



ALPHA BANK

**CONSOLIDATED INTERIM FINANCIAL  
STATEMENTS AS AT 30.9.2009**

(In accordance with the International Accounting Standard 34)



Athens  
November 9, 2009



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(In accordance with IAS 34)

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**Interim Consolidated Income Statement**

(Thousands of Euro)

	Note	From 1 January to		From 1 July to	
		30.9.2009	30.9.2008	30.9.2009	30.9.2008
Interest and similar income		3,003,011	3,235,842	965,711	1,159,790
Interest expense and similar charges		(1,698,606)	(1,873,466)	(506,187)	(695,249)
Net interest income		1,304,405	1,362,376	459,524	464,541
Fee and commission income		320,617	402,477	108,048	138,826
Commission expense		(34,140)	(49,208)	(12,754)	(19,381)
Net fee and commission income		286,477	353,269	95,294	119,445
Dividend income		2,613	2,522	327	165
Gains less losses on financial transactions		161,283	38,144	62,615	(2,153)
Other income		49,175	58,525	15,663	17,707
		213,071	99,191	78,605	15,719
<b>Total income</b>		<b>1,803,953</b>	<b>1,814,836</b>	<b>633,423</b>	<b>599,705</b>
Staff costs		(416,127)	(436,511)	(137,983)	(151,261)
General administrative expenses		(381,291)	(340,741)	(135,116)	(119,564)
Depreciation and amortization expenses	7, 8, 9	(68,900)	(64,739)	(22,635)	(22,559)
Other expenses		(3,051)	(2,781)	(737)	(1,125)
<b>Total expenses</b>		<b>(869,369)</b>	<b>(844,772)</b>	<b>(296,471)</b>	<b>(294,509)</b>
Impairment losses and provisions to cover credit risk	2	(496,745)	(266,019)	(170,030)	(124,063)
Share of profit/(loss) of associates		(2,617)	7,700	972	7,679
<b>Profit before income tax</b>		<b>435,222</b>	<b>711,745</b>	<b>167,894</b>	<b>188,812</b>
Income tax	3	(91,408)	(142,199)	(37,942)	(34,118)
<b>Profit after income tax</b>		<b>343,814</b>	<b>569,546</b>	<b>129,952</b>	<b>154,694</b>
<b>Profit attributable to:</b>					
<b>Equity owners of the Bank</b>		<b>344,654</b>	<b>567,833</b>	<b>129,947</b>	<b>153,701</b>
Minority interest		(840)	1,713	5	993
<b>Earnings per share:</b>					
Basic and diluted (€ per share)	4	0.76	1.40	0.26	0.38

The attached notes (pages 9 - 35) form an integral part of these interim consolidated financial statements.



## Interim Consolidated Balance Sheet

(Thousands of Euro)

	Note	30.9.2009	31.12.2008
<b>ASSETS</b>			
Cash and balances with Central Banks		2,573,107	3,450,947
Due from banks		4,724,587	2,829,970
Securities held for trading		98,033	81,135
Derivative financial assets		387,603	485,026
Loans and advances to customers	5	51,011,568	50,704,702
Investment securities			
-Available for sale	6	2,225,293	752,526
-Held to maturity	6	5,245,860	4,488,709
Investments in associates		56,621	59,260
Investment property	7	73,089	66,875
Property, plant and equipment	8	1,269,807	1,254,240
Goodwill and other intangible assets	9	172,325	159,961
Deferred tax assets		302,612	333,499
Other assets		557,272	549,299
		68,697,777	65,216,149
Non-current assets held for sale		108,545	53,805
<b>Total Assets</b>		<b>68,806,322</b>	<b>65,269,954</b>
<b>LIABILITIES</b>			
Due to banks	10	12,189,495	8,963,796
Derivative financial liabilities		648,712	805,346
Due to customers (including debt securities in issue)		41,918,646	42,546,777
Debt securities in issue held by institutional investors and other borrowed funds	11	7,106,454	7,241,185
Liabilities for current income tax and other taxes		82,967	128,062
Deferred tax liabilities		216,613	197,779
Employee defined benefit obligations		46,455	42,762
Other liabilities		1,521,854	1,350,287
Provisions	12	55,404	53,263
<b>Total Liabilities</b>		<b>63,786,600</b>	<b>61,329,257</b>
<b>EQUITY</b>			
<b>Equity attributable to equity owners of the Bank</b>			
Share Capital	13	2,871,590	1,931,590
Reserves		236,028	188,404
Retained earnings	13	1,305,527	969,815
Treasury shares	13		(68,985)
		4,413,145	3,020,824
<b>Minority interest</b>		<b>17,830</b>	<b>32,567</b>
<b>Hybrid securities</b>		<b>588,747</b>	<b>887,306</b>
<b>Total Equity</b>		<b>5,019,722</b>	<b>3,940,697</b>
<b>Total Liabilities and Equity</b>		<b>68,806,322</b>	<b>65,269,954</b>

The attached notes (pages 9 - 35) form an integral part of these interim consolidated financial statements.



## Interim Consolidated Statement of Comprehensive Income

(Thousands of Euro)

	Note	From 1 January to		From 1 July to	
		30.9.2009	30.9.2008	30.9.2009	30.9.2008
<b>Profit after income tax, recognized in the income statement</b>		<b>343,814</b>	<b>569,546</b>	<b>129,952</b>	<b>154,694</b>
<b>Other comprehensive income recognized directly in Equity:</b>					
Change in available for sale securities reserve	3	63,058	(64,759)	(12,130)	(10,486)
Exchange differences on translating foreign operations	3	(20,709)	(866)	(10,902)	1,087
Income tax	3	(11,585)	14,953	6,993	920
<b>Total of other comprehensive income recognized directly in equity after income tax</b>	<b>3</b>	<b>30,764</b>	<b>(50,672)</b>	<b>(16,039)</b>	<b>(8,479)</b>
<b>Total comprehensive income for the period, after income tax</b>		<b>374,578</b>	<b>518,874</b>	<b>113,913</b>	<b>146,215</b>
<b>Total comprehensive income for the period attributable to:</b>					
<b>Equity owners of the Bank</b>		<b>375,414</b>	<b>517,179</b>	<b>114,006</b>	<b>145,266</b>
Minority interest		(836)	1,695	(93)	949

The attached notes (pages 9 - 35) form an integral part of these interim consolidated financial statements.

**Interim Consolidated Statement of Changes in Equity**

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total
<b>Balance 1.1.2008</b>		<b>1,602,809</b>	<b>184,033</b>	<b>445,662</b>	<b>1,138,195</b>	<b>(188)</b>	<b>3,370,511</b>	<b>32,859</b>	<b>887,894</b>	<b>4,291,264</b>
<b>Changes for the period 1.1 - 30.9.2008</b>										
Profit for the period, after income tax					567,833		567,833	1,713		569,546
Other comprehensive income recognized directly in Equity, after income tax				(50,654)			(50,654)	(18)		(50,672)
<b>Total comprehensive income for the period, after income tax</b>				<b>(50,654)</b>	<b>567,833</b>		<b>517,179</b>	<b>1,695</b>		<b>518,874</b>
Share capital increase by capitalization of share premium and retained earnings		328,781	(184,033)		(144,748)					
Expenses relating to the share capital increase					(2,204)		(2,204)			(2,204)
Purchases/sales and change of ownership interests in subsidiaries				(18)	(4,714)		(4,732)	5,193		461
Purchases/sales of treasury shares and hybrid securities					(66,848)	(31,733)	(98,581)		12	(98,569)
Dividends distributed to equity owners of the Bank and minority interest					(362,199)		(362,199)	(532)		(362,731)
Dividends paid to hybrid securities owners					(52,824)		(52,824)			(52,824)
Appropriation to reserves				47,659	(47,659)					
Other					(2,915)		(2,915)			(2,915)
<b>Balance 30.9.2008</b>		<b>1,931,590</b>		<b>442,649</b>	<b>1,021,917</b>	<b>(31,921)</b>	<b>3,364,235</b>	<b>39,215</b>	<b>887,906</b>	<b>4,291,356</b>
<b>Changes for the period 1.10 - 31.12.2008</b>										
Profit for the period, after income tax					(55,766)		(55,766)	(333)		(56,099)
Other comprehensive income recognized directly in Equity, after income tax				(250,884)			(250,884)	(3,366)		(254,250)
<b>Total comprehensive income for the period, after income tax</b>				<b>(250,884)</b>	<b>(55,766)</b>		<b>(306,650)</b>	<b>(3,699)</b>		<b>(310,349)</b>
Purchases/sales and change of ownership interests in subsidiaries				(3,366)	(556)		(3,922)	(2,949)		(6,871)
Purchases/sales of treasury shares and hybrid securities					9,059	(37,064)	(28,005)		(600)	(28,605)
Dividends paid to hybrid securities owners					(5,751)		(5,751)			(5,751)
Appropriation to reserves				5	(5)					
Other					917		917			917
<b>Balance 31.12.2008</b>		<b>1,931,590</b>		<b>188,404</b>	<b>969,815</b>	<b>(68,985)</b>	<b>3,020,824</b>	<b>32,567</b>	<b>887,306</b>	<b>3,940,697</b>



