



ALPHA BANK

# **SEMI-ANNUAL FINANCIAL REPORT**

For the period from 1st January to 30th June 2008  
(In accordance with the Law 3556/2007)



Athens,  
26 August 2008



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## **STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS**

(In accordance with article 5 paragraph 2 of Law 3556/2007)

To the best of our knowledge, the Interim Financial Statements that have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity and financial performance of Alpha Bank A.E. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 5 paragraphs 3-5 of Law 3556/2007, and the Board of Directors' semi-annual management report presents fairly the information required by article 5 paragraph 6 of Law 3556/2007 and the related decisions of the Hellenic Capital Market Commission.

Athens, 26 August 2008

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE EXECUTIVE DIRECTOR

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

DEMETRIOS P. MANTZOUNIS  
I.D. No I 166670

MARINOS S. YANNOPOULOS  
I.D. No N 308546







## BOARD OF DIRECTORS' SEMI-ANNUAL MANAGEMENT REPORT

During the first semester of 2008 the operations and the financial performance of the Bank in Greece and abroad remained at a satisfactory level despite the unstable global capital market environment, the significant increase in oil and food prices, the raising inflationary pressure, and the slowdown in economic growth globally.

Specifically, the severe credit turmoil that started in July 2007 in the high risk US subprime mortgage loans has expanded to the corporate bond markets and to the international capital markets as a whole. As a result of this crisis many of the largest credit institutions have written off a significant portion of their assets, due to valuation losses arising in the unstable subprime mortgage loans and other structured derivatives. These credit institutions were forced to raise an equivalent amount of capital to increase their capital adequacy ratio, in the deteriorating capital market environment.

On the other hand, the turmoil has further resulted in a liquidity crisis in the interbank markets, with the expansion of counterparty risk among financial institutions. The liquidity risk in the interbank markets was not improved despite the intense efforts of the Central Banks. Through the acceptance in the discount window of a wide range of financial instruments, Central Banks are attempting to provide financing to all credit institutions. These financial instruments include not only government bonds but also high-rated securitized mortgage loans which comprise a significant part of bank assets. Despite this, the significant expansion of spreads in interbank markets is not declining, resulting in much higher interbank than official rates, and much higher cost of funding for the banks.

The financial crisis coincided with substantial increases in oil and food prices that aggravated inflation rates and inflationary expectations in the USA and Europe. These events contributed in maintaining long term interest rates at rather high levels, despite the growth slowdown in the USA and in Europe, and which also restricted the Central Banks from implementing a more resilient monetary policy. As a result, growth in USA has decreased dramatically, while in the Euro Zone and Japan for the second quarter of 2008, growth rates were negative. In any event, the significant decrease in oil and food prices from July 2008, the recovery and stability of the dollar and the small decrease of Euro initiate an improved outlook for the economies within the next quarters. This will facilitate the improvement in mortgage loan markets both in the US and other countries which ultimately should result in satisfactory growth everywhere.

A year after the turmoil started, the stability of the markets is expected to be gradually restored in the next quarters, as tackling the above mentioned problems seem to be at an advanced stage.

It is encouraging that, in the current economic environment, emerging economies including the countries of South-eastern Europe in which Greek financial institutions have had a significant presence during the last years, do not seem to have been affected from the global financial crisis and the severe increase in oil and food prices. Certainly, many of these countries have been negatively affected from the increase of inflation and the current account deficits mainly due to the increase in oil and food prices. Due to these circumstances, many Central Banks in the area have significantly increased interest rates. The emerging economies of Europe, South Eastern Asia and South America are vital for sustaining world development at a satisfactory level of around 4% in 2008.

Also, it is satisfactory that the Greek economy continued growing despite the deceleration of growth at 3.5% in the first semester of 2008 after a long period of dynamic growth with an annual average rate of 4.1% during the last decade. Growth in Greece is expected to continue during the period for 2008-2010 with an annual average rate above 3.6% based on strong investment growth and improvement in the current account deficit.

Rapid growth in Greece and Southeastern Europe implies a continuation of the dynamic development of Greek banking sector in 2008 despite the credit crunch crisis in many European countries and in the USA. The Greek banks which were not affected by the current turmoil in the international capital market are successfully pursuing expansion in the Southeast European region. The expansion in these countries is taking into consideration the macroeconomic environment and other risk factors that exist in the region, such as the negative effect of the ongoing crisis in the international financial markets and risks arising from higher prices in oil and food. High growth in the majority of these countries in the first half of 2008 proves that they can surpass the obstacles of the economic crisis. On the other hand,



the recent reduction of oil and food prices during July-August 2008 and the recovery of agricultural production of 2008 set the basis for a significant deceleration of inflation in these countries by the end of the year.

