

SOCIAL REPORT

Social accountability requires from businesses to apply principles, objectives and actions of a social, environmental and cultural nature on all aspects of their activities. Alpha Bank has established a very considerable presence in our country's social, sporting, and cultural life. As Lead Sponsor and Official Bank of the Olympic Games it oversaw the most extensive Corporate Social Responsibility programme ever applied in Greece. People and respect for human values, have always been at the top of the Bank's priorities. Along with the productive management of economic resources and the ongoing modernisation of technological capabilities, this principle forms the basis of our relationships with personnel, customers and shareholders and is the basis of our success. Alpha Bank, in the context of its contribution to the social whole, cares for its people, for working conditions, for nature conservation and for the social and cultural life of our country.

Personnel

Alpha Bank utilises skilled personnel and new technologies, adapting job positions to the requirements of the market on an ongoing basis. On 31.12.2005 the Group's employees numbered 11,484, up by 1,450 persons or 14.5% over the previous year. The increase was limited exclusively to our operations abroad and in particular to the personnel of Jubanka, the acquisition of which added 1,312 persons to our workforce. In contrast, personnel in Greece were reduced by 52 persons to 8,211 employees. This was the result of our policy to economise on personnel via further automation of transactions and the processing of part of our operations at the central level. Of the above workforce 7,179 persons are employed at the Bank. As to age approx. 70% of total personnel are in the 26-45 range. As to gender, the proportion of women is increasing steadily and has now grown to 49.8% of the total as against 47.8% in 2001. In the last five years the number of women

exhausting their years of service and assuming senior positions is also increasing steadily. The academic level of the workforce is improving on an ongoing basis; high school graduates were reduced by approx. 12% in favour of university and post-graduate degree holders, who increased by 10.4% and account for more than 40% of the total. As regards the ratio of managerial-level officers by the criterion of signature right, the ratio of employees per executive officer stood at 3.3:1, while the number of female executives with signature rights is increasing.

Personnel Renewal

The personnel renewal index in the last five years has stabilised at a level of almost 4% annually – a result of the Bank's operational restructuring plan. In 2005, 141 persons were recruited, mainly people with past experience in the financial sector intended for senior posts with good career prospects. In the context of the equal opportunity policy applied by the Bank, 55% of the new recruits were women. As to academic level, 58% hold university or post-graduate degrees.

Internal Communication

Special emphasis is given to interactive inter-departmental communication and to encouraging personnel to participate in social and cultural activities. Information is disseminated via the constantly upgraded internal website (Alpha Bank Intranet) and the publication of the "MAZI" bulletin.

Recognising the value of its human capital as one of its main competitive advantages, the Bank applies innovative workforce advancement schemes:

- "Alpha Junior Professional"

For young people, holders of post-graduate degrees but having minimal or no professional experience, who are shortly able to undertake specialised duties.



Michalis Economou, House in the south of France
Oil on cardboard 42.5 x 65.5 cm

• **Internal selection for filling vacant posts**

In order to turn to best possible account our human resources, we applied once again successfully in 2005 the process of issuing internal "classified ads" to fill vacant posts.

• **Job description**

The listing of detailed job descriptions by specialised central services has commenced; it is the first step in determining their final ranking as to salary level, and in posting high-level officers to the appropriate positions.

• **Personnel Evaluation**

The evaluation of employee performance is effected on the basis of model practices and features at the workplace. Employees and supervisors decide jointly regarding the actions required for the employee's further development.

Training

Providing opportunities for employees to achieve personal development is a priority for Alpha Bank, and can be attained by ongoing training and re-education. The workplace is designed so as to enhance creativity, constant improvement and professionalism, and employees and officers pursuing post-graduate studies and degrees are supported.

In 2005, the training programmes covered requirements determined on the basis of the operational plan. They included:

- Improvement of skills in sales.
- Development of improved customer service techniques.
- Improvement in officers' managerial skills.
- Reinforcing and complementing employees' knowledge about the Bank's products and services.