(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total
<b>Balance 1.1.2009</b>		<b>1,931,590</b>		<b>188,404</b>	<b>969,815</b>	<b>(68,985)</b>	<b>3,020,824</b>	<b>32,567</b>	<b>887,306</b>	<b>3,940,697</b>
<b>Changes for the period 1.1 - 30.9.2009</b>										
Profit for the period, after income tax					344,654		344,654	(840)		343,814
Other comprehensive income recognized directly in Equity, after income tax				30,760			30,760	4		30,764
<b>Total comprehensive income for the period, after income tax</b>				<b>30,760</b>	<b>344,654</b>		<b>375,414</b>	<b>(836)</b>		<b>374,578</b>
Share capital increase with the issuance of preference shares acquired by the Greek State	13a	940,000					940,000			940,000
Expenses relating to the share capital increase					(10,340)		(10,340)			(10,340)
Purchases/sales and change of ownership interests in subsidiaries					886		886	(13,520)		(12,634)
Purchases/sales of treasury shares and hybrid securities					69,975	68,985	138,960		(298,559)	(159,599)
Dividends distributed to equity owners of the Bank and minority interest								(381)		(381)
Dividends paid to hybrid securities owners					(51,231)		(51,231)			(51,231)
Appropriation to reserves				16,864	(16,864)					
Other					(1,368)		(1,368)			(1,368)
<b>Balance 30.9.2009</b>		<b>2,871,590</b>		<b>236,028</b>	<b>1,305,527</b>		<b>4,413,145</b>	<b>17,830</b>	<b>588,747</b>	<b>5,019,722</b>

The attached notes (pages 9 - 35) form an integral part of these interim consolidated financial statements.

**Interim Consolidated Statement of Cash Flows**

(Thousands of Euro)

	Note	From 1 January to 30.9.2009	30.9.2008
<b>Cash flows from operating activities</b>			
Profit before income tax		435,222	711,745
<b>Adjustments for:</b>			
Depreciation of fixed assets	7, 8	49,441	43,491
Amortization of intangible assets	9	19,459	21,248
Impairment losses from loans and provisions		571,442	279,681
Other adjustments			(5,574)
(Gains)/losses from investing activities		(145,741)	16,102
(Gains)/losses from financing activities		15,749	32,637
Share of (profit)/loss from associates		2,617	(7,700)
		<b>948,189</b>	<b>1,091,630</b>
<b>Net (increase)/decrease in assets relating to operating activities:</b>			
Due from banks		740,123	1,027,810
Securities held for trading and derivative financial assets		80,525	108,392
Loans and advances to customers		(888,550)	(7,820,518)
Other assets		(7,973)	(81,689)
<b>Net increase/(decrease) in liabilities relating to operating activities:</b>			
Due to banks		3,225,754	1,829,352
Derivative financial liabilities		(156,633)	89,322
Due to customers		(1,612,089)	7,412,756
Other liabilities		186,789	479,155
<b>Net cash flows from operating activities before taxes</b>		<b>2,516,135</b>	<b>4,136,210</b>
Income taxes and other taxes paid		(123,372)	(124,105)
<b>Net cash flows from operating activities</b>		<b>2,392,763</b>	<b>4,012,105</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries and associates		(18,885)	(199,360)
Proceeds from sale of investments in subsidiaries and associates			1,694
Dividends received		2,613	2,669
Purchases of fixed and intangible assets		(158,517)	(130,966)
Disposals of fixed and intangible assets		8,525	22,987
Net (increase)/decrease in investment securities		(1,080,897)	(1,994,679)
<b>Net cash flows from investing activities</b>		<b>(1,247,161)</b>	<b>(2,297,655)</b>
<b>Cash flows from financing activities</b>			
Expenses relating to the share capital increase		(10,340)	(2,204)
Dividends paid		(784)	(360,693)
(Purchases)/sales of treasury shares		71,495	(86,024)
Debt issue		992,750	100,000
Repayment of debt securities		(141,737)	(284,625)
(Purchases)/sales of hybrid securities		(228,584)	(7)
Dividends paid to hybrid securities owners		(51,231)	(52,824)
<b>Net cash flows from financing activities</b>		<b>631,569</b>	<b>(686,377)</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>		<b>(20,709)</b>	<b>256</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,756,462</b>	<b>1,028,329</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,013,636</b>	<b>3,792,031</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>4,770,098</b>	<b>4,820,360</b>

The attached notes (pages 9 - 35) form an integral part of these interim consolidated financial statements.



## Notes to the Interim Consolidated Financial Statements

### GENERAL INFORMATION

The Alpha Bank Group, which includes companies in Greece and abroad, offers the following services: corporate and retail banking, financial services, investment banking and brokerage services, insurance services, real estate management, hotel activities.

The parent company of the Group is ALPHA BANK A.E. which operates under the brand name 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.

In the context of Bank's participation to the requirements of Law 3723/2008, referring to the enhancement of economy's liquidity, the extraordinary General Meeting of Shareholders held on 12.1.2009 approved the following:

- The alteration of the number of members of the Bank's Board of Directors and the modification of Article 7 of the Articles of Incorporation.
- The election of a representative of the Greek State, as a new member of the Board of Directors in accordance with the above Law and conditional upon the participation of the Greek State in Bank's share capital.

Following to the above, the decision of the Minister of Economy and Finance has appointed Mr. George I. Mergos as a Greek State representative to Bank's Board of Directors.

Therefore the Board of Directors as at 30 September 2009 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

Marinos S. Yannopoulos (CFO)\*\*\*

Spyros N. Filaretos (COO)

Artemis Ch. Theodoridis

#### NON-EXECUTIVE MEMBERS

Sophia G. Eleftheroudaki

Paul G. Karakostas\*

Nicholaos I. Manassis \*\*

Ioanna E. Papadopoulou

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

\*\*\* Member of the Risk Management Committee

**NON-EXECUTIVE INDEPENDENT MEMBERS**

George E. Agouridis \*  
Pavlos A. Apostolides \*\*  
Thanos M. Veremis  
Evangelos J. Kaloussis \*/\*\*\*  
Ioannis K. Lyras \*\*

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

George I. Mergos

**SECRETARY**

Hector P. Verykios

The term of the Board of Directors ends in 2010, apart from the Greek State's representative whose term ends as stated in Law 3723/2008.

The Ordinary General Meeting of Shareholders, held on 23.6.2009, has appointed as auditors of the semi-annual and year end financial statements for 2009 the following:

**Principal Auditors:** Nick E. Vouniseas  
Charalambos G. Sirounis

**Substitute Auditors:** Nikolaos Ch. Tsiboukas  
John A. Achilas

of KPMG Certified Auditors A.E.

The Bank's shares have been listed in the Athens Stock Exchange since 1925. As at 30 September 2009 Alpha Bank was ranked sixth in terms of market capitalization. The Bank is included in a series of international indices, such as S&P Europe 350, FTSE Med 100, DJ Euro Stoxx and FTSE4 Good.

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

As at 30 September 2009 the Bank has 410,976,652 ordinary and 200,000,000 preference shares in issue (note 13a).

During the nine month period of 2009 an average of 1,659,817 shares have been traded daily.

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

- Fitch Ratings: A-
- Moody's: A2
- Standard & Poor's: BBB+

**The financial statements have been approved by the Board of Directors on November 9, 2009.**

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

\*\*\* Member of the Risk Management Committee



## ACCOUNTING POLICIES APPLIED

### 1. Basis of presentation

The Group has prepared the condensed interim financial statements as at 30 September 2009 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 Group 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 ongoing 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 Group in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended 31 December 2008, after taking into account the following:

- **Amendment of International Accounting Standard 1** «Presentation of financial statements» (Regulation 1274/17.12.2008)

On 6.9.2007, the International Accounting Standards Board (IASB) published the revised version of IAS 1 which introduces changes in the presentation of financial statements. The adoption of this amendment by the Group resulted in the following changes:

- i. Preparation of an additional statement which includes the items of income and expense which are recognized either in the income statement or directly in equity (statement of comprehensive income).
- ii. The statement of changes in equity includes only the changes resulting from transactions with owners.
- iii. Disclosures are provided in the statement of comprehensive income and in the notes concerning the reclassification adjustments relating to components of other comprehensive income and the income tax relating to each component of other comprehensive income.

- **International Financial Reporting Standard 8** «Operating Segments» (Regulation 1358/21.11.2007)

This standard replaces IAS 14 «Segment reporting» and introduces changes in the definition of operating segments, in the measurement of their financial data and in their presentation in the financial statements.

The adoption of the standard did not have any impact on the presentation of the segment reporting in the Group's financial statements.

- **Amendment of International Accounting Standard 27** «Consolidated and Separate Financial Statements» and of **International Financial Reporting Standard 1** «First Time Adoption of International Financial Reporting Standards» regarding «the cost of an investment in a subsidiary, associate or jointly controlled entity» (Regulation 69/23.1.2009).

With this amendment, issued by the IASB on 22.5.2008, it is defined that the distribution of profits relating to periods prior to acquisition should be accounted in the income statement as dividend income. With regards to the first time adopters of IFRS, options are provided on the cost measurement of an investment in a subsidiary, associate or jointly controlled entity.

The adoption of the standard did not have any impact on the Group's financial statements.

