension and welfare schemes operated by the Greek State. In addition, the Bank's employees contribute to an auxiliary pension fund for the provision of pension and welfare benefits. The Bank has agreed to meet any shortfall in this pension fund. According to an actuarial study conducted in June 2003, as of 31st December, 2002, the Bank had an outstanding obligation to the pension fund of approximately €136 million. In order to meet this obligation, the Bank's annual contribution to the pension fund for 2003 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. In addition, the Bank is currently in the process of implementing an early retirement plan, to which 450 employees have already subscribed.

The Group's Asset and Loan Portfolio

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

	At 31st December,		*As of 30th June,*
	2001	*2002*	*2003*
	(Millions of Euro)		
Assets			
Cash and balances with the Central Bank	2,511.4	1,412.6	1,471.7
Treasury bills and other eligible bills for refinancing with the Central Bank	7,082.9	2,190.3	528.9
Placements with, and loan and advances to, other banks	1,015.8	4,167.1	5,301.7
Government and other securities held for dealing purposes	2,149.6	2,242.7	1,812.9
Loans and advances to customers, net	14,445.5	16,990.1	18,896.8
Investments	236.4	223.2	204.8
Intangible assets, net[(1)]	653.2	81.4	81.7
Tangible assets, net	731.4	809.9	323.8
Other assets	734.7	607.9	558.7
Total Assets	29,560.9	28,725.2	29,181.0

Funding

As of 30th June, 2003, total consolidated customers' deposits amounted to €22.4 million compared to €23.3 million in the corresponding period in 2002 (a decrease of 4 per cent.). Management estimates that the Group's total customer deposits in 2002 represented approximately 15 per cent. of the customer deposits of all banks operating in Greece.

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

	At 31st December,		*As of 30th June,*
	2001	*2002*	*2003*
	(Millions of Euro)		
Current accounts	4,280.3	4,188.6	4,351.4
Savings accounts	7,634.3	8,227.1	7,999.4
Time deposits	6,129.1	5,100.6	6,213.5
Other amounts due	6,934.3	5,674.7	3,847.1
Total	24,978.0	23,191.0	22,411.4

As of 30th June, 2003, the Group's deposits, in currencies other than euro, amounted to €5.9 million (approximately 26 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 loans) as a percentage of its total loan portfolio as at the dates indicated:

	At 31st December,		*As of 30th June,*
	2001	*2002*	*2003*
		(per cent.)	
Trade	25.3	22.5	21.7
Manufacturing	21.3	20.0	18.9
Individuals (consumer, credit cards, mortgages)	18.3	24.4	24.4
Government	7.2	3.8	3.0
Shipping	7.1	5.4	4.8
Tourism	5.5	5.4	5.7
Leasing	0.4	0.0	0.0
Other	14.9	18.5	21.5
Total	100.0	100.0	100.0

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 has a non-performing loan book at 2.6 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 still accounted for by euro lending. However, the share of foreign exchange loans has decreased since the early 1990s and at 30th June, 2003 represents approximately 10.05 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:

(a) *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.

(b) *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 €30,000 and €250,000 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 €250,000 but not exceeding €2 million, to initiate litigation for loans greater than €30,000 but not exceeding €2 million, and to auction property for loans up to €800,000 or to enforce bankruptcy or insolvency proceedings for loans not exceeding €2 million. Members of the Non-Performing Loans Committee include an Executive General Manager, the acting principal officer and deputy of the Non-Performing Loans Division and representation from the Bank's legal department. Non-performing loans greater than €750,000 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 30th 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 in absolute terms as lending increases, although the Bank expects that non-performing loans will decrease as a proportion of the loan portfolio. As of 30th June, 2003, non-performing loans represented 2.6 per cent., and bad debts represented 0.3 per cent. of all loans, respectively. Branch managers are encouraged to inform the Non-Performing Loans Division of any specific adverse factors affecting a borrower's ability to repay loans, even if the loans fall within the financial limits applicable to that particular branch and cannot be technically classified as non-performing.

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:

	At 31st December,		*As of 30th June,*
	2001	*2002*	*2003*
		(Millions of Euro)	
Loan Quality			
Total loans	12,402.5	15,260.8	16,560.1
Non-performing loans	351.0	366.6	433.5
Of which bad debts	22.3	35.3	55.0
Total loan loss provisions	228.9	315.0	369.0
Addition to loan provisions during the year	116.0	139.1	80.3
Amounts written off during the year	57.3	53.0	26.3
		(per cent.)	
Non-performing loans as a percentage of total loans (1)	2.8	2.4	2.6
Bad debts as a percentage of total loans (1)	0.2	0.2	0.3
Bad debts as a percentage of non-performing loans	6.5	9.6	12.7
Loan loss provisions as a percentage of total loans (1)	1.8	2.1	2.2
Loan loss provisions as a percentage of non-performing loans	65.2	85.9	85.1
Write-offs as a percentage of non-performing loans	16.3	14.5	6.1

Notes:

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

The reduction in non-performing loans as a percentage of total loans since 1994 is primarily due to the improving Greek economy, the quality of the Bank's customers and the Bank's enhanced credit review and monitoring procedures.

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 30th June, 2003. Implied foreign exchange mismatches are covered through off-balance sheet transactions.