In addition, we supported the participation of staff in specialised training programmes outside the Bank, both in Greece and abroad. Such programmes:

- Provide opportunities to exchange views and

experience with people from other fields of activity.

- Ensure that horizons are broadened and the ability to function in the international context is reinforced, facilitating understanding of inter-bank mechanisms at home and abroad.
- Enhance the value of the Bank's human resources.

Officers and employees can also participate in long-distance "e-courses". "Alpha Bank e-learning" eliminates distance, makes better use of time, and raises productivity and the degree of adaptation and absorption of new information.

Social Responsibility

The Bank is especially interested in providing social support to its personnel in the following sectors:

• **Health and Safety**

A group insurance life and health programme has been applied in the context of our policy of care for the health of our staff. The programme provides high insurance cover and health services, despite the considerable cost this entails.

The Programme provides:

- life and accident insurance;
- hospitalisation cover;
- additional health care service cover, beyond that provided under the Employee Health Insurance Fund; and
- preventive health checkups for officers.

• **Hygiene and security at the Workplace**

We have developed a network of doctors and security experts throughout Greece; they offer their services to all personnel, and provide regular updates on hygiene and security issues.

• **Personal Support**

Employees dealing with personal or professional problems have access to specially trained social workers.

• **Blood Bank**

A blood donation programme has been instituted and operates under the supervision of a doctor,

enabling an immediate response in the event of an employee needing blood urgently.

• **Family Life**

Special benefits have been instituted for employees' families, such as wedding benefit, child-care station, awards to employees' children for top-level performance at school, etc.

• **Fighting Discrimination - Social Solidarity**

By virtue of Law 2643/98, banks must recruit each year a number of persons with special needs. Mandatory recruitments represented 7.4% of the workforce in 2005.

Customers

Naturally, Alpha Bank's social responsibility also extends to its customers, with whom it has a multi-faceted relationship that evolves over time. The priority is to improve the quality of the services provided on an ongoing basis; each complaint, suggestion or recommendation by a customer is an opportunity to improve.

Aiming as always at reliability, consistency, fast customer service and ongoing product improvement, we have instituted a Quality Assurance unit, of which the priority is to maximise customer service quality. Customer complaints or suggestions – which we consider a source of motivation and opportunity for improvement – can be submitted to the Bank's Customer Service.

Cultural Activity

Aiming at preserving and disseminating Greek heritage and advancing science, the Bank and the companies of the Group participate actively in cultural life and support many activities.

Collections

• **Ancient Coins**

In 2005 Alpha Bank's Numismatic Collection was enriched by an Athenian Ten-Drachma coin, one

of the rarest and most important coins of antiquity. This significant acquisition was presented at a special event, held at the Bank's premises. This was followed by a series of lectures on the subject, which were published in small, elegant volumes. In 2005 several lectures were given in various regional cities, presenting the history of coins and focusing on the coins of the region.

The Collection was also part of the "Eulogy for the Olive Tree" exhibitions organised by the Greek Folk Tradition Research Centre of the Athens Academy.

• **Banknote Museum**

The Bank owns the only Greek Banknote Museum, one of the most comprehensive of its kind. It is housed in the first building of the Ionian Bank, in Corfu.

The Museum's inauguration was held on September 30, 2005 in Corfu, following a full restoration of the building and a change in the layout of the exhibits, in line with modern museum practice.

The exhibits are presented in four halls and cover almost all issues of Greek banknotes, from 1822 to 2002. The collection also includes important historical and archive material. The Museum is now open daily throughout the year, admission for the public is free of charge, and school visits are being planned.

• **Works of Art**

The Bank's collection is comprised of paintings, engravings and sculptures by leading artists, and is constantly being enriched with new items.

Many adorn our Central Services and Branches, and the Bank provides information and photographs in articles and magazines.