In addition, the Group applied from 1.1.2009 the following amendments and interpretations which were issued by IASB, adopted by the European Union but did not have a significant impact on its financial statements:

- **Amendment of International Accounting Standard 23** «Borrowing costs» (Regulation 1260/10.12.2008)
- **Amendment of International Financial Reporting Standard 2** «Share based payments» (Regulation 1261/16.12.2008)



- **Amendment of International Accounting Standard 32** «Financial instruments: Presentation» **and 1** «Presentation of Financial Statements» (Regulation 53/21.1.2009)
- **Amendment of International Accounting Standard 39** «Reclassification of Financial Assets: Effective date and transition» (Regulation 824/9.9.2009)
- **Interpretation 12** «Service concession arrangements» (Regulation 254/25.3.2009)
- **Interpretation 13** «Customer loyalty programs» (Regulation 1262/16.12.2008)
- **Interpretation 15** «Agreements for the Construction of Real Estate» (Regulation 636/22.07.2009)
- **Interpretation 16** «Hedges of a Net Investment in a Foreign Operation» (Regulation 460/4.6.2009)
- **Improvements to International Accounting Standards** (Regulation 70/23.1.2009)

The adoption by the European Union, by 31.12.2009, 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 1.1.2009, may retrospectively affect the amounts presented in these interim financial statements.



## INCOME STATEMENT

### 2. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 July to	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Impairment losses on loans and advances to customers	515,032	320,822	177,368	169,161
Reversal of impairment losses from due from banks	(4)	(24)		(4)
Provisions to cover credit risk relating to off balance sheet items	(4,313)	(38,133)	(2,290)	(39,695)
Recoveries	(13,970)	(16,646)	(5,048)	(5,399)
<b>Total</b>	<b>496,745</b>	<b>266,019</b>	<b>170,030</b>	<b>124,063</b>

### 3. Income tax

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 25%. According to Law 3697/2008 the tax rate is reduced by one percent each year starting from 2010 until the rate reaches 20% in 2014 and thereafter.

In accordance with article 26 of Law 3634/2008 income tax is imposed for the fiscal year 2007, at the current tax rate (25%), on profits which previously were not subject to tax until distributed or capitalized (interest on Greek government bonds, gains from the sale of listed shares etc.). Dividend income is not subject to tax since it has been already taxed at the corporate level. The same applies to profit arising from transfer of receivables for securitization purposes according to article 14 of Law 3156/2003.

Dividends distributed by entities established in Greece and approved by the General Meetings of Shareholders held after 1.1.2009 are subject to a withholding tax of 10% with no further tax obligation for the beneficiary (Law 3697/2008).

The tax rates of years 2008 and 2009 of the subsidiaries and the Bank's branches operating abroad, are as follows:

	2008	2009
	%	%
Cyprus	10	10
Bulgaria	10	10
Serbia	10	10
Romania	16	16
FYROM	10	10 <sup>(1)</sup>
Albania	10	10
Ukraine	25	25
Jersey	20	10
United Kingdom	28	28
Luxemburg	29.63	28.59

The income tax expense is analysed as follows:

	From 1 January to		From 1 July to	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Current	61,283	101,774	33,079	36,846
Deferred	30,125	40,425	4,863	(2,728)
<b>Total</b>	<b>91,408</b>	<b>142,199</b>	<b>37,942</b>	<b>34,118</b>

<sup>(1)</sup> From 1.1.2009 non distributable profits are not subject to tax. When distributed they are taxed at the rate applicable on the date of distribution.



Deferred tax recognized in the income statement is attributable to the following temporary differences:

	From 1 January to		From 1 July to	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
Depreciation and fixed assets write-offs	2,305	3,007	1,030	1,363
Valuation of loans	(4,237)	13,449	13,654	31,202
Suspension of interest accruals	22,404	29,736	10,543	11,055
Loans impairment	(28,191)	3,279	(11,427)	431
Liabilities to Common Insurance Fund of Bank Employees	13,399	12,720	(1,128)	(1,346)
Valuation of derivatives	19,143	(11,989)	(9,296)	(24,265)
Effective interest rate	5,610	8,780	3,316	4,146
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(1,384)	(2,572)	(113)	(7,261)
Valuation of bonds	7,450	(16,135)	(1,946)	(16,309)
Valuation of other securities	(741)	(6,979)	(378)	(1,369)
Tax losses carried forward	385		797	(894)
Other temporary differences	(6,018)	7,129	(189)	519
<b>Total</b>	<b>30,125</b>	<b>40,425</b>	<b>4,863</b>	<b>(2,728)</b>

Reconciliation of effective and nominal tax rate:

	From 1 January to				From 1 July to			
	30.9.2009		30.9.2008		30.9.2009		30.9.2008	
	%		%		%		%	
<b>Profit before income tax</b>		<b>435,222</b>		<b>711,745</b>		<b>167,894</b>		<b>188,812</b>
Income tax (nominal tax rate)	23.74	103,307	23.06	164,135	24.06	40,390	22.51	42,501
<i>Increase/(decrease) due to:</i>								
Additional tax on income of fixed assets	0.05	215	0.04	256	0.04	68	0.02	30
Non taxable income	(4.88)	(21,249)	(2.28)	(16,240)	(6.54)	(10,986)	0.50	941
Non deductible expenses	0.84	3,662	0.95	6,807	0.99	1,655	1.49	2,804
Other temporary differences	1.25	5,473	(1.79)	(12,759)	4.05	6,815	(6.44)	(12,158)
<b>Income tax (effective tax rate)</b>	<b>21.00</b>	<b>91,408</b>	<b>19.98</b>	<b>142,199</b>	<b>22.60</b>	<b>37,942</b>	<b>18.08</b>	<b>34,118</b>

The nominal income tax rate of 23.74% for the nine month period of 2009 and 23.06% for the nine month period of 2008 is the weighted average of the nominal income tax rate and the profit before tax of the Group's subsidiaries.





### Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	30.9.2009			30.9.2008		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities reserve	63,058	(11,585)	51,473	(64,759)	14,953	(49,806)
Exchange differences on translating foreign operations	(20,709)		(20,709)	(866)		(866)
<b>Total</b>	<b>42,349</b>	<b>(11,585)</b>	<b>30,764</b>	<b>(65,625)</b>	<b>14,953</b>	<b>(50,672)</b>

	From 1 July to					
	30.9.2009			30.9.2008		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities reserve	(12,130)	6,993	(5,137)	(10,486)	920	(9,566)
Exchange differences on translating foreign operations	(10,902)		(10,902)	1,087		1,087
<b>Total</b>	<b>(23,032)</b>	<b>6,993</b>	<b>(16,039)</b>	<b>(9,399)</b>	<b>920</b>	<b>(8,479)</b>

## 4. Earnings per share

### a. Basic

Basic earnings per share are calculated by dividing the profit after income tax for the period, attributable to ordinary equity owners of the Bank, by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by Group companies, 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 Group does not have diluted potential ordinary shares and additionally, based on the preference shares terms of issuance (note 13a), basic and dilutive earnings per share should not differ.

	From 1 January to		From 1 July to	
	30.9.2009	30.9.2008	30.9.2009	30.9.2008
<b>Profit attributable to ordinary equity owners of the Bank</b>	344,654	567,833	129,947	153,701
Less: Return on preference shares of the Hellenic Republic (Law 3723/2008)	(34,728)		(24,022)	
	309,926	567,833	105,925	153,701
Weighted average number of outstanding ordinary shares	405,577,102	405,207,665	406,904,929	409,620,895
Basic earnings per share (in €)	0.76	1.40	0.26	0.38
Diluted earnings per share (in €)	0.76	1.40	0.26	0.38



## ASSETS

## 5. Loans and advances to customers

	<b>30.9.2009</b>	<b>31.12.2008</b>
<b>Individuals:</b>		
Mortgages:		
- Non-Securitized	10,908,918	10,822,806
- Securitized	2,714,082	2,715,262
Consumer:		
- Non-Securitized	3,350,438	3,183,581
- Securitized	1,459,646	1,485,843
Credit cards	1,278,125	1,285,118
Other	77,674	119,399
Total	<u>19,788,883</u>	<u>19,612,009</u>
<b>Companies:</b>		
Corporate loans <sup>(1)</sup> :		
- Non-Securitized	26,976,347	29,779,390
- Securitized	3,110,268	
Leasing	1,354,327	1,448,224
Factoring	462,126	599,888
Total	<u>31,903,068</u>	<u>31,827,502</u>
<b>Receivables from insurance and re-insurance activities</b>	9,695	9,950
<b>Other receivables</b>	861,409	531,235
	<u><b>52,563,055</b></u>	<u><b>51,980,696</b></u>
Less:		
Allowance for impairment losses <sup>(2)</sup>	(1,551,487)	(1,275,994)
<b>Total</b>	<b>51,011,568</b>	<b>50,704,702</b>

## Allowance for impairment losses

<b>Balance 1.1.2008</b>	<b>840,594</b>
<b>Changes for the period 1.1. - 30.9.2008</b>	
Change in present value of impairment reserve	37,553
Foreign exchange differences	1,121
Impairment losses for the period <sup>(note 2)</sup>	320,822
Loans written-off during the period	(206,373)
<b>Balance 30.9.2008</b>	<b>993,717</b>
<b>Changes for the period 1.10. - 31.12.2008</b>	
Change in present value of impairment reserve	26,900
Foreign exchange differences	(9,227)
Impairment losses for the period	280,463
Loans written-off during the period	(15,859)
<b>Balance 31.12.2008</b>	<b>1,275,994</b>
<b>Changes for the period 1.1. - 30.9.2009</b>	
Change in present value of impairment reserve	56,502
Foreign exchange differences	(2,204)
Impairment losses for the period <sup>(note 2)</sup>	515,032
Loans written-off during the period	(293,837)
<b>Balance 30.9.2009</b>	<b>1,551,487</b>

<sup>(1)</sup> In accordance with amendments to IAS 39, in the third quarter of 2008 the Group reclassified securities of € 21.7 million from the available for sale portfolio to the loans portfolio. These securities are not traded in an active market and the Group has the intention to hold them in the foreseeable future. The above securities are included in corporate loans and are impaired by € 17.3 million. Their carrying amount as at 30.9.2009 amounts to € 4.3 million and their fair value to € 3.2 million.