Amidst the continued turbulence in the international market, Alpha Bank Group grew its balance sheet by 10.4% as a result of strong loan growth by 27.8% and customer funds by 18%. The strong business development of the Bank is evidenced by the increased market share in various segments in Greece and in other Southeastern European countries.

The Bank maintains its long term leading position of corporate loans in Greece which is enhanced by the expansion of services to medium size enterprises as a result of the new centralized management relations scheme that has been utilized through the establishment of 10 new business centers. On an annual basis, at the end of June 2008 corporate loans in Greece increased by 14.3%. Alpha Bank has the second and the third market share position of mortgages and consumer loans within Greece with an estimated market share of approximately 14.4% and 13.1% respectively. At the end of June 2008, the increase of mortgages and consumer loans reached 16.5% and 24.1% respectively, reflecting the Bank's dynamic growth in the retail sector.

In Southeastern Europe, where business activities are mainly focused on organic expansion, growth during the first semester of 2008 remained satisfactory. By continuously increasing market share in these countries, Alpha Bank is becoming a leading financial institution in the Southeast European region. In Cyprus, Romania and Albania, Alpha Bank is ranked among the five largest financial institutions while in Bulgaria, Serbia and FYROM among the top ten banks. In the region of Southeastern Europe excluding Greece the total market share that the Bank holds is above 8%, whereas at the end of June 2008, lending growth continued to be significantly higher than the market's, reaching 73.6%.

The improvement of Bank's position within Greece and in other Southeastern European countries is supported by the establishment of new branches. The Greek branch network was significantly strengthened with the establishment of 21 new branches bringing total branches to 415. In Southeastern Europe 142 new branches have been established during the past 12 months bringing the total number to 447 branches.

During the first semester of 2008 the Bank acquired 93.3% of the newly established Ukrainian Astra Bank OJSC. With this acquisition, the Bank establishes a presence in a highly developing market, in one of the largest and most significant countries in Southeastern Europe, aiming at strengthening its presence in the Ukrainian banking sector and increasing its size.

On the other hand, net profit amounted to € 414 million, an increase of 11% compared to the profit from continuing operations of the first semester of 2007. Specifically, net interest income increased by 19% compared to the first semester of 2007, while the margin increased steadily to 3.2%.

Net commission income recorded an increase of 5% and total income increased by 15%, representing primarily recurring income.

Despite the expansion in the markets of Southeastern Europe, the establishment of many new branches and the expenses that inevitably result, the increase in expenses for the first semester is contained to 13% resulting in a cost /income ratio of 45.3%.

The impairment losses and the provisions for credit risk amount to 0.6% of total loans in the first semester, whereas the allowance for impairment reached 2%.

Shareholders' equity amounted at € 4.2 billion representing an increase on an annual basis of 9.6%, with a return on equity of 25%.

The capital adequacy has been preserved at high levels, resulting in a capital adequacy ratio of 11.4% and core Tier 1 ratio of 8.9%. Capital adequacy from 1 January 2008 is calculated under the new regulatory framework (Basel II), which has 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.

At the end of the semester, Alpha Bank sold part of its treasury shares representing 4% of total share capital to "Paramount Services Holding Limited", an investment fund that represents the most prominent family in Qatar. The objective of this transaction is to offer value to the Bank and its shareholders by enabling Alpha Bank to accomplish its goals and to play a leading role in the wider region of Southeastern Europe.



On 7 May 2008 the Bank completed a new Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of American Law, which will be offered to institutional investors. Issuer of the notes 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 on the Luxembourg Stock Exchange.

On 18 July 2008, two covered bonds issues were completed according to paragraph 91 of Law 3601/2007 and P.D./BoG 2598/2.11.2007 through the Bank's subsidiary Alpha Covered Bond Plc. Each covered bond issue amounts to € 1 billion, has three and five year duration respectively, and is guaranteed by the Bank and covered with mortgage loans. These bonds which have been rated as AAA from the three international credit rating agencies (Standard & Poor's, Moody's and Fitch), will be sold to institutional investors and will be placed as collateral for monetary policy purposes to the Bank of Greece.

The above imply a positive outlook for a continuous growth for the second semester of 2008 and for the following years. Certainly, there are still risks, basically due to potential unfavorable geopolitical conditions or due to a potential lengthening of the crisis in the international financial system.

In order to manage these risks, Alpha Bank has established a systematic and strict methodology framework and systems which is constantly being improved in order to minimize any potential negative consequences of those risks in its operation and financial results. This framework and its effectiveness are reviewed on a frequent basis, in order to be in accordance with international best practices. However, risks undertaken by the Bank are controllable, measurable and within the stated limits.

