



ALPHA BANK

**INTERIM FINANCIAL STATEMENTS
AS AT 31.3.2011**

(In accordance with the International Accounting Standard 34)



Athens,
May 24, 2011

TABLE OF CONTENTS

Interim Financial Statements as at 31.3.2011

(in accordance with IAS 34)

Interim Income Statement	3
Interim Balance Sheet	4
Interim Statement of Comprehensive Income	5
Interim Statement of Changes in Equity	6
Interim Statement of Cash Flows	8
Notes to the Interim Financial Statements	
General Information	9
Accounting policies applied	
1 Basis of presentation	11
Income Statement	
2 Staff costs	12
3 Impairment losses and provisions to cover credit risk	12
4 Income tax	12
5 Earnings/(losses) per share	14
Assets	
6 Loans and advances to customers	15
7 Investment securities	16
8 Investment property	16
9 Property, plant and equipment	17
10 Goodwill and other intangible assets	18
Liabilities	
11 Due to banks	19
12 Debt securities in issue and other borrowed funds	19
13 Provisions	21
Equity	
14 Share capital and Retained earnings	22
Additional Information	
15 Contingent liabilities and commitments	23
16 Operating segment reporting	25
17 Capital adequacy	26
18 Related-party transactions	26
19 Investments in subsidiaries, associates and joint ventures	28
20 Corporate events	28
21 Events after the balance sheet date	29

Interim Income Statement

(Thousands of Euro)

	<u>Note</u>	From 1 January to	
		<u>31.3.2011</u>	<u>31.3.2010</u>
Interest and similar income		740,698	705,875
Interest expense and similar charges		(418,336)	(372,090)
Net interest income		322,362	333,785
Fee and commission income		63,232	67,202
Commission expense		(12,673)	(7,923)
Net fee and commission income		50,559	59,279
Dividend income		3	6
Gains less losses on financial transactions		56,473	(2,373)
Other income		3,389	3,097
		59,865	730
Total income		432,786	393,794
Staff costs	2	(97,679)	(105,579)
General administrative expenses		(91,062)	(96,118)
Depreciation and amortization expenses	8, 9, 10	(14,937)	(13,493)
Other expenses		(149)	(129)
Total expenses		(203,827)	(215,319)
Impairment losses and provisions to cover credit risk	3	(205,727)	(164,534)
Profit before income tax		23,232	13,941
Income tax	4	(10,654)	(4,742)
		12,578	9,199
Extraordinary tax (Law 3845/2010)	4		(55,512)
Profit/(loss) after income and extraordinary tax		12,578	(46,313)
Earnings/(losses) per share:			
Basic and diluted (€ per share)	5	(0.01)	(0.13)



Interim Balance Sheet

(Thousands of Euro)

	<u>Note</u>	<u>31.3.2011</u>	<u>31.12.2010</u>
ASSETS			
Cash and balances with Central Banks		2,530,937	2,805,166
Due from banks		7,426,308	8,824,257
Securities held for trading		55,247	35,796
Derivative financial assets		411,936	442,013
Loans and advances to customers	6	39,194,027	39,919,035
Investments securities			
- Available for sale	7	1,295,937	2,808,560
- Held to maturity	7	5,038,244	5,181,136
Investments in subsidiaries, associates and joint ventures	19	1,855,699	1,853,042
Investment property	8	47,551	47,706
Property, plant and equipment	9	625,014	631,262
Goodwill and other intangible assets	10	97,505	98,520
Deferred tax assets		398,547	455,552
Other assets		589,904	582,163
		<u>59,566,856</u>	<u>63,684,208</u>
Non-current assets held for sale		86,545	86,687
Total Assets		59,653,401	63,770,895
LIABILITIES			
Due to banks	11	16,272,292	18,729,995
Derivative financial liabilities		999,828	1,106,591
Due to customers		31,053,078	31,233,710
Debt securities in issue and other borrowed funds	12	5,582,479	6,980,873
Liabilities for current income tax and other taxes		53,536	113,295
Deferred tax liabilities		234,819	234,819
Other liabilities		880,626	931,867
Provisions	13	8,858	9,247
Total Liabilities		55,085,516	59,340,397
EQUITY			
Share capital	14	3,451,067	3,451,067
Share premium		406,867	406,867
Reserves		118,267	(6,542)
Retained earnings	14	591,684	579,106
Total Equity		4,567,885	4,430,498
Total Liabilities and Equity		59,653,401	63,770,895

The attached notes (pages 9 – 29) form an integral part of these interim financial statements

Interim Statement of Comprehensive Income

(Thousands of Euro)

	<u>Note</u>	From 1 January to	
		<u>31.3.2011</u>	<u>31.3.2010</u>
Profit/(loss) after income tax, recognized in the income statement		12,578	(46,313)
Other comprehensive income recognized directly in Equity:			
Change in available for sale securities reserve	4	172,989	(117,739)
Change in cash flow hedge reserve	4	2,344	(29,197)
Exchange differences on translating foreign operations	4		(31)
Income tax	4	(50,524)	35,116
Total other comprehensive income, after income tax, recognized directly in Equity	4	124,809	(111,851)
Total comprehensive income for the period, after income tax		137,387	(158,164)