	At of 30th June, 2003,				
	EURO	*USD*	*JPY*	*Other Foreign Currencies*	*Total*
			(in million EUR)		
Assets					
Cash and due from Central Bank	1,268.8	65.2	0.1	137.6	1,471.7
Securities owned	2,034.5	303.6	0.0	208.4	2,546.5
Credit institutions, gross	5,046.1	130.0	0.4	125.2	5,301.7
Customers net	15,869.5	1,347.0	287.2	1,393.1	18,896.8
All other assets	891.5	9.2	2.0	61.6	964.3
Total assets	25,110.4	1,855.0	289.7	1,925.9	29,181.0
Liabilities					
Credit institutions	823.3	214.1	(13.5)	311.0	1,334.9
Customers	12,988.5	1,934.3	2,493.5	1,321.7	18,738.0
Repurchase agreements	4,964.8	54.3	0.0	0.0	5,019.1
All other liabilities	2,619.8	5.0	0.1	58.2	2,683.1
Total liabilities	21,396.4	2,207.7	2,480.1	1,690.9	27,775.1
Net Balance Sheet Position	3,714.0	(352.7)	(2,190.4)	235.0	1,405.9
Net Off Balance Sheet Position	(2,649.5)	399.9	2,191.2	80.9	22.5

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 30th September, 2003, calculated in accordance with Greek GAAP, was 9 per cent while the capital adequacy ratio was 12.6 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 1st 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

In an effort to gain market share in financial services, the Bank's strategy is to create specialised subsidiaries operating within discrete niches within a sector or, in cases where the Bank seeks immediate exposure, to enter into new business areas by establishing strategic alliances with specialists in those new areas.

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 31st December, 2002

Name of Subsidiary/Affiliated companies	*Business activity*	*Direct[(1)]*	*Indirect[(1)]*	*Total*	*Total Assets*	*Share-holders' Equity*	*Net Profit Before Tax (1.1.02-31.12.02)*
			(%)			*(€thousands)*	
DIRECT AND INDIRECT HOLDING							
Listed on the ASE							
Alpha Leasing A.E.	Financial Leasing	75.39	1.09	76.48	507,744	252,854	15,272
Alpha Investments A.E.	Closed-end Investment Fund	38.09	0.25	38.34	301,413	300,431	4,396
Delta Singular AE [(2)]	Specialised computer services	37.34	0.29	37.63	256,800	165,566	18,004
Alpha Astika Akinita A.E.	Management of Real Estate	52.86	0.00	52.86	62,127	53,836	9,081
Ionian Hotel Enterprises S.A.	Hotel Property management	87.58	0.29	87.87	163,479	49,708	(4,179)
Not Listed on the ASE							
Alpha Bank London Ltd	Banking	100.00	0.00	100.00	628,777	81,210	5,129
Alpha Bank Cyprus	Banking	100.00	0.00	100.00	1,875,058	172,661	14,834
Alpha Bank Romania S.A.	Banking	41.54	54.87	96.41	437,981	62,302	6,846
Alpha Bank AD Skopje	Banking	100.00	0.00	100.00	36,977	17,779	2,258
Alpha Romanian Holdings A.E.	Holding Company	100	0	100.00	13,329	13,328	(350)
Alpha Finance AXEPEY	Investment banking-brokerage	99.72	0.28	100.00	82,816	36,414	843
Alpha Mutual Fund Management A.E.	Mutual Fund Management	80.00	20.00	100.00	35,269	30,121	(977)
Alpha Ventures A.E.	Venture Capital	100.00	0	100.00	8,672	8,516	(1,258)
Alpha Asset Management	Asset Management	99.00	1.00	100.00	9,884	4,826	5,158
A.L.C. Novelle Investments Ltd	Private Equity Fund	33.33	0.00	33.33	10,744	10,737	(605)
Danube Fund Ltd [(3)]	Private Equity Fund	19.73	5.44	25.17	15,732	15,687	(162)
Messana Holdings S.A.	Holding Company	99.00	1.00	100.00	11,557	11,542	(8,916)
Alpha Insurance A.E.	Life and General Insurance	74.99	0.00	74.00	330,697	57,840	1,092
Alpha Insurance Agents A.E.	Insurance Agents	100.00	0.00	100.00	3,567	494	3,052
ABC Factors A.E.	Factoring	100.00	0.00	100.00	330,117	35,088	7,658
ICAP A.E.	Consulting and Market research	26.96	0	26.96	19,632	15,534	1,210
Ionian Holdings A.E.	Holding Company	100.00	0.00	100.00	257,930	257,546	(82,354)
Emporiki Diaxirisis S.A.	Asset-Liability Management	30.39	0.00	30.00	6,930	5,825	(859)
Alpha Credit Group PLC	Special Purpose Vehicle	100.00	0.00	100.00	804,540	756	490
Okeanos A.T.O.E.E.	Real Estate	100.00	0.00	100.00	15,770	8,434	(715)
Alpha Finance US Corporation	Investment banking-brokerage	100.00	0.00	100.00	3,301	3,239	(1,368)
Alpha Finance Romania S.A.	Investment banking-brokerage	45.68	53.43	99.11	1,479	1,303	42
Alpha Leasing Romania S.A.	Financial Leasing	12.94	38.78	51.72	30,532	4,030	1,860
C.B. Interleasing South Eastern Ltd	Financial Leasing	50.00	6.29	56.29	508	438	(22)
Alpha Insurance Romania S.A.	Life and General Insurance	65.00	30.53	95.53	445	442	(442)
Gaiognomon A.E.	Real Estate	20.00	0.00	20.00	1,906	1,841	(159)
Alpha Investment Services E.4.E.Y.	Private Banking	99.00	1.00	100.00	6,105	3,364	(6,636)
Alpha Eppagelmatika Akinita A.E.[(4)]	Real Estate Investment Fund	60.00	0.00	60.00	—	30,000	—
Alpha Equity Fund	Venture Capital	99.00	1.00	100.00	12,871	12,863	91
INDIRECT HOLDING ONLY							
Alpha Insurance Brokers	Insurance Brokers		71.24	71.24	10.038	79	421
Alpha Bank Jersey Ltd	Banking		100.00	100.00	187,885	9,832	555
ABL Independent Financial Advisers Ltd	Advisory Services		100.00	100.00	495	470	26
Alpha Asset Finance Cyprus	Financial Leasing		100.00	100.00	45,863	6,754	525
Alpha Trustees Ltd	Trustees services		100.00	100.00	222	(140)	(134)
Alpha Insurance Cyprus Ltd	Life and General Insurance		95.49	95.49	25,991	3,274	(1,172)
Alpha Finance Cyprus Ltd	Investment Banking-brokerage		100.00	100.00	2,657	2,615	(377)
Alpha Bank London Nominees Ltd	Nominee services		100.00	100.00	—	0,08	—
Singular Software AE	Software		37.64	37.64	38,377	19,229	2,008

Notes:

(1) The Bank's participating rates on group companies are based on portfolio data as of 31st December, 2002.