<sup>(2)</sup> In addition to the allowance for impairment losses, an additional provision of € 541 (31.12.2008: € 3,627) has been recorded to cover credit risk relating to off balance sheet items. The total provision recorded to cover credit risk amounts to € 1,552,028 (31.12.2008: € 1,279,621).

The finance lease receivables by duration are as follows:

	<b>30.9.2009</b>	<b>31.12.2008</b>
Up to 1 year	387,500	456,651
From 1 year to 5 years	581,240	716,826
More than 5 years	630,151	785,959
	<b>1,598,891</b>	<b>1,959,436</b>
Non accrued finance income	(244,564)	(511,212)
<b>Total</b>	<b>1,354,327</b>	<b>1,448,224</b>

The net amount of finance lease receivables by duration are as follows:

	<b>30.9.2009</b>	<b>31.12.2008</b>
Up to 1 year	345,809	374,042
From 1 year to 5 years	476,153	502,288
More than 5 years	532,365	571,894
<b>Total</b>	<b>1,354,327</b>	<b>1,448,224</b>

## 6. Investment securities

### a) Available for sale

	<b>30.9.2009</b>	<b>31.12.2008</b>
Government bonds	522,737	366,804
Other debt securities:		
- Listed	1,540,860	89,994
- Non-listed	16,779	169,328
Shares:		
- Listed	48,164	40,465
- Non-listed	34,229	36,597
Other variable yield securities	62,524	49,338
<b>Total</b>	<b>2,225,293</b>	<b>752,526</b>

### b) Held to maturity

	<b>30.9.2009</b>	<b>31.12.2008</b>
Government bonds:		
- Non-securitized	2,852,838	1,805,579
- Securitized	59,281	
Other debt securities:		
- Non-securitized:		
Listed	1,320,268	2,558,601
Non-listed	16,190	124,529
- Securitized:		
Listed	997,283	
Non-listed		
<b>Total</b>	<b>5,245,860</b>	<b>4,488,709</b>

The increase in the held to maturity securities is due to the acquisition of Greek State bonds amounted to €940 million, equal to the value of the preference shares issued in the name of the Greek State in accordance with the regulations of Law 3723/2008.

The Bank during 2009, has securitized bonds through a special purpose entity controlled by the Bank.

**7. Investment property**

	<b>Land and Buildings</b>
<b>Balance 1.1.2008</b>	
Cost	78,526
Accumulated depreciation	(4,966)
<b>1.1.2008 - 30.9.2008</b>	
Net book value 1.1.2008	73,560
Foreign exchange differences	107
Additions	322
Reclassification to "Property, plant and equipment"	(6,481)
Depreciation charge for the period	(452)
Net book value 30.9.2008	<u>67,056</u>
<b>Balance 30.9.2008</b>	
Cost	72,304
Accumulated depreciation	(5,248)
<b>1.10.2008 - 31.12.2008</b>	
Net book value 1.10.2008	67,056
Foreign exchange differences	(197)
Additions	144
Reclassification from "Property, plant and equipment"	31
Depreciation charge for the period	(159)
Net book value 31.12.2008	<u>66,875</u>
<b>Balance 31.12.2008</b>	
Cost	72,244
Accumulated depreciation	(5,369)
<b>1.1.2009 - 30.9.2009</b>	
Net book value 1.1.2009	66,875
Foreign exchange differences	(41)
Additions	1,268
Reclassification from "Property, plant and equipment"	5,555
Depreciation charge for the period	(568)
Net book value 30.9.2009	<u>73,089</u>
<b>Balance 30.9.2009</b>	
Cost	79,806
Accumulated depreciation	(6,717)

The reclassification of €5,555, during the nine month period of 2009, from property, plant and equipment concerns a building that has been leased.

**8. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Leased Equipment</b>	<b>Equipment</b>	<b>Total</b>
<b>Balance 1.1.2008</b>				
Cost	1,283,906	5,414	414,199	1,703,519
Accumulated depreciation	(230,544)	(2,342)	(297,358)	(530,244)
<b>1.1.2008 - 30.9.2008</b>				
Net book value 1.1.2008	1,053,362	3,072	116,841	1,173,275
Foreign exchange differences	960	(179)	(60)	721
Additions	61,446		36,455	97,901
Disposals	(44)	(1,000)	(447)	(1,491)
Additions from companies consolidated for the first time in the nine month period of 2008	1,465		1,115	2,580
Reclassification from "Investment property"	6,481			6,481
Other reclassifications	4,394	329	(4,714)	9
Depreciation charge for the period	<u>(18,662)</u>	<u>(220)</u>	<u>(24,157)</u>	<u>(43,039)</u>
Net book value 30.9.2008	<u>1,109,402</u>	<u>2,002</u>	<u>125,033</u>	<u>1,236,437</u>
<b>Balance 30.9.2008</b>				
Cost	1,358,501	3,036	444,954	1,806,491
Accumulated depreciation	(249,099)	(1,034)	(319,921)	(570,054)
<b>1.10.2008 - 31.12.2008</b>				
Net book value 1.10.2008	1,109,402	2,002	125,033	1,236,437
Foreign exchange differences	(11,134)	(151)	(3,243)	(14,528)
Additions	31,746		17,653	49,399
Disposals	(798)		(698)	(1,496)
Reclassification from "Investment property"	(31)			(31)
Other reclassifications	(356)	16	340	
Depreciation charge for the period	<u>(8,178)</u>	<u>(60)</u>	<u>(7,303)</u>	<u>(15,541)</u>
Net book value 31.12.2008	<u>1,120,651</u>	<u>1,807</u>	<u>131,782</u>	<u>1,254,240</u>
<b>Balance 31.12.2008</b>				
Cost	1,373,990	2,814	454,795	1,831,599
Accumulated depreciation	(253,339)	(1,007)	(323,013)	(577,359)
<b>1.1.2009 - 30.9.2009</b>				
Net book value 1.1.2009	1,120,651	1,807	131,782	1,254,240
Foreign exchange differences	(4,691)	(18)	(1,591)	(6,300)
Additions	34,940	12,664	22,626	70,230
Disposals	(1,169)	(2,304)	(1,056)	(4,529)
Additions from companies consolidated for the first time in the nine month period of 2009	10,594			10,594
Reclassification to "Investment property"	(5,555)			(5,555)
Other reclassifications		276	(276)	
Depreciation charge for the period	<u>(20,702)</u>	<u>(1,889)</u>	<u>(26,282)</u>	<u>(48,873)</u>
Net book value 30.9.2009	<u>1,134,068</u>	<u>10,536</u>	<u>125,203</u>	<u>1,269,807</u>
<b>Balance 30.9.2009</b>				
Cost	1,405,224	13,132	469,071	1,887,427
Accumulated depreciation	(271,156)	(2,596)	(343,868)	(617,620)

**9. Goodwill and other intangible assets**

	<b>Goodwill</b>	<b>Software</b>	<b>Other intangible</b>	<b>Total</b>
<b>Balance 1.1.2008</b>				
Cost	58,008	181,273	25,785	265,066
Accumulated amortization		(120,527)	(10,042)	(130,569)
<b>1.1.2008 - 30.9.2008</b>				
Net book value 1.1.2008	58,008	60,746	15,743	134,497
Foreign exchange differences	2,202	141	173	2,516
Additions		22,139	6,953	29,092
Additions from companies consolidated for the first time in the nine month period of 2008	1,551	49	1	1,601
Reclassifications		3,358	(3,358)	
Impairment losses	(251)			(251)
Disposals		(50)		(50)
Amortization charge for the period		(18,380)	(2,868)	(21,248)
Net book value 30.9.2008	<u>61,510</u>	<u>68,003</u>	<u>16,644</u>	<u>146,157</u>
<b>Balance 30.9.2008</b>				
Cost	61,510	206,882	29,856	298,248
Accumulated amortization		(138,879)	(13,212)	(152,091)
<b>1.10.2008 - 31.12.2008</b>				
Net book value 1.10.2008	61,510	68,003	16,644	146,157
Foreign exchange differences	(9,474)	(781)	(652)	(10,907)
Additions		22,360	10,994	33,354
Reclassifications		95	(95)	
Disposals		(133)		(133)
Amortization charge for the period		(6,709)	(1,801)	(8,510)
Net book value 31.12.2008	<u>52,036</u>	<u>82,835</u>	<u>25,090</u>	<u>159,961</u>
<b>Balance 31.12.2008</b>				
Cost	52,036	227,612	37,983	317,631
Accumulated amortization		(144,777)	(12,893)	(157,670)
<b>1.1.2009 - 30.9.2009</b>				
Net book value 1.1.2009	52,036	82,835	25,090	159,961
Foreign exchange differences	(1,725)	(428)	(436)	(2,589)
Additions		23,108	11,642	34,750
Reclassifications		(61)	61	
Disposals			(338)	(338)
Amortization charge for the period		(15,863)	(3,596)	(19,459)
Net book value 30.9.2009	<u>50,311</u>	<u>89,591</u>	<u>32,423</u>	<u>172,325</u>
<b>Balance 30.9.2009</b>				
Cost	50,311	250,111	48,520	348,942
Accumulated amortization		(160,520)	(16,097)	(176,617)



## LIABILITIES

### 10. Due to banks

	30.9.2009	31.12.2008
Deposits:		
- Current accounts	111,519	426,525
- Term deposits:		
▪ European Central Bank	9,084,502	5,187,133
▪ Other credit institutions	1,410,065	1,364,140
Sale and repurchase agreements (Repos)	540,352	934,078
Borrowing funds	1,043,057	1,051,920
<b>Total</b>	<b>12,189,495</b>	<b>8,963,796</b>

### 11. Debt securities in issue and other borrowed funds

#### a. Short-term

##### i. Securities (ECP)

<b>Balance 1.1.2009</b>	<b>130,030</b>
<b>Changes for the period 1.1 – 30.9.2009</b>	
New issues	955,463
Maturities/Redemptions	(960,633)
Accrued interest	3,982
Foreign exchange differences	(130)
<b>Balance 30.9.2009</b>	<b>128,712</b>

The new issues in Euro pay an average spread of 15 to 40 basis points over Euribor of the respective period.