Interim Statement of Changes in Equity

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2010		3,451,067	406,867	202,391	715,247	4,775,572
Changes for the period 1.1 - 31.3.2010						
Profit for the period, after income tax and extraordinary tax					(46,313)	(46,313)
Other comprehensive income recognized directly in Equity, after income tax				(112,003)	152	(111,851)
Total comprehensive income for the period, after income tax				(112,003)	(46,161)	(158,164)
Expenses relating to the share capital increase, after income tax					(607)	(607)
Balance 31.3.2010		3,451,067	406,867	90,388	668,479	4,616,801
Changes for the period 1.4 - 31.12.2010						
Profit for the period, after income tax and extraordinary tax					(9,996)	(9,996)
Other comprehensive income recognized directly in Equity, after income tax				(118,363)	1	(118,362)
Total comprehensive income for the period, after income tax				(118,363)	(9,995)	(128,358)
Appropriation to statutory reserve				21,433	(21,433)	-
Dividend paid for preference shares					(57,945)	(57,945)
Balance 31.12.2010		3,451,067	406,867	(6,542)	579,106	4,430,498

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2011		3,451,067	406,867	(6,542)	579,106	4,430,498
Changes for the period 1.1- 31.3.2011						
Profit for the period, after income tax					12,578	12,578
Other comprehensive income recognized directly in Equity, after income tax				124,809		124,809
Total comprehensive income for the period, after income tax				124,809	12,578	137,387
Balance 31.3.2011		3,451,067	406,867	118,267	591,684	4,567,885



Interim Statement of Cash Flows

(Thousands of Euro)

	Note	From 1 January to	
		31.3.2011	31.3.2010
Cash flows from operating activities			
Profit before income tax		23,232	13,941
Adjustments for:			
Depreciation of fixed assets	8, 9	9,053	9,262
Amortization of intangible assets	10	5,884	4,231
Impairment losses and provisions		207,669	167,265
(Gains)/losses from investing activities		53,835	(571)
(Gains)/losses from financing activities		(102,115)	31,762
		197,558	225,890
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		2,641,876	(281,375)
Securities held for trading and derivative financial assets		10,626	(154,998)
Loans and advances to customers		517,477	54,829
Other assets		(24,895)	6,696
Net increase/(decrease) in liabilities relating to operating activities:			
Due to banks		(2,457,703)	1,186,612
Derivative financial liabilities		(104,419)	155,635
Due to customers		(1,246,241)	(1,529,028)
Other liabilities		(51,429)	42,948
		(517,150)	(292,791)
Net cash flows from operating activities before taxes		(517,150)	(292,791)
Income taxes and other taxes paid		(68,215)	(50,085)
		(585,365)	(342,876)
Cash flows from investing activities			
Investments in subsidiaries, associates and joint ventures		(848)	(69,831)
Dividends received		3	6
Purchases of fixed and intangible assets		(8,842)	(12,667)
Disposals of fixed and intangible assets		1,295	1,125
Net (increase)/decrease in investment securities		1,772,844	(3,131,448)
		1,764,452	(3,212,815)
Cash flows from financing activities			
Expenses relating to share capital increase			(799)
Dividends paid		(166)	(80)
Liabilities from the securitization of consumer loans		4,304	9,822
Repayment of debt securities in issue and other borrowed funds		(213,536)	(45,076)
		(209,398)	(36,133)
Effect of exchange rate fluctuations on cash and cash equivalents		9	618
Net increase / (decrease) in cash and cash equivalents		969,698	(3,591,206)
Cash and cash equivalents at the beginning of the period		4,645,869	8,424,719
Cash and cash equivalents at the end of the period		5,615,567	4,833,513

The attached notes (pages 9 – 29) form an integral part of these interim financial statements

Notes to the Interim Financial Statements

GENERAL INFORMATION

At present, the Bank operates under the brand name of ALPHA BANK A.E. and with the sign of ALPHA BANK. The Bank's registered office is 40 Stadiou Street, Athens and it is listed as a societe anonyme with registration number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in

conformity with whatever rules and regulations (domestic, community, foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

Based on the decision of the Ordinary General Meeting of Shareholders, held on 22.6.2010, the tenure of the members of the Bank's Board of Directors expires in 2014.

The Board of Directors as at March 31, 2011, according to the minutes of its meeting held on 22.3.2011, consists of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non-Executive Independent Member)

Minas G. Tanes ***

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO) ***

Artemis Ch. Theodoridis

George C. Aronis (from 22.3.2011)

NON-EXECUTIVE MEMBERS

Sophia G. Eleftheroudaki

Paul G. Karakostas *

Nicholaos I. Manassis **

Ioanna E. Papadopoulou

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis *

Pavlos A. Apostolides **

Thanos M. Veremis

Evangelos J. Kaloussis */***

Ioannis K. Lyras **

* Member of the Audit Committee

** Member of the Remuneration Committee

*** Member of the Risk Management Committee

**NON-EXECUTIVE MEMBER****(in accordance with the requirements of Law 3723/2008)**

Sarantis – Evangelos G. Lolos

SECRETARY

Hector P. Verykios

The Board of Directors will propose to the Ordinary General Meeting of Shareholders to appoint as certified auditors of the semi annual and annual financial statements for the year 2011, the company KPMG Certified Auditors A.E.

The Bank's shares have been listed in the Athens Stock Exchange since 1925. As at March 31, 2011 Alpha Bank was ranked sixth in terms of market capitalization.

Additionally, the Bank's share is included in a series of international indices, such as S&P Europe 350, FTSE Med 100, MSCI Europe, DJ Euro Stoxx and FTSE4Good.

Apart from the Greek listing, the shares of the Bank are listed in the London Stock Exchange in the form of international certificates (GDRs) and they are traded over the counter in New York (ADRs).