(2) Financial data of Delta-Singular are on a consolidated basis.

(3) Financial data of Danube Fund as of 30th April, 2003.

(4) Alpha Epaggelmatika Akinita has started operations in October 2002.

Average Balances and Interest Rates

The following table sets forth Greek GAAP consolidated average balances of the assets and liabilities of the Bank for the years ended 31st December, 2001 and 2002 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 30th June,			*At 31st December,*					
	2003			*2002*			*2001*		
	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 €)*	*(%)*
Assets									
Interest Earning Assets									
Treasury bills, Bonds	2,738,000	63,049	4.6%	5,623,000	236,728	4.3%	9,292,000	492,476	5.4%
Loans and advances to customers	16,119,536	448,689	5.5%	14,091,930	795,525	5.7%	11,919,355	823,054	7.0%
Loans and advances to banks	4,549,589	59,474	2.6%	4,654,259	139,911	3.0%	2,513,693	124,283	4.9%
Other	325,392	4,221	2.6%	525,000	17,325	3.3%	1,319,000	56,717	4.3%
Non-Interest bearing Assets	3,639,122	0	0.0%	4,104,613	0	0.0%	4,186,748	0	0.0%
Total Assets	27,371,639	575,432	4.2%	28,998,802	1,189,489	4.1%	29,230,797	1,496,530	5.1%
Liabilities									
Interest bearing liabilities									
Due to customers ..	20,964,261	154,402	1.5%	22,040,130	455,455	2.1%	21,443,793	662,612	3.1%
Due to Banks	3,333,245	41,738	2.5%	2,389,181	75,941	3.2%	4,151,479	195,252	4.7%
Other	866,667	11,242	2.6%	528,125	10,563	2.0%	275,000	10,290	3.7%
Non-Interest bearing liabilities	548,391	0	0.0%	1,932,964	0	0.0%	1,219,155	0	0.0%
Shareholder's Equity	1,659,076			2,108,402			2,141,369		
Total Liabilities and Shareholders' Equity	27,371,639	207,382	1.5%	28,998,802	541,959	1.9%	29,230,797	868,155	3.0%
Net Interest Income		368,050			647,530			628,375	

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 30th June,	*At 31st December,*	
	2003	*2002*	*2001*
		(in '000 €)	
Average interest earning assets	23,732,517	24,894,189	25,044,049
Interest Income	575,432	1,195,104	1,496,530
Net Interest Income	368,050	653,145	628,375
Gross yield[1]	4.82%	4.80%	5.98%
Net interest margin[2]	3.08%	2.62%	2.51%
Spread [3]	3.18%	2.63%	2.62%

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 30th June, 2003 and the weighted average yield for each maturity category:

	Less than 1 Year	*1 Year to 5 Years*	*5 Years to 10 Years*	*After 10 Years*	*Total*
			(Millions of Euro)		
Total	326.2	1,563.0	298.5	2.8	2,190.5
Weighted average yield	3.7 per cent.	4.2 per cent.	5.7 per cent.	4.2 per cent.	4.3 per cent.

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 31st December, 2001 and 2002 and as of 30th June, 2003 calculated in accordance with Greek GAAP:

	As of 31st December,				*As of 30th June,*	
	2001		*2002*		*2003*	
	(Millions of Euro)	*(per cent.)*	*(Millions of Euro)*	*(per cent.)*	*(Millions of Euro)*	*(per cent.)*
Trade	3,719.5	25.3	3,899.8	22.5	4,196.5	21.7
Manufacturing	3,138.4	21.3	3,476.2	20.0	3,656.0	18.9
Individuals (consumer, credit cards, mortgages)	2,700.9	18.3	4,238.6	24.4	4,720.5	24.4
Government	1,057.5	7.2	651.4	3.8	569.5	3.0
Shipping	1,040.8	7.1	940.3	5.4	931.6	4.8
Tourism	805.7	5.5	931.4	5.4	1,091.1	5.7
Leasing	58.3	0.4	2.8	0.0	3.4	0.0
Other..	2,200.4	14.9	3,219.1	18.5	4,156.3	21.5
Gross Loans	14,721.5	100.0	17,359.5	100.0	19,324.9	100.0
Greece	11,730.1	79.7	13,542.2	78.0	16,339.8	84.6
UK (primarily clients controlled from Greece)	1,480.8	10.0	1,274.6	7.3	1,246.0	6.4
Other countries	1,510.6	10.3	2,542.7	14.7	1,739.1	9.0
	14,721.5	100.0	17,359.5	100.0	19,324.9	100.0

Loan Maturities

The following table sets forth the Bank's loans and advances to customers by time remaining until maturity as of 30th June, 2003, 31st December, 2002 and 2001:

	As of 31st December,		*As of 30th June,*
	2001	*2002*	*2003*
	(Millions of Euro)		
1 year or less	6,997.8	7,646.5	9,220.1
More than 1 year	6,115.0	8,113.3	7,849.9
Total	13,112.8	15,759.8	17,070.0

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.