Cultural Activities

• **Sponsorships**

In the context of its activities in culture and art, the Bank sponsored the musical performances of

the "Beethoven – The Art of the String Quartet" cycle at the Athens Concert Hall (January – March 2005). It also sponsored the concerts given by the Arturo Toscanini Philharmonic Orchestra under the leading conductor Lorin Maazel, at the Thessaloniki Concert Hall (December 8 and 9, 2005).

• Exhibitions

The celebrations for the anniversary of 125 years from the beginning of Credit Bank and 165 years from the foundation of the Ionian Bank were crowned by the art exhibition "The Alpha Bank Collection – Paintings, Engravings and Sculptures", with 200 important exhibits, which opened on October 10, 2005 at the new building of the Benaki Museum. During the course of the exhibition, a number of tours were organised for the public and the Bank's personnel. Moreover, a number of educational seminars took place with the participation of many schools as well as the children of Alpha Bank's personnel.

The exhibition "Greece in Travellers' Maps and Engravings", with art works from the Collection, continued in Xanthi, Alexandroupolis and Volos. The exhibits, after their return from Volos, were placed in the ground floor of the Bank's Main Building.

The exhibition "Greek Engraving in the 20th Century", which was organised together with the Educational Foundation of the National Bank of Greece, was presented in the Public Gallery of Ioannina.

Primary school student art works with the theme "Litter-Free Nature" were exhibited in the entrance of the Bank's main building (14 Pesmazoglou Street). The exhibition was organised together with the Hellenic Society for the Protection of Nature.

Educational and Cultural Programmes for the Young

- Through the Alpha 1 | 2 | 3 product series for children, teenagers and young adults, the Bank

focused on developing multiple associations with leading institutions and the academic community as a whole, providing children and young people with new opportunities to showcase their talents, receive rewards for their performance and participate in a variety of events and activities. It also sponsored the issue of the "Benaki Museum Primer", which, in a most original way, encourages children to learn about the exhibits of the Museum (which are of the highest artistic value), the educational programmes under the aegis of the Heraclides Museum, the educational programmes under the aegis of the Thessaloniki Concert Hall and more.

- The Bank sponsored the Student Games of 2005, structured on the model of the Olympic Games; this year the Games were held in the Municipal Sports Centre of Proti, Serres, with the participation of 1,200 secondary education students from schools throughout Greece and in Greek communities abroad.

Conferences

- Alpha Bank was also the Founding Sponsor of the "4th International Banking Forum-Banking in 2010", organised by Economist Conferences and held in the Athens Hilton on December 8, 2005.
- During the 3rd International Symposium on Nuclear Medicine in Northern Greece, the Bank offered sponsorship to two young scientists.

Sports

- **Alpha Bank Sports Panorama**
This was a touring exhibition, which presented to the public specific sports under real-life conditions and information on various sports and athletics, while also describing the Bank's social activity. In 2005 the Sports Panorama visited 21 towns and islands in Greece, presenting sports such as wind-surfing, rowing, extreme trampoline, karate, tae-kwon-do, target shooting with laser

screen, football, basketball, Formula 1, and playstation 2. For the first time, we ran a specially designed kiosk dedicated to the environment and the environmental programmes supported by the Bank, "Blue Flags", and "Litter-Free Nature".

• Classic Athens Marathon

For the fifth consecutive year, the Bank sponsored the Classic Athens Marathon race, the only one conducted on the original route, and the 10,000 metre race. The official guest to the races of 2005 was Stefano Baldinni, the gold-medal winner of the Marathon race at the Athens Olympics, who gave the start signal for the race. Before the race, Alpha Bank was awarded a prize by SEGAS (Federation of Gymnastics and Athletics Associations) for its contribution to sports over the years.