As at March 31, 2011 the Bank has 534,269,648 ordinary and 200,000,000 preference shares in issue.

During the first quarter of 2011 an average of 2,806,473 shares have been traded daily.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: Ba3
- Fitch Ratings: BB+ (from 23.5.2011: B+)
- Standard & Poor's: B+ (from 11.5.2011: B)

The financial statements have been approved by the Board of Directors on May 24, 2011.

ACCOUNTING POLICIES APPLIED

1. Basis of presentation

The Bank has prepared the condensed interim financial statements as at 31.3.2011 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which are measured at fair value:

- Securities held for trading
- Derivative financial instruments
- Available for sale securities

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The estimates and judgments applied by the Bank in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate.

The estimates and assumptions are reviewed on an on going basis to take into account current conditions and the effect of any revisions is recognized in the period in which the estimate is revised.

The accounting policies applied by the Bank in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended 31.12.2010, after taking into account the following amendments of International Accounting Standards and the Interpretations, which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2011:

- **Amendment of International Financial Reporting Standard 1** «Limited Exemption from Comparative IFRS7 Disclosures for First-time Adopters» (Regulation 574/30.6.2010)
- **Amendment of International Accounting Standard 24** «Related Party Disclosures» (Regulation 632/19.7.2010)
- **Amendment of International Accounting Standard 32** «Classification of Rights Issues» (Regulation 1293/23.12.2009)
- **Improvements to International Accounting Standards** (Regulation 149/18.2.2011)
- **Amendment of Interpretation 14** «Prepayment of a Minimum Funding Requirement» (Regulation 633/19.7.2010)
- **Interpretation 19** «Extinguishing Financial Liabilities with Equity Instruments» (Regulation 662/23.7.2010)

The adoption of the above did not have a substantial impact on the Bank's financial statements.

The adoption by the European Union, by 31.12.2011, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 1.1.2011 may retrospectively affect the periods presented in these interim financial statements.



INCOME STATEMENT

2. Staff costs

The Bank in collaboration with AXA Insurance has created a new group savings plan for its employees that were hired and insured for the first time from 1.1.1993 and onwards. The program's aim is to provide a lump sum monetary benefit to retiring employees. The plan assets, which will be formed by the fixed monthly contributions of the Bank and

its employees, will be invested in low risk mutual funds. In particular, for employees hired by the Bank and insured from 1.1.1993 until 31.12.2004 the final lump sum benefit to be received upon retirement will have a lower limit which is defined in Law 2084/1992. The plan's effective date is January 1, 2011.

3. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.3.2011	31.3.2010
Impairment losses on loans and advances to customers ^(note 6)	207,531	167,136
Impairment losses on participations	(11)	
Recoveries	(1,793)	(2,602)
Total	205,727	164,534

4. Income tax

According to Law 3697/2008 the tax rate for 2010 is 24%.

According to article 14 of Law 3943/2011 "Combating tax evasion, staffing of the tax auditing department and other provisions under the responsibility of the Ministry of Finance" which states that, for the periods commencing from 1.1.2011 and thereon, a 20% tax rate is effective for legal entities. For profit distribution, a withholding tax is imposed with a 25% tax rate. For financial statements up to 31.12.2010 a tax rate of 21% is imposed on distributed profits.

In accordance with article 5 of Law 3845/6.5.2010 "Measures for the implementation of the supporting mechanism of the Greek economy through the Eurozone Member-States

and the International Monetary Fund" an extraordinary tax was imposed on legal entities for social responsibility purposes which is calculated on the total net income for the fiscal year 2010 (accounting year 1.1-31.12.2009) provided that it exceeds €100,000. The extraordinary tax was imposed on profits before income tax as reported under International Financial Reporting Standards (IFRS), only if these were greater than the total taxable profits.

According to the above, the extraordinary tax recognized in the Financial Statements of the Bank as at 31.3.2010 amounted to €55.5 million and it was paid in January 2011.

The income tax expense is analyzed as follows:

	From 1 January to	
	31.3.2011	31.3.2010
Current	4,171	
Deferred	6,483	4,742
Total	10,654	4,742
Extraordinary tax (Law 3845/2010)		55,512

The current tax for the first quarter of 2011 includes an additional tax arising from the tax audit for the years 2008 and 2009.

Deferred tax recognized in the income statement is attributable to the temporary differences the effects of which are analyzed as follows:

	From 1 January to	
	31.3.2011	31.3.2010
Depreciation and fixed asset write-offs	599	691
Valuation of loans	(27,975)	20,884
Suspension of interest accruals	18,478	3,790
Loans impairment	(30,559)	(24,796)
Liabilities to Common Insurance Fund of Bank Employees	2,810	14,984
Valuation of derivatives	30,516	(11,399)
Effective interest rate	(170)	1,549
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	3,818	(5,015)
Valuation of investments in subsidiaries due to hedging	735	(207)
Valuation of bonds	25	(612)
Valuation of shares	(1,891)	176
Tax losses carried forward		(12,703)
Other temporary differences	10,097	17,400
Total	6,483	4,742

A reconciliation between the effective and nominal tax rate is provided below:

	From 1 January to			
	31.3.2011		31.3.2010	
	%		%	
Profit before income tax		23,232		13,941
Income tax (nominal tax rate)	20	4,646	24	3,346
Increase/(decrease) due to:				
Non taxable income			(66.29)	(9,242)
Non deductible expenses	0.74	172	0.82	115
Additional tax	0.12	27		
Withholding tax that has not been offset			75.48	10,523
Other differences	25	5,809		
Income tax (effective tax rate)	45.86	10,654	34.01	4,742

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	31.3.2011			31.3.2010		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities reserve	172,989	(50,055)	122,934	(117,739)	28,109	(89,630)
Change in cash flow hedge reserve	2,344	(469)	1,875	(29,197)	7,007	(22,190)
Exchange differences on translating foreign operations				(31)		(31)
Total	175,333	(50,524)	124,809	(146,967)	35,116	(111,851)



5. Earnings / (losses) per share

a. Basic

Basic earnings per share are calculated by dividing the profit after income tax for the period, by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by the Bank during the period.

b. Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Bank does not have dilutive potential ordinary shares and additionally, based on the preference shares terms of issuance, basic and dilutive earnings per share should not differ.