	For the years ended 31st December,		As of 30th June,
	2001	*2002*	*2003*
	(Millions of Euro)		
Loans not accruing interest	199.1	291.7	336.3

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 31st December, 2001, 2002 and 30th June, 2003:

	For the years ended 31st December,		As of 30th June,
	2001	*2002*	*2003*
	(Millions of Euro)		
Starting Balance	370.9	351.0	366.6
Additions:			
New non-performing loans	164.1	187.2	134.8
Accrued Interest (plus expenses)	56.4	45.5	27.9
Total	220.5	232.7	162.7
Subtractions:			
Recoveries	(156.0)	(149.9)	(70.2)
Rescheduling	(27.7)	(28.4)	(5.4)
Write off	(56.7)	(38.8)	(20.2)
Total	(240.4)	(217.1)	(95.8)
Ending balance	351.0	366.6	433.5
Amount likely to be recovered	328.7	331.4	378.3
Bad debts	22.3	35.3	55.0
Net write-off/average loans			

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 30th June, 2003 was €369.0 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 2002, 2001 and the six-month period ending 30th June, 2003, in relation with the annual loan balances:

	As of 31st December,		*As of 30th June,*
	2001	*2002*	*2003*
		(Millions of Euro)	
Annual loans[(1)]	12,402.5	15,260.8	16,560.1
Loan loss provision (at the beginning of the year)	170.2	228.9	315.0
Write offs during the year	57.3	53.0	26.3
Additional provisions during the year	116.0	139.1	80.3
Loan loss provision (at the end of the year)	228.9	315.0	369.0

(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. Directors hold office for a term of five years and may be re-elected. 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 28th 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 Vice 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 Chairman and Managing Director of Alpha Astika Akinita, Chairman of Alpha Epaggelmatikon Akiniton, 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.

Other Non-executive Directors
*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**
Financier 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.

Other Non-executive 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

Marinos S. Yannopoulos

Marinos S. Yannopoulos, Executive General Manager and Chief Financial Officer of Alpha Bank, also heads the Asset Management and Private Banking 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 of Messana Holdings, Vice Chairman and Managing Director of Alpha Asset Management, Chairman and Managing Director of Alpha Astika Akinita, 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 and Alpha Private Investment Services, Vice-Chairman of Messana Holdings and member of the Board of Directors of Alpha Asset Finance Limited, Alpha Bank Limited, Alpha Bank London Limited and Alpha Bank Jersey Limited.

Artemis Ch. Theodoridis

Artemis Ch. Theodoridis is an Executive General Manager of Alpha Bank since 2002. He is also Chairman and Managing Director of Alpha Finance. He has 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 Athens Stock Exchange, first with the independent firm of Theodoridis ss and then with Alpha Brokerage (renamed Alpha Finance AXENEY). He is Chairman of Alpha Finance AXENEY, Chairman of Alpha Finance U.S. Corporation, Alpha Ventures and Alpha Equity Fund as well as Vice-Chairman of Alpha Finance Romania S.A.

Chief Economist

George A. Provopoulos

George A. Provopoulos has been the Bank's Chief Economist since 1994. He has been an Associate Professor of Economics at the University of Athens, since 1979. He is also Chairman of the Board of ICAP, Chairman of Alpha Mutual Fund Management Co., Chairman and Managing Director of Alpha Investment, Chairman of Ionian Holdings, Member of the Board of the Foundation of Economic and Industrial Research and Member of the Board of Titan Cement, Member of the Board of Hellenic Centre for Investment. He is also Chairman of the Scientific Committee of the Hellenic Banks Association. He was Deputy Governor of the Bank of Greece from October 1990 to November 1993, General Director of the Foundation of Economic and Industrial Research from December 1993 to August 1997 and Chairman of the Council of Economic Advisers, from July to November 1989 and from April to October 1990. He served as Chairman of the Board of Directors of the Economic Planning and Research Centre from September 1989 to September 1990.

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 six 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 2003, 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 18 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 rather stable economic environment with the economy growing at high rates and with good prospects for strong growth in the following years. 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 three years and provide for the maintenance of good prospects for the economy to grow in the following three or four years at growth rates well 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 representative offices and branches. 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 2003 GDP were 15 per cent. and 7 per cent. respectively at the end of June 2003, while in the other markets in the Eurozone the corresponding figures were 31 per cent. and 16 per cent. respectively. This suggests there is significant potential for the 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 2.5 per cent. of the total loan portfolio.

Market Share of the Five Largest Banks

	Assets	*Lending*	*Deposits*
		(per cent.)	
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

Source: Bank of Greece

Market Share of the Principal Commercial Banks in Greece at 31st December, 2002

Bank	*Assets*	*Lending*	*Deposits*
		(per cent.)	
National Bank of Greece	24.9	18.1	27.3
Alpha Bank	13.8	15.7	14.0
EFG Eurobank	11.8	12.8	10.8
Commercial Bank of Greece	8.3	10	8.6
Piraeus Bank	7.7	8.4	6.5
Other	33.5	35.0	32.8

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 31st December, 2001, 31st December, 2002 and the six month period 1st January — 30th June, 2003 and the unaudited consolidated financial information of the Group for the nine month period 1st January — 30th September, 2003 prepared in accordance with Greek GAAP.

Consolidated Balance Sheet of the Group as of 31st December, 2001, 31st December, 2002, 30th June, 2003 and 30th September, 2003

	As of 31st December,					*As of 30th June,*		*As of 30th September,*	
	2001		*2002*			*2003*		*2003*	
				(Millions of Euro)					
Cash and balances with the Central Bank		2,511.4			1,412.6		1,471.7		1,227.6
Treasury Bills and other Securities Eligible for Refinancing with the Central Bank		7,082.9			2,190.3		528.9		903.9
Loans and Advances to Credit Institutions		1,015.8			4,167.1		5,301.7		5,389.6
Loans and Advances to Customers	14,721.4			17,359.5		19,324.9		19,683.9	
Less: Allowances for credit losses	275.9	14,445.5		369.4	16,990.1	428.1	18,896.8	473.4	19,210.5
Securities		2,149.6			2,242.7		1,812.9		1,259.3
Investments		236.4			223.2		204.8		186.8
Intangible Assets				—(1)					
a. Goodwill Less: Amortisation	578.7			—		—			
b. Formation and preliminary expenses Less: Amortisation	7.2			7.3		6.7		5.7	
c. Other intangible assets Less: Amortisation	67.3	653.2		74.1	81.4	75.0	81.7	79.9	85.6
Tangible Assets									
a. Land	119.6			138.5		73.5		73.1	
b. Buildings, Buildings installation			466.7						
Less: Depreciation	248.9		180.7	286.0		166.4		163.2	
c. Furniture and fixtures			121.9						
Less: Depreciation	46.5		65.9	56.0		28.7		27.7	
d. EDP equipment			296.8						
Less: Depreciation	89.7		214.2	82.6		52.5		49.5	
e. Other tangible assets			412.2						
Less: Depreciation	194.8		188.6	223.6		1.4		1.5	
f. Payments in advance and tangible assets under construction	31.9	731.4		23.2	809.9	1.3	323.8	2.1	317.1
Other Assets		309.6			384.6		392.8		397.7
Prepayments and Accrued Income		425.1			223.3		165.9		227.7
Total Assets		29,560.9			28,725.2		29,181.0		29,205.8
Off Balance Sheet Accounts		46,259.1			45,104.0		48,955.9		46,310.3