• Other sports sponsorships

As of 2005, the Bank has extended its collaboration with SEGAS, and has undertaken the sponsoring of the National Athletics Teams. It also sponsored athletes in sailing, riding, and car racing. The Bank sponsored the 52nd Rally Acropolis, which was organised in Greece by ELPA (Greek Tour and Car Society) and declared best WRC Rally of 2005, and the 4th Historical Rally Acropolis, which was held in April 20-24, 2005.

Publications

Two very significant books were published for the occasion of the Bank's 125/165 double anniversary:

- The Alpha Bank Collection, Paintings - Engravings - Sculptures" is a book/album in Greek and in English, which besides presenting the works of art in the Bank's collection, also has extensive essays on the histories of Credit Bank and the Ionian Bank.
- Zoe Browne's "Papers of the Ionian Bank Limited" is a detailed bibliography of the Ionian Bank Ltd archives, which are safeguarded in the Library Section of the London School of Economics.

Periodical Publications

Four volumes of the quarterly magazine "With the Shareholders" were issued in 2005; it provides full, updated information to the Shareholders who support the Group's growth.

Three issues of the quarterly magazine "Financial Bulletin" were issued during the year; the magazine focuses on current issues pertaining to the Greek and global economy. It is read with great interest by businessmen, researchers and journalists, and is often the source for articles appearing in the press. There continued the publication of the "Weekly Financial Bulletin" on domestic and international economic developments, and of the bi-monthly magazine "The Greek Economy", which serves as a forum to showcase contemporary Greek economic issues abroad.

Four editions of the "Mazi" newspaper, which is published for a number of years as part of the Group's internal communications and covers all of the Bank's activities including its subsidiaries, were issued.

The successful publication of the shopping guide "Together in the Market" continued. The guide is published twice annually and is distributed free of charge to holders of the Bank's cards.

The company Alpha Astika Akinita publishes twice annually the magazine "Akinita" (Real Estate), providing information concerning the real estate market.

History Archive

A History Archive has been established, to collect and preserve the Group's historical memory. Activities in 2005 included the sorting, classification and indexing of the material derived from the personal archive of Mr. Y. S. Costopoulos and from the archives kept by the Bank's Divisions. The archive collection of Credit Bank and Popular Bank objects and memorabilia, architectural plans, announcements and invitations to Branch openings, and Credit Bank personnel commemorative objects, was filed and indexed. In addition, a name index was

formed for a collection of personal files of employees of Credit Bank and the I. F. Costopoulos Bank.

Library

The Library is located in the Bank's Central Building and includes more than 15,000 volumes (on finance, literature, dictionaries, and subjects of general interest). In 2005 the Library was enriched with many new titles and dictionaries.

The Library also has a comprehensive collection, unique in Greece, comprised of history and geography maps dating from Antiquity and the Middle Ages. They were acquired from the Cartographic Centre of the University of Tuebingen.

Social Support Initiatives

Each year we plan and implement sponsorship programmes in support of a variety of organisations, for the undertaking of important cultural and associated events.

Priority is given to supporting regional initiatives or groups and entities active on the local level. We also support groups engaged in sports activities to promote employment for the young, and centres for drug rehabilitation.

Our contribution is not only financial – we also deliver books, equipment, etc. to schools, libraries and societies throughout Greece. Such initiatives are not announced in detail, and in view of the beneficiaries' large number it is impossible to list all those receiving such aid from the Bank. They include schools and other educational institutions, municipal authorities, hospitals, medical associations and entities involved in health care generally, cultural activities, the church and church organisations. We also support individuals, societies, professional federations and associations, local scout and guide groups, and various other non-government organisations.

By way of indication, the Bank donated EUR 2.5 million to such entities in 2005. In the period 2001-2005 it donated more than EUR 15 million, without counting the amounts involved in the Olympic Sponsorship.

Foundations

The Foundations operate independently of the Group and are included in the Annual Report in view of the social and cultural function they perform.