	From 1 January to	
	31.3.2011	31.3.2010
Profit/(loss) attributable to ordinary equity owners of the Bank	12,578	(46,313)
Weighted average number of outstanding ordinary shares	534,269,648	534,269,648
Basic and diluted earnings/(losses) per share (in €)	0.02	(0.09)

Taking into consideration the impact of the accrued return on preference shares, earnings/(losses) per share are formed as follows:

	From 1 January to	
	31.3.2011	31.3.2010
Profit/(loss) attributable to ordinary equity owners of the Bank less the accrued return on preference shares of the Greek State (Law 3723/2008)	(5,964)	(69,813)
Weighted average number of outstanding ordinary shares	534,269,648	534,269,648
Basic and diluted earnings/(losses) per share (in €)	(0.01)	(0.13)

ASSETS

6. Loans and advances to customers

	31.3.2011	31.12.2010
Individuals		
Mortgages:		
- Non-Securitized	11,268,890	11,363,534
Consumer:		
- Non-Securitized	1,891,450	1,772,396
- Securitized	1,815,671	1,958,435
Credit cards:		
- Non-Securitized	377,753	400,875
- Securitized	690,151	724,026
Other	53,408	54,824
Total	16,097,323	16,274,090
Companies:		
Corporate loans:		
- Non-Securitized	23,082,146	23,241,798
- Securitized	1,561,889	1,562,067
Other receivables	341,775	592,417
	41,083,133	41,670,372
Less:		
Allowance for impairment losses	(1,889,106)	(1,751,337)
Total	39,194,027	39,919,035

The Bank has proceeded in securitizing consumer and corporate loans as well as credit cards, through special purpose entities controlled by the Bank.

Based on the contractual terms and structure of the above transactions (e.g. allowance of guarantees or/and credit enhancement or due to the Bank owning the bonds issued by the special purpose entities) the Bank retained in all cases the risks and rewards deriving from securitized portfolios.

The Bank according to the direct issuance of covered bond program, proceeded with the issuance of an amount of € 3.5 billion which was covered by mortgage loans. As of 31.3.2011 the value of mortgage loans provided as coverage for the above mentioned bonds amounted to € 4.3 billion.

Allowance for impairment losses

Balance 1.1.2010	1,273,354
Changes for the period 1.1 - 31.3.2010	
Impairment losses for the period ^(note 3)	167,136
Change in present value of impairment reserve	24,296
Foreign exchange differences	220
Loans written-off during the period	(79,988)
Balance 31.3.2010	1,385,018
Changes for the period 1.4 - 31.12.2010	
Impairment losses for the period	557,099
Change in present value of impairment reserve	92,238
Foreign exchange differences	830
Loans written-off during the period	(283,848)
Balance 31.12.2010	1,751,337
Changes for the period 1.1 - 31.3.2011	
Impairment losses for the period ^(note 3)	207,531
Change in present value of impairment reserve	37,248
Foreign exchange differences	(1,446)
Loans written-off during the period	(105,564)
Balance 31.3.2011	1,889,106



7. Investment securities

a. Available for sale

Available for sale investment securities amounted to €1.3 billion as at 31.3.2011 compared to €2.8 billion as at 31.12.2010. Available for sale investment securities include Greek Government bonds amounting to €0.6 billion as at 31.3.2011 (31.12.2010: €1.4 billion) of which €7 million are treasury bills (31.12.2010: €872 million).

During the first quarter of 2011 the Bank has recognised impairment for the above portfolio that amounts to €43.7 million, which is included in the account "Gains less losses on financial transactions".

b. Held to maturity

Held to maturity investment securities amounted to €5 billion as at 31.3.2011 compared to €5.2 billion at 31.12.2010. Held to maturity investment securities include Greek Government bonds amounting to €4 billion as at 31.3.2011 (31.12.2010: €4.1 billion) of which €0.9 billion relates to the bond transferred to the full ownership of the Bank over the issuance of preference shares of the Greek State in accordance with Law 3723/2008.

During the first quarter of 2011 the Bank has recognised impairment for the above portfolio that amounts to €33.4 million, which is included in the account "Gains less losses on financial transactions".