Notes:

1. In 2002, the Bank wrote off goodwill for an amount of €(578.7) million resulting from the acquisition of Ionian Bank.
2. In June 2003 and September 2003, the activities of Alpha Leasing have on consolidation been accounted for using the finance lease method.

	As of 31st December,				As of 30th June,		As of 30th September,	
	2001		*2002*		*2003*		*2003*	
				(Millions of Euro)				
Liabilities								
Due to Credit Institutions		1,518.4		2,693.4		2,680.6		1,632.8
Due to Customers..		24,978.0		23,191.0		22,411.4		21,933.2
Senior debt		—		—		779.8		1,792,2
Other Liabilities		680.2		626.3		733.4		693.1
Accruals and Deferred Income		141.6		111.6		261.8		327.4
Provisions for Liabilities and Charges								
a. Provisions for staff retirement indemnities	18.3		24.9		25.8		25.5	
b. Other..	13.1	31.4	13.1	38.0	7.5	33.3	5.3	30.8
Subordinated Debts		275.0		582.1		674.8		781.3
Hybrid Securities (circ. Bank of Greece no. 17/2002)		—		181.4		200.0		200.0
Capital and Reserves								
Share capital								
— Paid-up capital..	760.8		768.5		768.5		768.5	
Share premium account	443.7		443.4		137.7		137.7	
Reserves	869.5		817.3		804.0		803.9	
Reserve from fixed assets revaluation (L. 2065/92)	7.5		—		0.7		1.0	
Retained earnings..	14.1		147.4		143.6		128.1	
Goodwill to be netted off	—		(578.7)		(273.0)		(273.0)	
	2,095.6		1,597.9		1,581.5		1,566.2	
Less: Consolidation differences	225.0		236.2		226.3		223.5	
Less: Treasury shares	343.3		382.6		384.9		42.9	
	1,527.3		979.1		970.3		1,299.8	
Minority Interests..	409.0	1,936.3	322.3	1,301.4	317.3	1,287.6	324.5	1,624.3
Net profit		—		—		118.3		190.7
Total Liabilities		29,560.9		28,725.2		29,181.0		29,205.8

Consolidated Profit and Loss Account of the Group for the years ended 31st December, 2001 and 31st December, 2002 and the periods 1st January — 30th June, 2003 and 1st January — 30th September, 2003

	As of 31st December,				*As of 30th June,*		*As of 30th September,*	
	2001		*2002*		*2003*		*2003*	
				(Millions of Euro)				
Interest income and similar income		1,754.2		1,386.9		698.3		1,043.2
Less: Interest expense and similar charges ..		1,044.1		655.0		273.3		388.3
		710.1		731.9		425.0		654.9
Plus: Dividend income		12.6		14.7		4.0		7.0
Commissions income..	319.5		320.2		149.6		241.2	
Less: Commissions expense	36.9	282.6	28.1	292.1	15.6	134.0	27.6	213.6
Plus: Net trading income		119.4		71.7		64.4		110.2
Plus: Other operating income		189.5		156.7		5.0		6.3
Surplus value from participation in companies consolidated under the equity method		10.7		(4.7)		(2.6)		(13.2)
Gross operating results		1,324.9		1,262.4		629.8		978.8
Less: General administrative expenses								
a. Staff costs		401.3		372.1		184.8		282.3
b. Other administrative expenses		213.4		231.5		113.6		169.0
Less:								
Depreciation and amortization expenses		218.4		208.0		50.9		75.4
Revaluation differences of receivables and provisions for contingent liabilities		158.4		175.7		94.9		144.0
Total operating results		333.4		275.1		185.6		308.1
Extraordinary income		28.1		6.5		3.3		3.8
Extraordinary charges		(6.7)		(3.9)		(1.5)		(1.8)
Extraordinary profit or loss		8.3		2.2		2.2		6.5
Net profit for the year (before taxes)		363.1		279.9		189.6		316.6
Less: Income tax	126.7		99.5		61.9		100.3	
Income tax differences from prior years	9.5	136.2	—	99.5	—	61.9	—	100.3
Net profit for the year		226.9		180.4		127.7		216.3
Less: Minority income		19.2		7.9		9.4		25.6
Net profit		207.7		172.5		118.3		190.7

Consolidated Capitalisation of the Alpha Bank Group

The following table sets out the consolidated capitalisation and indebtedness of the Group, as of 30th September, 2003. The information below was extracted from the unaudited consolidated financial statements of the Group as of 30th September, 2003, prepared in accordance with Greek GAAP.

	As of 30th September, 2003
	Actual
	(Millions of Euro)
Shareholders' Equity	1,299.8
Minority interest	324.5
Due to credit institutions	1,632.8
Due to customers	21,933.2
Other liabilities	693.1
Accruals and deferred income	327.4
Provisions for liabilities and charges	30.8
Subordinated debts	781.3
Hybrid securities	200.0
Senior debt	1,792.2
Net profit for the period 1.1-30.9	190.7
Total	29,205.8

Save as disclosed above, there has been no material change in the capitalisation or indebtedness, contingent liabilities or liabilities arising from guarantees of the Group since 30th September, 2003, other than the merger of Alpha Bank with Alpha Investments S.A. and Alpha Romania Holdings, S.A.