• J. F. Costopoulos Foundation

The J. F. Costopoulos Foundation was established in 1979 through a donation of the then Chairman of Credit Bank Spyros J. Costopoulos and his wife Eurydice, on the occasion of the hundredth anniversary of the Bank. The aim of the Foundation is to promote culture, education and art in Greece and abroad, and make charitable donations in Greece. In this spirit, the Foundation supports scientific, academic and social entities, environmental projects, and charitable institutions. In 2005, the Foundation gave special emphasis to projects in the field of Archaeology, supporting Museums in Greece and abroad. In the field of culture and education, it supported libraries by enriching and preserving their archives, and granted scholarships for university and post-graduate studies in Greece and abroad. In addition, the Foundation supported environmental groups and organisations, and charitable institutions and societies. In art, it organised exhibitions and dance, cinema and music events, and supported various entities active in these fields.

• Eustathia J. Costopoulos Foundation

The Eustathia J. Costopoulos Foundation was established in 1989, as a contribution to the rebuilding of Kalamata after the earthquake that struck the city in that year. It bears the name of the wife of the Bank's founder. The Bank undertook the building and outfitting of a child-care station on a site that was donated by Mr. Yannis S. Costopoulos and Mrs. Anastasia S. Costopoulos.

Operating expenses are covered equally by the Bank, the J. F. Costopoulos Foundation, Mrs. Anastasia S. Costopoulos, Mr. Yannis S. Costopoulos and Mr. Photis P. Costopoulos. In this model child-care station, dedicated specialists provide care for the children and support for their families. It extends its hospitality, free of charge, to the children of 75 families of limited economic means.

• Ionian Bank Cultural Foundation

It was founded in 1999 and each year it supports charitable and cultural institutions in the Ionian Islands.

Environmental Protection

Environmental Policy

The Bank applies a clear and comprehensive policy as to the protection of the environment, in line with its shareholders' expectations. It is always sensitive to the main social issues of our time, and recognises that the growth of the economy is inextricably linked with the viability of the planet's ecosystem and that it bears a responsibility to contribute actively to the protection of the environment and the preservation of natural resources. To this end, it has developed a series of initiatives in line with international regulations and practice. The Bank has resolved to address the direct and indirect impact of its operations on the environment, set specific targets, and monitor their attainment throughout the year by instituting environment-friendly regulations and applying them in all the Companies of the Group.

• Application and compliance with the Bank's policy on the environment

The Bank sets targets in the fields it monitors, and ensures on a regular basis that they are being advanced. When awarding contracts to suppliers, the degree of their compliance with environmental criteria is taken into consideration. On the administrative level, responsibilities have been

clearly delineated, with the Asset Division responsible for applying the environment policy and setting the related targets, and the Audit Division responsible for ensuring compliance with environment policy rules.

• Information

The Bank reinforces the personnel's ecological awareness by providing information on the operational and environmental benefits arising from the application of related programmes.

• Policy against smoking

As of December 2002 there has applied a non-smoking policy in public waiting areas and premises, and in the workplace.

• Office Premises

In the event of leasing or purchasing such premises, priority is given to the degree in which they comply with the Bank's criteria for the conservation of energy. Work areas are designed so as to provide excellent working conditions for employees and customers, and are constructed with environment-friendly materials.

Environment Management System

The environment management system we apply, and the fields in which we undertake concrete actions include:

• Energy Conservation

We aim at efficient use of the materials available, regular monitoring and reduction of electricity, water, and petrol consumption, gradual substitution of heating petrol with natural gas, and conservation of fuel, correct waste management (recycling or elimination), in accordance with applicable legislation and the targets set. In all new buildings and when renovating existing buildings, particular care is taken to utilise natural light and conserve energy.

• Water Conservation

All necessary measures to prevent wastage of

water are applied and leakages are immediately repaired. Some Bank buildings are equipped with water-softening systems to pump and process available underground water.

• Paper Policy

It is the Bank's standard policy to invest in computer systems and modify procedures so as to utilise electronic communication, both within and outside the Bank, with the aim of restricting to the minimum possible paper files.