8. Investment property

	<u>Land and Buildings</u>
Balance 1.1.2010	
Cost	56,795
Accumulated depreciation	(8,470)
1.1.2010-31.3.2010	
Net book value 1.1.2010	48,325
Depreciation charge for the period	(155)
Net book value 31.3.2010	<u>48,170</u>
Balance 31.3.2010	
Cost	56,795
Accumulated depreciation	(8,625)
1.4.2010-31.12.2010	
Net book value 1.4.2010	48,170
Depreciation charge for the period	(464)
Net book value 31.12.2010	<u>47,706</u>
Balance 31.12.2010	
Cost	56,795
Accumulated depreciation	(9,089)
1.1.2011-31.3.2011	
Net book value 1.1.2011	47,706
Depreciation charge for the period	(155)
Net book value 31.3.2011	<u>47,551</u>
Balance 31.3.2011	
Cost	56,795
Accumulated depreciation	(9,244)

9. Property, plant and equipment

	Land and Buildings	Leased Equipment	Equipment	Total
Balance 1.1.2010				
Cost	796,184		323,692	1,119,876
Accumulated depreciation	(209,856)		(270,798)	(480,654)
1.1.2010 - 31.3.2010				
Net book value 1.1.2010	586,328		52,894	639,222
Additions	3,038	183	1,432	4,653
Foreign exchange differences	(54)		(30)	(84)
Disposals	(25)		(24)	(49)
Reclassification to "Non current assets held for sale"	(1,703)			(1,703)
Reclassification from "Non current assets held for sale"	1,712			1,712
Depreciation charge for the period	(4,507)		(4,600)	(9,107)
Net book value 31.3.2010	584,789	183	49,672	634,644
Balance 31.3.2010				
Cost	798,740	183	324,665	1,123,588
Accumulated depreciation	(213,951)		(274,993)	(488,944)
1.4.2010 - 31.12.2010				
Net book value 1.4.2010	584,789	183	49,672	634,644
Additions	9,718	32	16,035	25,785
Foreign exchange differences	32		16	48
Disposals/ Impairments	(1,082)		(133)	(1,215)
Reclassification to "Non-current assets held for sale"	(6)			(6)
Depreciation charge for the period	(13,782)	(27)	(14,185)	(27,994)
Net book value 31.12.2010	579,669	188	51,405	631,262
Balance 31.12.2010				
Cost	806,164	215	338,897	1,145,276
Accumulated depreciation	(226,495)	(27)	(287,492)	(514,014)
1.1.2011-31.3.2011				
Net book value 1.1.2011	579,669	188	51,405	631,262
Additions	787	18	2,543	3,348
Foreign exchange differences	(117)	(3)	(48)	(168)
Disposals	(519)		(11)	(530)
Depreciation charge for the period	(4,559)	(11)	(4,328)	(8,898)
Net book value 31.3.2011	575,261	192	49,561	625,014
Balance 31.3.2011				
Cost	805,948	230	340,801	1,146,979
Accumulated depreciation	(230,687)	(38)	(291,240)	(521,965)

The book value of owned land and buildings included in the above balances amounts to €504,396 as at 31.3.2011 (31.12.2010: €505,930).

**10. Goodwill and other intangible assets**

	Software	Banking rights	Other	Total
Balance 1.1.2010				
Cost	216,891	1,785	69	218,745
Accumulated amortization	(142,031)	(744)	(19)	(142,794)
1.1.2010 - 31.3.2010				
Net book value 1.1.2010	74,860	1,041	50	75,951
Additions	3,461			3,461
Foreign exchange differences	(10)			(10)
Amortization charge for the period	(4,139)	(89)	(3)	(4,231)
Net book value 31.3.2010	74,172	952	47	75,171
Balance 31.3.2010				
Cost	220,336	1,785	69	222,190
Accumulated amortization	(146,164)	(833)	(22)	(147,019)
1.4.2010 - 31.12.2010				
Net book value 1.4.2010	74,172	952	47	75,171
Additions	39,163			39,163
Foreign exchange differences	5			5
Amortization charge for the period	(15,544)	(268)	(7)	(15,819)
Net book value 31.12.2010	97,796	684	40	98,520
Balance 31.12.2010				
Cost	259,508	1,785	69	261,362
Accumulated amortization	(161,712)	(1,101)	(29)	(162,842)
1.1.2011 - 31.3.2011				
Net book value 1.1.2011	97,796	684	40	98,520
Additions	4,884			4,884
Foreign exchange differences	(15)			(15)
Amortization charge for the period	(5,792)	(89)	(3)	(5,884)
Net book value 31.3.2011	96,873	595	37	97,505
Balance 31.3.2011				
Cost	264,357	1,785	69	266,211
Accumulated amortization	(167,484)	(1,190)	(32)	(168,706)

LIABILITIES

11. Due to banks

	31.3.2011	31.12.2010
Deposits:		
- Current accounts	36,265	34,322
- Term deposits:		
European Central Bank	13,253,333	14,004,917
Other credit institutions	2,464,817	3,575,683
Sale and repurchase agreements (Repos)		597,260
Borrowing funds	517,877	517,813
Total	16,272,292	18,729,995

12. Debt securities in issue and other borrowed funds

Long-term

i. Issues guaranteed by the Greek State (Law 3723/2008)

According to Law 3723/2008 for the enhancement of the Greek economy's liquidity program, the Bank issued on 15.2.2011 a senior debt security guaranteed by the Greek State amounting to €950 million, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 8.5%.

After this issuance, the outstanding balance of the above mentioned issues amount to €10.4 billion as at 31.3.2011.

The above mentioned securities are not presented in the "Debt securities in issue and other borrowed funds", as they are held by the Bank.

ii. Covered bonds

The balance of covered bonds issued by the bank as at 31.3.2011 amounts to €3.5 billion.