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

<b>Balance 1.1.2009</b>	
<b>Changes for the period 1.1 – 30.9.2009</b>	
New issues	992,750
Accrued interest	15,255
<b>Balance 30.9.2009</b>	<b>1,008,005</b>

According to article 2 of the Law 3723/2008 for the enhancement of the economy's liquidity, the Bank issued the following securities, guaranteed by the Greek State:

- On 12.2.2009, senior debt amounting to €500 million, with a nine month duration, bearing an interest rate of 2.85%.
- On 29.4.2009, senior debt amounting to €1 billion, with a three year duration, bearing an interest rate of three month Euribor plus a spread of 200 basis points, which is held by the Bank and is not presented in the «Debt securities in issue and other borrowed funds».
- On 4.6.2009, senior debt amounting to €500 million, with a six month duration, bearing an interest rate of three month Euribor plus a spread of 25 basis points.

**b. Long-term****i. Senior debt securities**

<b>Balance 1.1.2009</b>	<b>9,287,581</b>
<b>Changes for the period 1.1 – 30.9.2009</b>	
New issues	2,381,367
(Purchases)/sales by Group companies	(1,618,394)
Maturities/Redemptions	(3,081,040)
Fair value change due to hedging	8,105
Accrued interest	(21,802)
Foreign exchange differences	(4,429)
<b>Balance 30.9.2009</b>	<b>6,951,388</b>

The following securities are included in the new issues:

- Nominal value of €750 million maturing on 17.9.2012, bearing a fixed interest rate of 3.875%.
- Nominal value of €500 million maturing on 9.6.2011, bearing a fixed interest rate of 4.625%.
- Nominal value of €500 million maturing on 18.9.2014, bearing a floating interest rate of three month Euribor plus a spread of 70 basis points, with an issuer call option exercisable on interest payment dates starting from 18.9.2011.
- Nominal value of €250 million maturing on 12.2.2013, bearing a fixed semi annual interest rate of 4.4%.
- Two issues of €100 million nominal value each, maturing on 13.12.2010 and 14.6.2011 respectively, bearing a fixed three month interest rate of 2.5% which gradually increases by 50 basis points on a semi-annual basis.
- Nominal value of €100 million, maturing on 15.3.2011, bearing a fixed three month interest rate of 2.5%, with an issuer call option exercisable on interest payment dates starting from 15.3.2010.

**ii. Subordinated debt**

<b>Balance 1.1.2009</b>	<b>975,090</b>
<b>Changes for the period 1.1 – 30.9.2009</b>	
(Purchases)/sales by Group companies	13,055
Maturities/Redemptions	(154,792)
Fair value change due to hedging	(2,026)
Accrued interest	(5,979)
Foreign exchange differences	(9,035)
<b>Balance 30.9.2009</b>	<b>816,313</b>

On 23.1.2009, 5 years after issuance, the Bank redeemed 10 year subordinated debt amounting to €200 million.

Of the above debt securities in issue amounted to €8,904,418 an amount of €1,797,964 (31.12.2008: €3,151,516) held by Bank customers has been reclassified to "Due from customers". Therefore the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 30 September 2009, amounts to €7,106,454 (31.12.2008: €7,241,185).

Additionally, bonds of €8 billion from the securitization of bonds, mortgage, consumer and corporate loans are not presented in "debt securities in issue and other borrowed funds" since these securities, issued by Group companies, are held by the Bank. The aforementioned amount includes bonds issued within the nine month period of 2009 through the special purpose entities Talanto Plc, covered by bond portfolio and Epihiro Plc, covered by corporate loans.

Part of bonds have been rated by the credit agency Moody's with A1 and Aaa and have been accepted as collateral by the Bank of Greece.





## 12. Provisions

	<b>30.9.2009</b>	<b>31.12.2008</b>
Insurance provisions	43,660	39,770
Provisions to cover credit risk and other provisions	11,744	13,493
<b>Total</b>	<b>55,404</b>	<b>53,263</b>

### a. Insurance provisions

	<b>30.9.2009</b>	<b>31.12.2008</b>
<b>Non-life insurance</b>		
Unearned premiums	5,188	5,163
Outstanding claim reserves	<u>4,442</u>	<u>4,109</u>
Total	9,630	9,272
<b>Life insurance</b>		
Mathematical reserves	8,860	7,635
Outstanding claim reserves	<u>1,719</u>	<u>1,377</u>
Total	10,579	9,012
<b>Reserves for investments held on behalf and at risk of life insurance policy holders</b>	<b>23,451</b>	<b>21,486</b>
<b>Total</b>	<b>43,660</b>	<b>39,770</b>

### b. Provisions to cover credit risk and other provisions

<b>Balance 1.1.2008</b>	<b>54,374</b>
<b>Changes for the period 1.1. - 30.9.2008</b>	
Reversal of provisions to cover credit risk relating to off-balance sheet items	(38,133)
Other provisions charged to profit and loss	4,121
Provisions used during the period	(2,739)
Foreign exchange differences	<u>(585)</u>
<b>Balance 30.9.2008</b>	<b>17,038</b>
<b>Changes for the period 1.10. - 31.12.2008</b>	
Reversal of provisions to cover credit risk relating to off-balance sheet items	(4,045)
Other provisions charged to profit and loss	365
Foreign exchange differences	<u>135</u>
<b>Balance 31.12.2008</b>	<b>13,493</b>
<b>Changes for the period 1.1. - 30.9.2009</b>	
Reversal of provisions to cover credit risk relating to off-balance sheet items	(4,313)
Other provisions charged to profit and loss	2,785
Provisions used during the period	(177)
Foreign exchange differences	<u>(44)</u>
<b>Balance 30.9.2009</b>	<b>11,744</b>

The amount of other provisions charged to profit and loss account is included in "Other expenses" of the income statement.



## EQUITY

### 13. Share capital, Retained earnings and Treasury shares

#### a) Share Capital

In the context of Law 3723/2008 relating to the enhancement of economy's liquidity, the Extraordinary General Meeting of the Shareholders of the Bank, held on 12.1.2009, approved:

- A share capital increase of € 940 million in accordance with the requirements of the above law, with cancellation of preemptive rights of existing shareholders and the issuance of 200,000,000 new preference, registered, non-voting, paper and redeemable shares with a nominal and price offering of € 4.70.
- The authorization to the Board of Directors to specify the terms of issuance of the preference shares.
- The amendment of Article 5 of the Bank's Articles of Incorporation pertaining to the share capital increase and the adaptation of the Articles of Incorporation to the terms of Law 3723/2008.

In implementation of the above decision of the Bank's Extraordinary General Meeting of Shareholders, and pursuant to decisions 2/24004/0025/31.3.2009 and 2/35006/0023A/14.5.2009 of the Minister of Economy and Finance, a subscription agreement was concluded between the Bank and the Greek State on 14.5.2009. On 21.5.2009, the amount of the capital increase was fully subscribed by the Greek State following the transfer from the latter to the Bank of Greek Government bonds with nominal value of € 940 million, a 5 year duration, bearing a floating rate of interest. Furthermore, the Board of Directors of the Bank issued a multiple title deed for the total number of preference shares (200,000,000 shares), in the name of the Greek State, with the following main characteristics:

- They provide the right to a fixed return equal to 10% on the nominal value of each share, in priority to the common shareholders, regardless of distributions to the common shareholders. This right of distribution is non-cumulative and subject to the availability of distributable funds and the approval of the General Meeting of the common shareholders of the Bank.
- In the event of liquidation, the preference shares have priority on the proceeds of the liquidation over the Bank's common shareholders.
- The Bank has the right to redeem the preference shares, either partially or in full, after 1.7.2009, at their offer price, in exchange for cash or Greek Government Bonds of equal value, subject to the prior approval of the Bank of Greece.
- If, within five years from their issuance, the preference shares have not been redeemed due to inability of the Bank to meet the regulatory capital requirements of the Bank of Greece, they are converted into common shares subject to the submission of a restructuring plan which will be proposed by the Governor of the Bank of Greece and will be approved by the Minister of Economy and Finance.