Measures are applied to ensure that paper consumption per employee does not exceed minimum requirements and annual budgets for purchasing each Unit's paper supplies are applied. Employees use non-bleached paper hand-towels, a 100% recyclable product. Waste paper is collected for recycling. The delivery of materials to Divisions and Branches is made in paper cartons. Plastic materials are also avoided in warehouse packaging.

- Use of environment-friendly materials, recycling, management of pollutants

Specialist certified companies were employed to remove power transformers using the insulating oil Clofen (PCBs) that some buildings used to deploy

and the Bank has received the certificates of their elimination, after they were safely thermo-destructed abroad.

The removal of power accumulators (battery-type appliances such as UPS, H/Z, alarm systems, etc.) is also undertaken by certified companies, in the context of an effort to recycle such appliances in accordance with community and national legislation on the protection of the environment.

The Bank buys air-conditioning units using the refrigerant R407 and fire extinguishers using FM200; both materials have been judged environment-friendly and harmless to humans. In addition, instructions have been issued for dealing with the residue of pollutants, so that such residue is not dispersed into surface or ground water and the soil.

• Used equipment

Furniture and electro-mechanical equipment that is replaced is usually donated, if capable of re-use, to charitable institutions, public organisations, or private environment-friendly management agencies.

In the fields in which specific targets have been set, the results attained year by year indicate the effectiveness of the system:

Table 1: Consumption of water, electricity and heating petrol

	2003	2004	2005	2005/2004		2006/2005 Target
				Target	Result	
Water (m ³)	19,021	16,210	15,259	-5%	-5.85%	-1%
Electricity (mwh)	12,312	12,201	12,041	-1%	-1.62%	-0.5%
Heating Petrol (lt)	196,361	183,918	179,939	-10%	-2.16%	-5%

Note: The data concerns buildings covering a total area of 70,000 m² and housing our Central Administrative Services in Attica.

Table 2: Paper Recycling

	2003	2004	2005	2005/2004		2006/2005 Target
				Target	Result	
Pulping (kg)	478,169	314,055	206,080	-15%	-34.4%*	10%

* In the years 2003/2004 the volume of pulping was unusually high because of paper consumption related to the Olympic Games. Thus the figure for 2005 appears significantly reduced.

Note: The data concerns all Central Services in Attica.

Action for the Environment

Support for Nature Conservation Programmes

• "Blue Flags"

The Bank has been the exclusive sponsor of the international "Blue Flags" programme since 2001. The aim of the programme is to protect and showcase the Greek coastline, and since 1992 has been managed by the Greek Nature Conservation Society.

• "Litter-Free Nature"

Through the Alpha 1 | 2 | 3 product series for children, teenagers and young adults and in association with the Greek Nature Conservation Society, the Bank supports programmes for enhancing the environmental awareness of young people. As of 2004 it has been sponsoring the "Litter-Free Nature", in which many volunteer groups from all over Greece participate. Already, 263 schools have subscribed. Concurrently, close associations were formed with municipalities, communities, and schools in remote border-areas, to which the necessary equipment and materials were sent.

Provisions for the disabled

Most elevators in Bank Units are equipped with Braille to facilitate use by persons with poor sight, and with telephone appliances enabling inter-communication in the event of malfunctions. The Central Buildings and renovated Branches are equipped with wheelchair-accessible ramps.

Objectives

From the above, it arises that Alpha Bank has applied action plans aimed at improving living standards for employes and society as a whole, at protecting the environment, and at preserving our cultural heritage, a long time before the term "corporate responsibility" appeared.

The goal is to continue undertaking such actions with the aim of:

- Reinforcing Corporate Social Responsibility.
- Continuing our policy as regards to:
 - Environment
 - Society
 - Workforce
 - Sports
 - Culture
 - Education.
- Extending and applying this policy to all Companies of the Group.
- Incorporating future sponsorships in planning for Corporate Social Responsibility.