The covered bonds are not included in the "Debt securities in issue and other borrowed funds" as they are held by the Bank⁽¹⁾.

iii. Senior debt securities

Balance 1.1.2011	4,802,728
Changes for the period 1.1 – 31.3.2011	
New issues	8,590
Maturities/Redemptions	(1,059,701)
Fair value change due to hedging	(15,119)
Accrued interest	1,681
Foreign exchange differences	(1,059)
Balance 31.3.2011	3,737,120

The following securities are included in the amount of "new issues":

- nominal value of €5 million maturing on 11.3.2013, bearing a fixed three month interest rate of 4.25%

- nominal value of USD 5 million maturing on 11.3.2013, bearing a fixed three month interest rate of 3%.

Additionally, the amount of maturities/redemptions includes mainly maturities of issues amounting to €234 million.

⁽¹⁾ Financial disclosure regarding covered bond issues, as determined by the 2620/28.8.2009 directive of the Bank of Greece, will be published at the Bank's website.

**iv. Liabilities from the securitization of consumer loans**

Balance 1.1.2011	774,915
Changes for the period 1.1 - 31.3.2011	
Repayments	(11,631)
Securitization of new loans	12,685
Interest	3,249
Balance 31.3.2011	779,218

In addition liabilities deriving from the securitization of consumer loans, corporate loans and credit cards are not presented in "Debt securities in issue and other borrowed

funds", since these securities, amounting to €3.2 billion, issued by special purpose entities, are held by the Bank.

v. Subordinated debt

Balance 1.1.2011	810,213
Changes for the period 1.1 - 31.3.2011	
Maturities/Redemptions	(302,375)
Fair value change due to hedging	(7,285)
Accrued interest	(2,610)
Foreign exchange differences	(13,950)
Balance 31.3.2011	483,993

- On 1.2.2011 an amount of €25 million was repaid from the issue maturing on 1.2.2017 and with a call option on 1.2.2012.
- On 1.2.2011 an amount of €15 million was repaid from the issue maturing on 8.3.2017 and with a call option on 8.3.2012.
- On 24.3.2011 the issue of JPY 30 billion (equivalent in €262.4 million) maturing on 4.3.2035, was repaid.

vi. Hybrid securities

Balance 1.1.2011	593,017
Changes for the period 1.1 - 31.3.2011	
Accrued interest	(10,869)
Balance 31.3.2011	582,148
Total of Debt securities in issue and other borrowed funds not held by the Bank	5,582,479

13. Provisions

Balance 1.1.2010	3,768
Changes for the period 1.1 - 31.3.2010	
Other provisions	117
Provisions used during the period	<u>(2)</u>
Balance 31.3.2010	3,883
Changes for the period 1.4 - 31.12.2010	
Restructuring program provisions	5,481
Reversal of other provisions	<u>(117)</u>
Balance 31.12.2010	9,247
Changes for the period 1.1 - 31.3.2011	
Reversal of other provisions	(146)
Restructuring program provisions used during the period	<u>(243)</u>
Balance 31.3.2011	8,858

The amounts of other provisions charged to profit and loss account and of the restructuring program provisions are included in the account "Other expenses" of the income statement.



EQUITY

14. Share capital and Retained earnings

a) Share capital

The Bank's share capital as at 31.3.2011 amounts to €3,451,067,345.60 distributed as 734,269,648 shares, of which 534,269,648 are ordinary, registered, voting, non paper and 200,000,000 are preference, registered, non voting, paper and redeemable, of nominal value €4.70 each.

Preference shares have been issued on 21.5.2009, according to Law 3723/2008 regarding the enhancement of Greek economy's liquidity program.

According to article 39 of Law 3844/3.5.2010, which amended Law 3723/9.12.2008, the return of preference shares has a step-up feature of 2% annually, if after five years following the issuance, preference shares have not been redeemed.

The Bank has recognized the preference shares as part of its equity and the related return for the first quarter of 2011 amounts to €18.5 million after income tax.

b) Retained earnings

The Bank's Board of Directors will not propose to the Ordinary General Meeting of Shareholders the distribution of dividend to common shareholders, since no profits were performed during the year 2010.

It is noted that, according to the article 19 of the Law 3965/2011, the banks participating in the enhancement of Greek economy's liquidity program of Law 3723/2008, may distribute dividend for the year 2010 only in the form of shares.

Additionally, the Bank's Board of Directors will suggest the payment to the Greek State of the accrued return on its preference shares for the year 2010.

ADDITIONAL INFORMATION

15. Contingent liabilities and commitments

a) Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. No provision has been recorded because after consultation with

the legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Bank.

b) Tax issues

On March 2011, Bank's tax audit for the years 2008 and 2009 was completed. The Bank's branches in Albania, London and Bulgaria have been audited by the tax authorities for the years up to and including 2009, 2008 and 2007 respectively.

Additional taxes and penalties may be imposed for the unaudited years.

c) Operating leases

Bank as a lessee

The Bank has various obligations with respect to leases of buildings which are used as branches or for administrative purposes.

The duration of the lease agreements is initially for 12 years with a renewal or extension option according to the lease agreements.

The policy of the Bank is to renew these contracts.

The minimum future lease payments are:

	<u>31.3.2011</u>	<u>31.12.2010</u>
Less than one year	32,095	31,448
Between one year and five years	102,121	107,445
More than five years	88,274	95,153
Total	222,490	234,046

The total lease expense for the first quarter of 2011 relating to rental of buildings amounts to €8,822 (first quarter of 2010: €9,679) and it is included in the account "General administrative expenses".

The Bank as a lessor

The Bank's receivables from leases relate to buildings leased either to group companies or to third parties.