Principal differences between Greek GAAP and International Accounting Standards (IAS)

1. Land and Buildings

Greek GAAP

Land and buildings are valued at cost plus mandatory revaluations made (currently every four years) on the basis of coefficients provided by the respective laws. The related depreciation reserve is also revalued on the same basis.

The resulting net revaluation surplus is initially recorded in revaluation reserve account in shareholders' equity and is capitalised within a specific period.

IAS

IAS 16 provides that land and buildings can either be stated at cost or fair market value (as determined by professional qualified valuators at regular intervals). Any surplus is recorded as a revaluation reserve under equity, net of related deferred taxes.

2. Intangible Assets

Greek GAAP

Intangible assets, such as preoperating and reorganisation, property acquisition and capital increase costs, research and development expenses etc., are capitalised and amortised equally over a maximum period of 5 years.

IAS

Under IAS 38, such costs should be expensed in the period in which they are incurred. Intangible assets can only be capitalised if the entity can demonstrate that there will be a future economic benefit and the cost of the asset can be measured reliably

Amortisation should be made on a systematic basis over the best estimate of its useful life, which should not exceed 20 years.

3. Pension obligations and other post-retirement obligations

Greek GAAP

- Provision for staff retirement benefits

  Non-Bank employees are entitled to termination or retirement indemnity which is dependent on the years of service and salary. In case of retirement, the amount is equal to 40 per cent. of the indemnity that would be payable upon dismissal for which a reserve should be provided in accordance with Greek GAAP. However based on the interpretation of the legal counsel of Greek State, the companies are entitled to provide for personnel retirement costs only for those employees who have the right to retire within the next year.

- The Employees' Pension Fund

  Banks account for any additional contributions to such funds on a cash basis.

IAS

Under IAS 19 as revised and effective 1999, the pension costs for defined benefit plans are accounted for using the projected unit credit method. Under this method, the cost of providing pensions is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries who value the plans regularly. The pension obligation is measured at the present value of the estimated future cash outflows.

4. Derivative instruments

Greek GAAP

Greek GAAP does not provide guidelines for the year-end valuation and accounting of the specific products

IAS

All derivative instruments are carried at fair value in assets when it is positive and in liabilities when it is negative.

Fair values are obtained from quoted market prices for exchange traded derivatives.

For the over the counter derivatives the fair values are obtained from discounted cashflow models and option pricing models which consider current market and contractual prices for the underlying instrument, as well as time value of money, yield curve and volatility of the underlying.

For derivatives held for trading purposes, realised and unrealised gains and losses are recognised in trading income.

When a derivative meets the specified in IAS 39 criteria to obtain hedge accounting treatment either fair value or cash flow hedge accounting is applied.

In a qualifying hedge of exposures to changes in fair value, the change in fair value of the hedging derivative is recognised in profit or loss. The change in the fair value of the hedged item attributable to the hedged risks adjusts the carrying value of the hedged item and is also recognised in income statement.

In a qualifying cash flow hedge, the effective portion of the gain or loss on the hedging derivative is recognised in Shareholders' equity while the ineffective portion is reported in profit or loss. When the hedged firm commitment or forecasted transaction results in income or expense, then the associated gain or loss on the hedging derivative is removed from Shareholders' equity and included in income statement in the same period during which the forecasted transaction affects profit or loss.

5. Securities

Greek GAAP

Securities relate to Greek State treasury bills, bonds, fixed income securities and equity securities.

At year end, all such securities regardless if held for investment or trading are valued at the lower of aggregate of acquisition cost or market.

IAS

Effective January 1, 2001, the Bank adopted IAS 39. In this connection classified its investment portfolio into:

Held-to-maturity investments: Such investments consist of debt securities that the management has the positive intent and ability to hold until maturity and are stated at amortised cost. The effective rate method is used for the amortisation of premium/discount. Income from held-to-maturity securities is reported in interest income. A reduction in market value is not taken into account unless it is considered to be permanent.

Securities held for trading: These are for profit making purposes and are measured at fair values. All gains or losses, realised and unrealised, are included in net trading income.

The available-for-sale securities: These are securities which do not properly belong in one of the three other categories of financial assets (held-to-maturity securities, securities held for trading or loans and receivables originated by the Group) and are carried at fair values. The determination of fair values is generally based on quoted market prices in active markets or discounted expected cash flows using the appropriate market rates for credit quality and maturity of the investment. Available for sale securities for which there is not a quoted market price or no reliable measure of fair value can be obtained are stated at cost.

Unrealised gains or losses are reported in shareholders' equity for all available for sale securities which are not part of a hedging relationship, net of applicable taxes until they are sold, collected or otherwise disposed of or until are determined to be impaired. On disposal of the available for sale security the accumulated gains or losses reported in shareholders' equity are transferred to net profit and loss for the year and reported in trading income.

6. Loans originated by the Group and provisions for loan impairment

Greek GAAP

A general loan provision is established, generally following tax legislation, to cover losses that are judged to be present in the lending portfolio, but which have not been specifically identified as such.

The general provision for doubtful debts is calculated as 1 per cent. of the annual average loan portfolio (other than loans extended to the Greek State or Greek State owned organisations, and loans having the Greek State's guarantee), which is tax deductible.

Non-banking companies are entitled, for tax purposes, to set up general provisions for losses from customers ranging between 0.5 per cent. to 2 per cent. of their revenues (2 per cent. relates only to the leasing companies).

When a loan is deemed uncollectable, it is written-off against the related provision. Subsequent recoveries are credited to the income statement.

IAS

Loans originated by the group are carried at amortised cost and are recognised when cash is advanced to borrowers.

A loan is considered impaired when management determines that it is probable that the Group will not be able to collect all amounts due according to the original contractual terms, unless such loans are secured, in process of collection, or other factors exists which make the Group expect that all future cash flows according to the original terms of the contract will be received. An impaired loan is classified as non-performing when the contractual payments of principal and/or interest are usually in arrears for 90 days or more.