The Ministry of Economy and Finance, through a letter to the Bank of Greece (Protocol Number 39389/B2038/7.8.2009) indicated that the legislator's main objective for the funds provided was the support of the capital adequacy of the Greek banks and not the provision of medium term funding.

In that context, and with an ultimate purpose that the capital provided will have equity characteristics for accounting purposes, the Greek State through the above letter expressed its intention to proceed to the necessary legislative amendments, in line with the relevant guidelines set by the European Union, in order to impose a coupon step up feature if after five years following the issuance of the preference shares the credit institutions have not redeemed the preference shares or if the preference shares have not been converted into ordinary shares through a decision from the Minister of Economy and Finance.

Taking into account the aforementioned characteristics of the preference shares and the aim of the Ministry of Economy and Finance as stated in the above letter, the Bank has recognized the preference shares as part of its equity and the related accrued dividend as of 30.9.2009 amounts to € 34.7 million before tax.

Pursuant to the above, the share capital of the Bank amounts to Euro 2,871,590,264.40 divided into 610,976,652 shares, of which 410,976,652 common, registered, voting, dematerialized shares and 200,000,000 preference, registered, nonvoting, paper and redeemable shares, both of nominal value € 4.70 per share.

The Bank's Ordinary General Meeting of Shareholders held on 23.6.2009, approved and ratified the resolution by the



Extraordinary General Meeting of Shareholders convened on 12.1.2009, regarding the increase of the share capital and the modification of the Bank's Articles of Incorporation and was informed of, and accepted, the report by the appointed committee for the evaluation of the bonds contributed and issued by the Greek State for the participation in the share capital increase approved by the Extraordinary General Meeting of Shareholders of 12.1.2009.

#### b) Retained earnings

According to paragraph 3 of article 1 of Law 3723/2008 referring to the enhancement of economy's liquidity, dividend distribution to the shareholders of credit institutions, participating in the above program, can not exceed 35% as stated in Law 148/1967.

The 20708/B.1175/23.4.2009 decision of Minister of Economy and Finance clarified that in the case of existence of distributable profits, the distribution of dividends is limited from zero up to a maximum of 35% of profits. Additionally for the fiscal year 2008 and according to article 28 of Law 3576/2009, dividends may only be distributed in the form of shares and not in cash.

Following the above, the General Meeting of Shareholders held on 23.6.2009 has decided not to distribute dividends for fiscal year 2008.

#### c) Treasury shares

The Bank, pursuant to the decisions of General Meeting of Shareholders held on 3.4.2008, purchased, during the period from 1.1. - 16.2.2009, 457,601 treasury shares at a cost of €2,665 (€5.83 per share).

On 31.8.2009, the Bank completed the sale of 6,140,959 treasury shares the cost of which amounted to €71,650, through a private placement, which represented 1.49% of its issued common voting shares. The result of the above mentioned transaction has been recognized directly to Retained earnings account of equity.

The number of treasury shares and the cost are analyzed as follows:

	Number of shares	Cost	Percentage
<b>Balance 31.12.2008</b>	5,683,358	68,985	1.38%
Purchases 1.1 - 16.2.2009	457,601	2,665	0.11%
Sale 31.8.2009	(6,140,959)	(71,650)	(1.49)%
<b>Balance 30.9.2009</b>	-	-	-

It is noted that in accordance with article 28 of Law 3756/31.3.2009, credit institutions, participating in the enhancement of the Greek economy's liquidity program (Law 3723/2008), are not allowed to purchase treasury shares during their participation in the program.



## ADDITIONAL INFORMATION

### 14. 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.

There are no pending legal cases or issues in progress which may have a material impact on the financial statements or operations of the other companies of the Group. The Group recorded a provision amounting to € 5 million for various pending legal cases.

#### b) Tax issues

The Bank has been audited by the tax authorities for the years up to and including 2005. Tax audit is in progress for fiscal years 2006 and 2007.

The Bank's branches in Bulgaria and Albania have been audited by the tax authorities for the years up to and including 2007 while London branch has been audited by the tax authorities for the years up to and including 2005. The Group's subsidiaries have been audited by the tax authorities up to and including the year indicated in the table below:

Name	Fiscal year
<b>Banks</b>	
1. Alpha Bank London Ltd	2006
2. Alpha Bank Cyprus Ltd	2002
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank AD Skopje	1997
5. Alpha Bank Jersey Ltd	2006
6. Alpha Bank Srbija A.D.	2001
7. OJSC Astra Bank (commencement of operation 2008)	*
<b>Leasing companies</b>	
1. Alpha Leasing A.E.	2007
2. Alpha Leasing Romania S.A.	2007
3. ABC Factors A.E.	2005
4. Alpha Asset Finance C.I. Ltd (commencement of operation 2005)	*
<b>Investment Banking</b>	
1. Alpha Finance A.E.P.E.Y.	2007
2. Alpha Finance US Corporation	2001
3. Alpha Finance Romania S.A. (tax audit is in progress for fiscal years from 2003 - 2007)	2002
4. Alpha Ventures A.E.	2006
5. Alpha Ventures Capital Management (commencement of operation 2008)	*
<b>Asset Management</b>	
1. Alpha Asset Management A.E.D.A.K.	2003
2. Alpha Private Investment Services A.E.P.E.Y.	2005
3. ABL Independent Financial Advisers Ltd	2006
<b>Insurance</b>	
1. Alpha Insurance Agents A.E.	2006
2. Alpha Insurance Ltd Cyprus	2006
3. Alpha Insurance Brokers S.R.L.	2005
4. Alphalife A.A.E.Z. (commencement of operation 2007)	*
<b>Real Estate and Hotel</b>	
1. Alpha Astika Akinita A.E.	2005
2. Ionian Hotel Enterprises A.E.	2005
3. Oceanos A.T.O.E.E.	2006
4. Alpha Real Estate D.O.O. Beograd	2005
5. Alpha Astika Akinita D.O.O.E.L. Skopje	2007
6. Alpha Real Estate Bulgaria E.O.O.D.	2006
7. Chardash Trading E.O.O.D. (commencement of operation 2006)	*

\* These companies have not been audited by the tax authorities since the commencement of their operations.



Name	Fiscal year
<b>Special purpose entities</b>	
1. Alpha Credit Group Plc	2006
2. Alpha Group Jersey Ltd	2006
3. Alpha Group Investments Ltd (tax audit is in progress for fiscal years from 2006 - 2007)	2005
4. Ionian Holdings A.E.	2006
5. Messana Holdings S.A.	2008
6. Ionian Equity Participations Ltd	2005
7. ABL Holdings Jersey Ltd	2006
8. Alpha Covered Bonds Plc (commencement of operation 2008)	*
9. Katanalotika Plc (commencement of operation 2008)	*
10. Talanto Plc (commencement of operation 2009)	*
11. Epihiro Plc (commencement of operation 2009)	*
<b>Other companies</b>	
1. Alpha Bank London Nominees Ltd	**
2. Alpha Trustees Ltd	2002
3. Flagbright Ltd	**
4. Alpha Advisory Romania S.R.L.	1998
5. Evremathea A.E.	2006
6. Kafe Alpha A.E. (Commencement of operation 2006)	*
7. Ionian Supporting Services A.E. (commencement of operation 2007)	*
8. Real Car Rental A.E. (commencement of operation 2009)	*

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

### c) Operating leases

The Group's minimum future lease payments are:

	30.9.2009	31.12.2008
▶ less than one year	58,403	48,624
▶ between one and five years	188,073	162,958
▶ more than five years	292,544	134,604
<b>Total</b>	<b>539,020</b>	<b>346,186</b>

The minimum future lease revenues are:

	30.9.2009	31.12.2008
▶ less than one year	5,308	6,056
▶ between one and five years	17,740	19,267
▶ more than five years	5,792	6,901
<b>Total</b>	<b>28,840</b>	<b>32,224</b>

### d) Off balance sheet liabilities

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

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 bind by the agreement on behalf of the Group's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Group for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

\* These companies have not been audited by the tax authorities since the commencement of their operations.

\*\* These companies are not subject to tax audits.



Undrawn credit facilities are loan agreements that may not be fulfilled immediately or may be partially fulfilled. The amount presented in the table below represents part of the agreed loan agreements and credit limits which remains unused.

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

	<b>30.9.2009</b>	<b>31.12.2008</b>
Letters of credit	190,355	191,937
Letters of guarantee	5,622,692	5,652,060
Undrawn loan agreements and credit limits	16,403,802	18,040,379
<b>Total</b>	<b>22,216,849</b>	<b>23,884,376</b>

#### e) Assets pledged

	<b>30.9.2009</b>	<b>31.12.2008</b>
Loans to customers	4,099,152	964,490
Securities from Reverse Repos	1,625,000	400,000
Securities held for trading		60,964
Investment securities	11,377,928	5,632,896
<b>Total</b>	<b>17,102,080</b>	<b>7,058,350</b>

- From loans to customers:
  - i. An amount of € 1,870 million 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, and following its amendment by Monetary Policy Council Act 61/6.12.2006. 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 € 2,229.2 million has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State in accordance with Law 3723/2008.
- From the investment securities portfolio an amount of € 5.5 billion derives from the securitization of bonds, mortgage, consumer and corporate loans. The above securities and other securities held by the Bank are not presented in "Investment Securities" but are presented net of the securities issued by special purpose entities.
- All the above mentioned securities, derived from reverse repos and investment securities, are pledged as collateral to Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET) and in the European Central Bank's main refinancing operations.