The minimum future revenues are:

	<u>31.3.2011</u>	<u>31.12.2010</u>
Less than one year	3,364	2,814
Between one year and five years	6,548	6,614
More than five years	3,659	3,981
Total	13,571	13,409

The lease revenues for the first quarter of 2011 amount to €896 (first quarter of 2010: €936) and are included in the account "Other income".

d) Off balance sheet liabilities

The Bank, pursuant to its normal operations, is binded by contractual commitments that in the future may result in changes in its asset structure. These commitments are monitored in off balance sheet accounts. The contractual commitments, that the Bank has undertaken, relate to letters of guarantee, letters of credit, undrawn credit facilities and guarantees relating to bonds issued by subsidiaries of the Bank.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment of the third party bound by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.



Undrawn credit facilities are loan agreements that may not be fulfilled immediately or may be partially fulfilled. The amounts presented in the table below represent part of the

agreed loan agreements and credit limits which remain unused.

The Bank's off balance sheet items are summarized below:

	<u>31.3.2011</u>	<u>31.12.2010</u>
Letters of guarantee	5,334,256	5,577,106
Letters of credit	38,682	47,225
Undrawn loan agreements and credit limits	14,950,306	15,239,190
Guarantees relating to bonds issued by subsidiaries of the Bank	<u>5,068,091</u>	<u>7,181,297</u>
Total	25,391,335	28,044,818

e) Assets pledged

	<u>31.3.2011</u>	<u>31.12.2010</u>
Assets pledged	22,412,426	27,556,022

Assets pledged include:

- Loans and advances to customers amounting to €3.2 billion from which:
 - i. An amount of €1.6 billion has been pledged as collateral to the Bank of Greece in accordance with the Monetary Policy Council Act No 54/27.2.2004 as in force. With this act the Bank of Greece accepts as collateral, for monetary policy purposes and intraday credit, non marketable assets, which should meet the terms and conditions of the above act.
 - ii. An amount of €1.6 billion has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State that amount to €1.3 billion in accordance with Law 3723/2008.
- Securities held for trading and investment securities portfolio as well as securities from Reverse Repos amounting to €19.2 billion out of which:

i. An amount of €3.5 billion relates to the issuance of covered bonds secured by mortgage loans amounting to €4.3 billion.

ii. An amount of €10 billion relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008.

iii. An amount of €5.7 billion relates to Greek State bonds and other bonds.

From the aforementioned securities, an amount of €0.6 billion has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State that amount to €1.3 billion in accordance with Law 3723/2008. The remaining securities are pledged as collateral to the European Central Bank for participation in main refinancing operations and to the Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET), to the Athens Derivative Exchange Clearing House, as well as to the European Investment Bank.

f) Other guarantees

On 7.5.2008 the Bank completed a new Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of the American Law, which will be offered to institutional investors. The issuer will be Alpha Group Jersey

Ltd, a wholly owned subsidiary of the Bank. The Notes will be guaranteed by the Bank and will be traded in Luxembourg Stock Exchange. The program currently is inactive.

16. Operating segment reporting

(Amounts in millions of Euro)

	1.1 - 31.3.2011						
	Total	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	322.4	208.3	98.7	0.2	5.8	9.4	
Net fee and commission income	50.5	24.7	19.2	6.4	(1.4)	1.6	
Other income	59.8	1.7	1.9	0.6	61.9	0.6	(6.9)
Total income	432.7	234.7	119.8	7.2	66.3	11.6	(6.9)
Total expenses	(203.8)	(144.4)	(30.0)	(5.6)	(3.6)	(12.5)	(7.7)
Impairment losses	(205.7)	(79.8)	(117.3)			(8.6)	
Profit before income tax	23.2	10.5	(27.5)	1.6	62.7	(9.5)	(14.6)
Income tax	(10.6)						
Profit after income tax	12.6						

(Amounts in millions of Euro)

	1.1 - 31.3.2010						
	Total	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	333.8	200.3	95.6	(0.1)	28.4	9.6	
Net fee and commission income	59.3	25.6	20.1	7.6	3.9	2.1	
Other income	0.7	1.7	2.4	0.3	(6.6)	0.5	2.4
Total income	393.8	227.6	118.1	7.8	25.7	12.2	2.4
Total expenses	(215.4)	(149.5)	(30.4)	(5.5)	(4.7)	(14.4)	(10.9)
Impairment losses	(164.5)	(73.2)	(82.3)			(9.0)	
Profit before income tax	13.9	4.9	5.4	2.3	21.0	(11.2)	(8.5)
Income tax	(60.2)						
Profit/(loss) after income tax	(46.3)						

i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies.

The Bank offers through its extended branch network, all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards to the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division and shipping corporations.

The Bank offers working capital facilities, corporate loans and letters of guarantee.

iii. Asset Management / Insurance

Consists of a wide range of asset management services offered through Bank's private banking units. In addition it offers a wide range of insurance products to individuals and companies.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, as well as investment banking facilities offered by the Bank. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South-Eastern Europe

Consists of the Bank's branches operating in South Eastern Europe.

vi. Other

This segment consists of the Bank's administration section.



17. Capital adequacy

The Bank's capital adequacy is supervised by the Bank of Greece, to which reports are submitted on a quarterly basis. The minimum requirements regarding tier I ratio and the capital adequacy ratio of the Bank are determined by Bank of Greece Governor's Acts.

Since 1 January 2008, the new regulatory framework (Basel II) has been applied in order to calculate capital adequacy. Those requirements were transposed into Greek law by Law 3601/2007.