The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted based on the interest rate of inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write down, the release of the provision is credited to the bad and doubtful debt expense.

7. Investments in Subsidiaries and Associates

Greek GAAP

In the statutory accounts of the Bank, investments in subsidiaries and associates are stated at the lower of aggregate cost or market.

IAS

For IAS purposes, such investments are stated at cost, as allowed by IAS 27 (for subsidiaries) and IAS 28 (for associates).

8. Income taxes (current and deferred)

Greek GAAP

In Greece there is no obligation to file a consolidated income tax return. The Bank provides for its current income tax liability according to the Greek tax regulations (tax return purposes). Such provision is appropriated from retained earnings.

No deferred taxes are accounted for.

IAS

Under IAS 12, current income taxes should be recorded as a profit and loss item rather than as appropriation from retained earnings. Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

9. Leases

Greek GAAP

Under Greek GAAP, lease agreements are accounted for as operating leases. The ownership of the leased assets is transformed to the lessee at a cost significantly lower than its fair market value. Such leased assets are shown as depreciable property and depreciated over the lease period. Rentals received are accounted for as income on accrual basis.

IAS

Under IAS 17, finance leases are accounted for in accordance with the financing method.

Accordingly, the minimum lease payments to be received over the term of the lease plus the estimated residual value of the leased assets are capitalised as finance leases under loans and advances to customers. Lease income is recognised over the term of the lease.

TAXATION

General

The summaries below are of a general nature based on current law and practice in each jurisdiction referred to. They relate only to the position of persons who are the owners of their Preferred Securities and may not apply to certain classes of persons such as dealers. These summaries do not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Any Holders who are in doubt as to their personal tax position should consult their professional advisers.

Greek Tax

Under Greek tax laws as of the date hereof, no Greek withholding tax shall be imposed on payments of the par value or Preferred Dividends from the Issuer in respect of the Preferred Securities, should the Holder of such Preferred Securities not be a resident of Greece for tax purposes.

Given that the Preferred Securities constitute hybrid innovative securities, under Greek tax laws as at the date hereof and to the extent that the Preferred Securities shall be considered to constitute debt instruments, no Greek withholding tax shall be imposed on payments representing Preferred Dividends. Should the Preferred Securities be considered to constitute equity, then a withholding tax of 20 per cent., which does not exhaust the tax liability of the Holder, shall be imposed on Holders who are tax resident in Greece and on Holders 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 Holder, shall be imposed on Holders 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 Holders by a Paying and Transfer Agent of the Issuer, located in Greece, or by the Bank under the Guarantee, which payments represent Preferred Dividends, deriving from the Preferred Securities.

Notwithstanding the above, payments of Preferred Dividends effected outside Greece shall not be subject to any Greek withholding tax.

However, if a Holder 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 Holder presents a ''tax residence certificate'' issued at a date not later than one year before such certificate is presented.

Jersey Tax

The Issuer has ''exempt company'' status within the meaning of Article 123A of the Income Tax (Jersey) Law, 1961, as amended, for the calendar year ended 31st December, 2003. Under the current regulations, the Issuer will be required to pay an annual exempt company charge which is currently £600 in respect of each subsequent calendar year during which it wishes to continue to have ''exempt company'' status. The retention of ''exempt company'' status is conditional upon the Comptroller of Income Tax being satisfied that no Jersey resident has a beneficial interest in the Issuer, except as permitted by concessions granted by the Comptroller of Income Tax, and disclosure of beneficial ownership being made to the Financial Services Commission.

As an ''exempt company'', the Issuer will not be liable to Jersey income tax other than on Jersey source income (except by concession bank deposit interest on Jersey bank accounts). For so long as the Issuer is an ''exempt company'', payments in respect of the Preferred Securities will not be subject to any taxation in Jersey (unless the Holder of Preferred Securities is resident in Jersey) and no withholding in respect of taxation will be required on such payments to any Holder of Preferred Securities.

Under current Jersey law, there are no death or estate duties, capital gains, gift, wealth, inheritance or capital transfer taxes. No stamp duty is levied in Jersey on the issue or transfer of Preferred Securities. In the event of the death of an individual sole Holder of Preferred Securities, duty at rates of up to 0.75 per cent. of the value of the Preferred Securities held may be payable on the registration of Jersey probate or letters of administration which may be required in order to transfer or otherwise deal with Preferred Securities held by the deceased individual sole Holder of Preferred Securities.

Proposed EU Savings Directive

European Union Directive on the Taxation of Savings Income

On 3rd June, 2003, the European Council of Economics and Finance Ministers adopted a Directive on the taxation of savings income (the "EU Savings Directive") under which Member States of the European Union ("EU") will be required, from a date not earlier than 1st January, 2005, to provide to the tax authorities of another Member State of the EU details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Jersey is not subject to the EU Savings Tax Directive. However, the Policy & Resources Committee of the States of Jersey has announced that, in keeping with Jersey's policy of constructive international engagement, Jersey proposed to introduce a system which will permit, either the disclosure of information concerning details of payments of interest (or other similar payments) and the identity of the beneficial owner of the interest to the tax authority of the EU jurisdiction where the owner is resident or the imposition of a withholding in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent situate in Jersey.

(The terms "beneficial owner" and "paying agent" are defined in the EU Savings Tax Directive).

The withholding tax option would apply for a transitional period during which tax would be withheld from such payments instead of communicating the details of such payments to the tax authorities of the EU Member State in which the beneficial owner is resident.

Under the current proposals in respect of the implementation of such a withholding tax system in Jersey the issuer would not be obliged to levy withholding tax in respect of interest payments made by it to a paying agent.

The States of Jersey have not yet adopted measures to implement those proposals but are expected to adopt such measures on the same timetable as EU Member States and other relevant third countries.

European Union Code of Conduct on Business Taxation

On 3rd June, 2003, the European Union Council of Economic and Finance Ministers reached political agreement on the adoption of a Code of Conduct on Business taxation (the Code). Jersey is not a member of the European Union, however, the Policy & Resources Committee of the States of Jersey has announced that, in keeping with Jersey's policy of constructive international engagement, it intends to propose legislation to replace the Jersey exempt company regime by the end of 2008 with a general zero rate of corporate tax.