#### f) Other pledges:

- 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 Limited, a wholly owned subsidiary of the Bank. The Notes will be guaranteed by the Bank and will be traded in Luxembourg's stock exchange. The program is not yet active.
- In accordance with article 3 of Law 3723/2008, securities amounting to €1,138 million, issued by the Greek State, have been offered to the Bank through a bilateral agreement. These securities have been pledged to the European Central Bank to enhance the Bank's liquidity.

## 15. Group consolidated companies

The consolidated financial statements apart from the parent company ALPHA BANK include the following entities:

### A. SUBSIDIARIES

Name	Country of Incorporation	Group's ownership interest %	
		30.9.2009	31.12.2008
<b>Banks</b>			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A.	Romania	99.91	99.91
4. Alpha Bank AD Skopje	FYROM	100.00	100.00
5. Alpha Bank Jersey Ltd	Jersey	100.00	100.00
6. Alpha Bank Srbija A.D.	Serbia	100.00	100.00
7. OJSC Astra Bank	Ukraine	97.01	93.33
<b>Leasing companies</b>			
1. Alpha Leasing A.E.	Greece	100.00	100.00
2. Alpha Leasing Romania S.A.	Romania	99.99	99.99
3. ABC Factors A.E.	Greece	100.00	100.00
4. Alpha Asset Finance C.I. Ltd	Jersey	100.00	100.00
<b>Investment Banking</b>			
1. Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2. Alpha Finance US Corporation	United States	100.00	100.00
3. Alpha Finance Romania S.A.	Romania	99.98	99.98
4. Alpha Ventures A.E.	Greece	100.00	100.00
5. Alpha Ventures Capital Management	Greece	100.00	100.00
<b>Asset Management</b>			
1. Alpha Asset Management A.E.D.A.K.	Greece	100.00	100.00
2. Alpha Private Investment Services A.E.P.E.Y.	Greece	100.00	100.00
3. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
<b>Insurance</b>			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Ltd Cyprus	Cyprus	100.00	100.00
3. Alpha Insurance Brokers S.R.L.	Romania	99.91	99.91
4. Alphalife A.A.E.Z.	Greece	100.00	100.00
<b>Real estate and hotel</b>			
1. Alpha Astika Akinita A.E.	Greece	89.91	88.59
2. Ionian Hotel Enterprises A.E.	Greece	96.90	96.64
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Alpha Real Estate D.O.O. Beograd	Serbia	89.91	88.59
5. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	89.91	88.59
6. Alpha Real Estate Bulgaria E.O.O.D. <small>(note 19c)</small>	Bulgaria	89.91	88.59
7. Chardash Trading E.O.O.D. <small>(note 19j)</small>	Bulgaria	89.91	
<b>Special purpose and holding entities</b>			
1. Alpha Credit Group Plc	United Kingdom	100.00	100.00
2. Alpha Group Jersey Ltd	Jersey	100.00	100.00
3. Alpha Group Investments Ltd	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Messana Holdings S.A.	Luxembourg	100.00	100.00
6. Ionian Equity Participations Ltd	Cyprus	100.00	100.00
7. ABL Holdings Jersey Ltd	Jersey	100.00	100.00
8. Alpha Covered Bonds Plc	United Kingdom	100.00	100.00
9. Katanalotika Plc	United Kingdom		
10. Talanto Plc <small>(note 19b)</small>	United Kingdom		
11. Epihiro Plc <small>(note 19e)</small>	United Kingdom		
<b>Other companies</b>			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Flagbright Ltd	United Kingdom	100.00	100.00
4. Alpha Advisory Romania S.R.L.	Romania	99.98	99.98
5. Evremathea A.E.	Greece	100.00	100.00
6. Kafe Alpha A.E.	Greece	100.00	100.00
7. Ionian Supporting Services A.E.	Greece	100.00	100.00
8. Real Car Rental A.E. <small>(note 19a)</small>	Greece	100.00	

**B. JOINT VENTURES**

Name	Country of Incorporation	Group's ownership interest %	
		30.9.2009	31.12.2008
1. Cardlink A.E.	Greece	50.00	50.00
2. APE Fixed Assets A.E.	Greece	60.10	60.10
3. APE Commercial Property A.E.	Greece	72.20	72.20
4. APE Investment Property A.E. (notes 19g, 19h and 19k)	Greece	67.42	67.42
5. Alpha TANE0 A.K.E.S.	Greece	51.00	51.00

**C. ASSOCIATES**

Name	Country of Incorporation	Group's ownership interest %	
		30.9.2009	31.12.2008
1. Evisak A.E.	Greece	27.00	27.00
2. AEDEP Thessalias and Stereas Ellados A.E.	Greece	50.00	50.00
3. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
4. EL.P.ET. Valkaniki A.E.	Greece	26.71	26.71

The subsidiaries are fully consolidated, joint ventures are consolidated under the proportionate method, while the associates are accounted under the equity method.

The consolidated financial statements do not include the Commercial Bank of London Ltd which is a dormant company and HSO Europe BV and Prismatech Hellas S.A, which have been fully impaired and are in the process of liquidation.

The Group hedges the foreign exchange risk arising from the net investment in Alpha Bank London Ltd and Alpha Finance US Corporation through the use of the FX swaps and interbank deposits in the functional currency of the above subsidiaries.

**16. Operating segment**

(Amounts in millions of Euro)

	1.1 - 30.9.2009						
	Group	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	1,304.4	605.7	285.5	9.7	97.4	304.9	1.2
Net fee and commission income	286.5	125.8	61.3	33.4	19.7	47.2	(0.9)
Other income	210.4	5.0	8.2	1.3	122.5	32.9	40.5
<b>Total income</b>	<b>1,801.3</b>	<b>736.5</b>	<b>355.0</b>	<b>44.4</b>	<b>239.6</b>	<b>385.0</b>	<b>40.8</b>
<b>Total expenses</b>	<b>(869.4)</b>	<b>(443.0)</b>	<b>(97.4)</b>	<b>(30.5)</b>	<b>(29.2)</b>	<b>(222.3)</b>	<b>(47.0)</b>
Impairment losses	(496.7)	(200.8)	(181.9)			(114.0)	
<b>Profit before income tax</b>	<b>435.2</b>	<b>92.7</b>	<b>75.7</b>	<b>13.9</b>	<b>210.4</b>	<b>48.7</b>	<b>(6.2)</b>
Income tax	(91.4)						
<b>Profit after income tax</b>	<b>343.8</b>						





(Amounts in millions of Euro)

	1.1 - 30.9.2008						
	Group	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	1,362.4	832.4	250.9	12.0	18.5	246.6	2.0
Net fee and commission income	353.3	134.1	65.4	53.7	34.3	67.1	(1.3)
Other income	106.8	10.4	8.8	1.1	3.1	46.1	37.3
<b>Total income</b>	<b>1,822.5</b>	<b>976.9</b>	<b>325.1</b>	<b>66.8</b>	<b>55.9</b>	<b>359.8</b>	<b>38.0</b>
<b>Total expenses</b>	<b>(844.8)</b>	<b>(432.5)</b>	<b>(92.6)</b>	<b>(38.8)</b>	<b>(28.6)</b>	<b>(207.6)</b>	<b>(44.7)</b>
Impairment losses	(266.0)	(154.5)	(78.4)		(0.2)	(32.9)	
<b>Profit before income tax</b>	<b>711.7</b>	<b>389.9</b>	<b>154.1</b>	<b>28.0</b>	<b>27.1</b>	<b>119.3</b>	<b>(6.7)</b>
Income tax	(142.2)						
<b>Profit after income tax</b>	<b>569.5</b>						

#### i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad except from South-Eastern Europe countries.

The Group through its extended branch network offers 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 (Corporate) and shipping corporations operating in Greece and abroad except from South Eastern Europe countries.

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

This sector also includes the leasing products which are offered through Alpha Leasing A.E. and factoring services to third parties through ABC Factors A.E.

#### iii. Asset Management / Insurance

Consists of a wide range of asset management services through Group's private banking units and Alpha Asset Management A.E.D.A.K. In addition, commissions are included due to the wide range of insurance products to individuals and companies through AXA insurance, which is the corporate successor of the subsidiary Alpha Insurance A.E..

#### iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered either by the Bank or specialized Group companies (Alpha Finance A.E.P.E.Y., Alpha Ventures A.E.). 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 and subsidiaries of the Group operating in South Eastern Europe.

#### vi. Other

This segment consists of the non-financial subsidiaries of the Group and Bank's income and expenses that are not related to its operating activities.



## 17. Capital adequacy

The Group's capital adequacy is monitored by the Bank of Greece to which the Group reports on a quarterly basis.

The minimum capital adequacy ratios (Tier I and capital adequacy ratio) which the Group must adhere to are established by decisions of the Governor of the Bank of Greece.

The calculation of capital adequacy from 1 January 2008 is determined under the new regulatory framework (Basel II), which have been transposed into Greek law by Law 3601/2007. The new regulatory framework significantly amends the measurement of credit risk and introduces capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk of the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio is determined by comparing the Group's regulatory own funds with the risks that the Group undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves, minority interest), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the investment portfolio, the market risk of the trading portfolio and the operational risk.

The current capital ratios (Tier I ratio and capital adequacy ratio) are much higher than the regulatory limits set by the Bank of Greece directive (4% and 8%, respectively) and the capital base is capable to support the business growth of the Group in all areas for the next years.