The capital adequacy ratio compares regulatory capital with the risks that the Bank undertakes (risk-weighted assets). Regulatory capital includes Tier I capital (share capital, reserves), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt, real estate properties revaluation reserves). Risk-weighted assets include the credit risk

of the investment portfolio, the market risk of the trading book and the operational risk.

Alpha Bank's policy is to maintain a robust capital base to sustain its development and retain the trust of depositors, shareholders, markets and business partners.

The ratios (for Tier I capital and capital adequacy) are much higher than the minimum levels set by the respective Bank of Greece Governor's Act and provide a solid base that will allow the Bank to support its business activities in the coming years.

In addition, the percentage of hybrid securities and subordinated debt is considerably lower than the regulatory limits, meaning that the Bank can, if necessary, further utilise these forms of capital.

	31.3.2011 (estimate)	31.12.2010
Tier I ratio	12.2%	11.8%
Capital adequacy ratio (Tier I + Tier II)	13.4%	13.5%

18. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arms length and are approved by the relevant Bank committees.

a. The outstanding balances of the transactions with members of the Board of Directors, their close family members and the entities controlled by them as well as the related to these transactions results are as follows:

	31.3.2011	31.12.2010
Assets		
Loans and advances to customers	162,813	165,787
Liabilities		
Due to customers	78,412	81,445
Letters of guarantee	4,171	4,806
	From 1 January to	
	31.3.2011	31.3.2010
Income		
Interest and similar income	1,680	1,099
Expenses		
Interest expense and similar charges	618	407

The Board of Directors and Executive General Managers' fees recorded in the income statement for the first quarter of 2011 amounted to €737 (first quarter of 2010: €1,014).

b. The outstanding balances with subsidiaries and associates and the related results of these transactions are as follows:

I. Subsidiaries

	<u>31.3.2011</u>	<u>31.12.2010</u>
Assets		
Due from banks	6,334,222	7,204,124
Securities held for trading	411	394
Derivative financial assets	2,404	513
Loans and advances to customers	1,360,325	1,433,637
Available for sale securities	401,014	1,134,353
Other assets	2,491	11
Total	8,100,867	9,773,032
Liabilities		
Due to banks	1,814,224	2,658,488
Due to customers	456,196	419,758
Derivative financial liabilities	2,601	780
Debt securities in issue and other borrowed funds	5,838,690	6,980,278
Other liabilities	4,904	1,406
Total	8,116,615	10,060,710
Letters of guarantee and other guarantees	793,976	799,680
	From 1 January to	
	<u>31.3.2011</u>	<u>31.3.2010</u>
Income		
Interest and similar income	28,994	35,893
Fee and commission income	5,120	6,133
Gains less losses on financial transactions		3,039
Other income	723	920
Total	34,837	45,985
Expenses		
Interest expense and similar charges	53,485	64,810
Commission expense	91	40
General administrative expenses	5,150	6,841
Total	58,726	71,691



II. Associates

	31.3.2011	31.12.2010
Assets		
Loans and advances to customers	20	24
Liabilities		
Due to customers	262	431
	From 1 January to	
	31.3.2011	31.3.2010
Income		
Interest and similar income		1
Expenses		
Interest expense and similar charges	1	8

c. The Supplementary Fund of former Alpha Credit Bank's employees holds bonds of the subsidiary of the Bank Alpha Credit Group of €82.6 million, while its receivables from Alpha Bank amount to €31.1 million and its deposits with Alpha Bank to €8 million. Additionally it holds Alpha Bank's

shares of €3.5 million. The Bank has recognised in its income statement an amount of €0.5 million that relates to the accrued expense of the new group insurance plan in collaboration with AXA Insurance.

19. Investments in subsidiaries, associates and joint ventures

	1.1 - 31.3.2011	1.4 - 31.12.2010	1.1 - 31.3.2010
Subsidiaries			
Opening balance	1,828,848	1,841,336	1,772,540
Additions		32,194	69,831
Disposals		(47,936)	
Valuation of investments due to fair value hedge ⁽¹⁾	1,809	3,254	(1,035)
Closing balance	1,830,657	1,828,848	1,841,336
Associates			
Opening balance	74	74	74
Closing balance	74	74	74
Joint ventures			
Opening balance	24,120	22,105	22,105
Additions	848	2,015	
Closing balance	24,968	24,120	22,105
Total	1,855,699	1,853,042	1,863,515

Additions represent: share purchases, participation in share capital increases and acquisitions of shares due to mergers. The additions in joint ventures amounting to €848 relate to the Bank's capital contribution to Alpha-TANEO AKES.

Disposals represent: sales of shares, return of capital and proceeds arising from the liquidation of companies, contributions in kind and impairments.

20. Corporate events

On 28.2.2011 the liquidation of HSO Europe B.V. was completed.

⁽¹⁾ The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investments in its subsidiaries Alpha Bank London Ltd and Alpha Bank Romania S.A.

21. Events after the balance sheet date

According to the article 19, paragraph 5, of the Law 3965/2011 "Operations Reform of the Consignment and Loan Fund, Public Debt Management Agency, Public Enterprises and Government bodies, the establishment of the

General Secretary of Public Property and other provisions" the banks, participating in the enhancement of Greek economy's liquidity program of Law 3723/2008, may distribute dividend for the year 2010 only in the form of shares.

Athens, May 24, 2011

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE CHIEF
FINANCIAL OFFICER

THE ACCOUNTING
MANAGER

YANNIS S. COSTOPOULOS
I.D. No. X 661480

DEMETRIOS P. MANTZOUNIS
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