SUBSCRIPTION AND SALE

Morgan Stanley & Co. International Limited, (the "Manager") has, pursuant to a Subscription Agreement (the "Subscription Agreement") dated 26th November, 2003 agreed to subscribe or procure subscribers for the Preferred Securities at the issue price of 100 per cent. of the principal amount of Preferred Securities, plus 87 days' accrued Preferred Dividend. The Issuer will also reimburse the Manager in respect of certain of their expenses, and has agreed to indemnify the Manager against certain liabilities, incurred in connection with the issue of the Preferred Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

United States

The Preferred Securities 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, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Preferred Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Preferred Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Preferred Securities within the United States or to, or for the account or benefit of, U.S. 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, an offer or sale of Preferred Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Furthermore, the Issuer and the Bank have agreed that if at any time the Bank, the Issuer or any of the Bank's other affiliates should purchase or otherwise acquire any of the Preferred Securities it will not (or, in the case of any affiliate, the Bank will procure that it will not) offer, sell or otherwise transfer such Preferred Securities except in a transaction meeting the requirements of rule 903 of Regulation S under the Securities Act.

United Kingdom

The Manager has represented and agreed that, except as permitted by the Subscription Agreement:

(i) it has not offered or sold and, prior to the expiry of the period of six months from the Closing Date, will not offer or sell any Preferred Securities to persons in the United Kingdom 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 (as amended);

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Preferred Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Bank; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Preferred Securities in, from or otherwise involving the United Kingdom.

Greece

The Manager has represented and agreed that it has not publicly offered or sold and will not publicly offer or sell any Preferred Securities, in, or to persons in, the Hellenic Republic, or engage in advertisements, notices, statements or other actions in the Hellenic Republic, with a view to attracting resident investors in the Hellenic Republic to acquire Preferred Securities. All applicable provisions of law 876/1979 and Presidential Decree 52/1992, as now in force, must be complied with in respect of anything done with regard to the public offering of Preferred Securities in, from or otherwise involving the Hellenic Republic.

The reference in the preceding clause to the prohibition on, and the related formalities of, public sales and offers of securities in the Hellenic Republic do not apply where the purchasers or offerees are persons dealing in securities in the ordinary course of their business

Jersey

The Manager has agreed that the Preferred Securities may not be (a) offered to, sold to or held by, or for the account of persons (other than financial institutions in the ordinary course of business) resident for income tax purposes in Jersey; or (b) transferred to a person resident for income tax purposes in Jersey (other than financial institutions in the ordinary course of business) unless the Registrar is satisfied that the beneficial owner thereof is not resident in Jersey for income tax purposes.

General

No action has been taken by the Issuer, the Bank or the Manager that would, or is intended to, permit a public offer of the Preferred Securities in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Manager has undertaken that it will not, directly or indirectly, offer or sell any Preferred Securities or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Preferred Securities by it will be made on the same terms.

GENERAL INFORMATION

Authorisation

1. The issue of the New Preferred Securities was duly authorised by a resolution of the Board of Directors of the Issuer dated 25th November, 2003 and the giving of the Guarantee thereof was duly authorised by a resolution of the Board of Directors of the Bank dated 6th November, 2003.

Listing

2. Application has been made to list the New Preferred Securities on the Luxembourg Stock Exchange. A legal notice relating to the issue of the New Preferred Securities and the constitutional documents of the Issuer are being lodged with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés, Luxembourg*) where such documents may be examined and copies obtained.

Clearing Systems

3. The Preferred Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg.

Common Code:	015915382
ISIN:	XS0159153823

No significant change

4. Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Group since 30th June, 2003 and there has been no material adverse change in the financial position or prospects of the Group since 31st December, 2002.

Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer since 31st December, 2002.

Litigation

5. Neither the Issuer nor the Bank is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Bank is 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 the Issuer or the Bank.

Accounts

6. The auditors of the Issuer are KPMG, 45 Esplanade, St. Helier, Jersey JE4 9WQ.

The auditors of the Bank are KPMG, 3 Stratigou Tombra Street, Aghia Paraskevi GR-15342, Athens (who were appointed for the first time on 2nd April, 2002).

The consolidated financial statements of the Bank for the financial years ended 31st December, 2000 and 31st December, 2001 prepared in accordance with international accounting standards ("IAS") and the consolidated and non-consolidated financial statements of the Bank for the two financial years ended 31st December, 2000 and 2001 prepared in accordance with generally accepted accounting principles in Greece ("Greek GAAP") 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 financial year ended 31st December, 2002 prepared in accordance with Greek GAAP were audited by KPMG. KPMG have been appointed to audit the Greek GAAP consolidated and non-consolidated financial statements of the Bank for the financial year ending 31st December, 2003.

The Issuer was incorporated on 21st November, 2002 and has published its audited non-consolidated accounts for the year ended 31st December, 2002. The Issuer does not prepare consolidated accounts or interim accounts.

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

Documents

7. Copies of the following documents will be available free of charge from the specified office of the Paying and Transfer Agent for the time being in Luxembourg so long as any of the Preferred Securities remains outstanding:

(a) the Articles of Association of the Issuer and the constitutional documents (with an English translation thereof) of the Bank;

(b) the audited non-consolidated accounts of the Issuer for the period ended 31st December, 2002 prepared in accordance with Jersey law and UK accounting standards;

(c) the Greek GAAP audited consolidated and non-consolidated financial statements of the Bank, each in respect of the financial years ended 31st December, 2001 and 31st December, 2002 (with an English translation thereof);

(d) the most recently published audited annual financial statements of the Issuer and the Bank (when available) and the most recently published unaudited interim financial statements (if any) of the Issuer and the Bank (with an English translation thereof); and

(e) the Subscription Agreement, the Agency Agreement and the Guarantee.

THE ISSUER

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