	<b>30.9.2009</b> (estimate)	<b>31.12.2008</b>
Tier I ratio	10.1%	8.0%
<b>Capital adequacy ratio (Tier I + Tier II)</b>	<b>11.6%</b>	<b>9.8%</b>

## 18. Related-party transactions

The Bank and the Group companies entered 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 Group's relevant committees.

a. The outstanding balances of the transactions with members of the Board of Directors, their close family members and with the companies controlled by them are as follows:

	<b>30.9.2009</b>	<b>31.12.2008</b>
<b>Assets</b>		
Loans and advances to customers	165,058	172,472
<b>Liabilities</b>		
Due to customers	93,877	73,991
Debt securities in issue	16,278	20,096
<b>Total</b>	<b>110,155</b>	<b>94,087</b>
<b>Letters of guarantee</b>	18,148	21,392
	<b>From 1 January to</b>	
	<b>30.9.2009</b>	<b>30.9.2008</b>
<b>Income</b>		
Interest and similar income	5,152	7,720
Fee and commission income	104	
<b>Total</b>	<b>5,256</b>	<b>7,720</b>
<b>Expenses</b>		
Interest expenses and similar charges	2,858	2,556



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

	<b>30.9.2009</b>	<b>31.12.2008</b>
<b>Assets</b>		
Loans and advances to customers	129	
<b>Liabilities</b>		
Due to customers	2,386	406
	<b>From 1 January to</b>	<b>30.9.2008</b>
	<b>30.9.2009</b>	<b>30.9.2008</b>
<b>Income</b>		
Interest and similar income	8	15
<b>Expenses</b>		
Other expenses	1,965	2,461
Interest expense and similar charges	36	
<b>Total</b>	<b>2,001</b>	<b>2,461</b>

c. The Group Companies' Board of Directors and Executive General Managers' fees recorded in the income statement for the nine month period of 2009 amounted to €8,395 (nine month period of 2008: € 8,544).

## 19. Corporate events

a. Real Car Rental A.E., established by the subsidiary Alpha Leasing A.E. is included in the consolidated financial statements of the nine month period of 2009 for the first time.

b. On 7.1.2009, Talanto Plc was established in the United Kingdom with primary activity the issuance of covered bonds. The Company is a special purpose entity and is fully consolidated by the Bank as it serves specific Bank's needs.

c. On 20.2.2009, Alpha Immovables Bulgaria E.O.O.D., 100% subsidiary of Alpha Astika Akinita A.E., was renamed to Alpha Real Estate Bulgaria E.O.O.D.

d. On 16.3.2009, the Bank participated in the share capital increase of the 100% subsidiary Ionian Equity Participations Ltd by € 4.1 million.

e. On 24.3.2009, the company Epihiro Plc was established with registered office in the United Kingdom and primary operating activity the issuance of collateralized bonds. The Company is a special purpose entity and is fully consolidated by the Bank as it serves specific Bank's needs.

f. On 13.4.2009, the Bank increased the share capital of its 100% owned subsidiary ABC Factors AE, by € 14 million.

g. On 12.6.2009, APE Investment Property A.E., company of ownership interest of the Bank, acquired 66.67% of the total number of shares of SY.MET A.E. for an amount of € 7.5 million. The aforementioned company has participation of 10% in the company Astakos Terminal A.E. and of 50% in the company Akarport A.E. These companies are consolidated in the current financial statements through APE Investment Property A.E.

The accounting recognition of the acquisition of SY.MET A.E. is shown in the table below:



	<u>Carrying amount</u>	<u>Fair value</u>
<b>ASSETS</b>		
Cash and balances with Central Banks	9	9
Investments	3,222	14,039
Other assets	177	178
<b>Total Assets</b>	<b>3,408</b>	<b>14,226</b>
<b>LIABILITIES</b>		
Liabilities for current income tax and other taxes	289	289
Deferred tax liabilities		2,704
Other liabilities	102	103
<b>Total Liabilities</b>	<b>391</b>	<b>3,096</b>
<b>EQUITY</b>		
<b>Total Equity</b>	<b>3,017</b>	<b>11,130</b>
<b>Total Liabilities and Equity</b>	<b>3,408</b>	<b>14,226</b>
SY.MET A.E. portion of equity that was purchased (66.67%)		7,420
Purchase cost		7,479
<b>Goodwill of the Company</b>		<b>59</b>
Participation of the Group in the joint venture		67.42%
<b>Goodwill of the Group</b>		<b>40</b>
Purchase cost of the Group's participation in the joint venture		5,042
Cash and cash equivalent of the acquired company		9
<b>Net cash outflow</b>		<b>5,033</b>

h. On 26.7.2009, the Bank participated proportionally in the increase of the share capital of APE Investment Property A.E. by €8.4 million.

i. On 8.7.2009, the Bank purchased 38,619,000 shares or 3.68% of the subsidiary OJSC Astra Bank for €8.5 million which resulted in the increase of the Bank's participation to 97.01%.

j. On 24.7.2009, the Bank's subsidiary Alpha Astika Akinita A.E. completed the acquisition of Chardash Trading E.O.O.D. by €8.5 million. The aforementioned company is incorporated in Bulgaria and owns a plot in Sofia where the construction of offices will take place. These offices after their construction will be leased by Alpha Bank Bulgaria in order to accommodate the central management's offices. The overall investment is expected to amount to approximately €33 million.

The initial accounting recognition of the above acquisition was conducted based on temporary values as shown in the table below. The accounting recognition of the acquisition is expected to be completed during 2009.

Chardash Trading E.O.O.D portion of equity that was purchased (100%)	8,522
Purchase cost	<u>8,522</u>
<b>Goodwill of the Company</b>	-
Purchase cost	8,522
Repayment of Alpha Bank loan from subsidiary	(5,700)
Cash and cash equivalents of the acquired company	<u>9</u>
<b>Net cash outflow</b>	<b>2,822</b>

k. On 6.8.2009, APE Investment Property A.E., a company of ownership interest of the Bank, purchased the remaining 33.33% of SY.MET. A.E. shares for €3.6 million.



**I.** On 28.8.2009 the Boards of Directors of the subsidiaries of the Bank Alpha Asset Management A.E.D.A.K. and Alpha Private Investment Services A.E.P.E.Y. decided the merger through the absorption of the second by the first. On 21.9.2009 the plan merger agreement was signed and was listed in each counterparty's society anonyme on 13.10.2009. The terms of the merger agreement will come into effect on the presumption of the acquisition of the licenses and authorizations, as specified in the corresponding legislation, and the adherence to rest requirements.

## 20. Events after the balance sheet date

**a.** The Board of Directors of the Bank, in its meeting held on 19.10.2009, decided a share capital increase of €986 million in order to repay €940 million outstanding preference shares issued in favour of the Hellenic Republic.

Based on the terms of the share capital increase, the existing common shareholders are offered 3 new shares for every 10 existing common shares, at an issue price of €8.00 per share. Upon full subscription of the new shares, the share capital of the Bank will amount to €3,451.1 million divided into 534.3 million common, registered, voting, dematerialized, and 200 million preference, registered, non-voting, paper and redeemable shares, both of nominal value €4.70 per share.

The rights issue is fully underwritten by a syndicate of international investment banks.

**b.** The Bank in October 2009 proceeded to the restructuring of its organizational model, in order to adapt to changes in the economic environment and be better positioned to pursue opportunities.

The new organizational structure will not bring changes in the way current operating segments of the Bank are presented.

Athens, November 9, 2009

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE EXECUTIVE DIRECTOR

THE ACCOUNTING  
AND TAX MANAGER

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

DEMETRIOS P. MANTZOUNIS  
I.D. No. I 166670

MARINOS S. YANNOPOULOS  
I.D. No. AH 064139

GEORGE N. KONTOS  
I.D. No. AB 522299





**KPMG**  
**Certified Auditors AE**  
3 Stratigou Tombra Street  
Aghia Paraskevi  
GR - 153 42 Athens Greece

Στρατηγού Τόμπρα 3  
153 42 Αγία Παρασκευή  
Ελλάς  
ΑΡΜΑΕ29527/01ΑΤ/Β/93/162/96

Telephone Τηλ: +30 210 60 62 100  
Fax Φαξ: +30 210 60 62 111  
Internet [www.kpmg.gr](http://www.kpmg.gr)  
e-mail [postmaster@kpmg.gr](mailto:postmaster@kpmg.gr)

## **Independent Auditors Report on Review of Interim Financial Information**

To the Shareholders of  
ALPHA BANK A.E.

### **Introduction**

We have reviewed the accompanying consolidated balance sheet of ALPHA BANK A.E. (the "Bank") as of September 30, 2009 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine-month period then ended and the selected explanatory notes, which comprise the interim financial information. Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union applicable to Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of September 30, 2009 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.



## Emphasis of Matter

Without qualifying our review conclusion we draw attention to note 13 of the interim financial information of the Group which refers to the classification to Shareholders' Equity of the Bank's preference shares which have been issued in accordance with Law 3723/2008 "Enhancement of the economy's liquidity in the context of the current global financial crisis" after considering possible legislative amendments to the above Law.

Athens, 9 November 2009

KPMG Certified Auditors A.E.

Nick Vouniseas  
Certified Auditor Accountant  
AM SOEL 18701

Harry Sirounis  
Certified Auditor Accountant  
AM SOEL 19071