Finally, as far as related party transactions are concerned, they are performed at arms length and are disclosed in the notes of the Interim Financial Statements, which are presented in the following chapters and are not considered material given the Bank's size.

Athens, 26 August 2008

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

YIANNIS S. COSTOPOULOS  
I.D. NO X661480





## INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30.6.2008

### Interim Consolidated Income Statement

	Note	(Thousands of Euro)			
		From 1 January to		From 1 April to	
		30.6.2008	30.6.2007	30.6.2008	30.6.2007
Interest and similar income		2,076,052	1,583,807	1,071,211	818,716
Interest expense and similar charges		(1,178,217)	(831,341)	(615,360)	(428,389)
Net interest income		897,835	752,466	455,851	390,327
Fee and commission income		263,651	239,779	139,210	123,511
Commission expense		(29,827)	(18,067)	(20,664)	(9,267)
Net fee and commission income		233,824	221,712	118,546	114,244
Dividend income		2,357	2,210	2,110	1,827
Gains less losses on financial transactions		40,297	40,598	23,229	10,670
Other income		40,818	38,323	24,502	18,534
		83,472	81,131	49,841	31,031
<b>Total income</b>		<b>1,215,131</b>	<b>1,055,309</b>	<b>624,238</b>	<b>535,602</b>
Staff costs		(285,250)	(258,683)	(145,965)	(131,378)
General administrative expenses		(221,177)	(189,698)	(117,989)	(101,046)
Depreciation and amortization expenses	7,8,9	(42,180)	(35,108)	(21,898)	(18,241)
Other expenses		(1,656)	(1,734)	(873)	(1,069)
<b>Total expenses</b>		<b>(550,263)</b>	<b>(485,223)</b>	<b>(286,725)</b>	<b>(251,734)</b>
Impairment losses and provisions for credit risk	2	(141,956)	(102,601)	(74,372)	(40,218)
Share of profit/(loss) of associates		21	1,254	(85)	1,298
<b>Profit before income tax</b>		<b>522,933</b>	<b>468,739</b>	<b>263,056</b>	<b>244,948</b>
Income tax	3	(108,081)	(94,635)	(53,333)	(45,426)
<b>Profit after income tax from continuing operations</b>		<b>414,852</b>	<b>374,104</b>	<b>209,723</b>	<b>199,522</b>
Profit after income tax from discontinued operations	4		80,388		(1,409)
<b>Profit after income tax</b>		<b>414,852</b>	<b>454,492</b>	<b>209,723</b>	<b>198,113</b>
<b>Profit attributable to:</b>					
<b>Equity holders of the Bank</b>		<b>414,132</b>	<b>453,966</b>	<b>209,101</b>	<b>197,826</b>
Minority interest		720	526	622	287
<b>Earnings per share:</b>	5				
<i>From continuing and discontinued operations</i>					
Basic (€ per share)		1.03	1.12	0.52	0.49
Diluted (€ per share)		1.03	1.11	0.52	0.49
<i>From continuing operations</i>					
Basic (€ per share)		1.03	0.92	0.52	0.49
Diluted (€ per share)		1.03	0.92	0.52	0.49

The attached notes (pages 17-41) form an integral part of these interim consolidated financial statements.

## Interim Consolidated Balance Sheet

		(Thousands of Euro)	
	Note	<b>30.6.2008</b>	<b>31.12.2007</b>
<b>ASSETS</b>			
Cash and balances with Central Banks		3,036,802	3,263,612
Due from banks		2,907,303	3,509,696
Financial assets at fair value through profit or loss		65,201	266,047
Derivative financial assets		545,754	383,432
Loans and advances to customers	6	46,759,296	42,072,071
Investment securities			
- Available for sale		1,873,267	3,156,901
Investments in associates		52,285	5,320
Investment property	7	73,568	73,560
Property, plant and equipment	8	1,212,262	1,173,275
Goodwill and other intangible assets	9	142,109	134,497
Deferred tax assets		191,649	170,257
Other assets		710,723	385,676
		<u>57,570,219</u>	<u>54,594,344</u>
Non-current assets held for sale	10	47,919	89,945
<b>Total Assets</b>		<b>57,618,138</b>	<b>54,684,289</b>
<b>LIABILITIES</b>			
Due to banks		4,526,425	4,437,736
Derivative financial liabilities		514,353	384,139
Due to customers (including debt securities in issue)		37,520,989	34,665,158
Debt securities in issue held by institutional investors and other borrowed funds	11	8,819,865	9,189,297
Liabilities for current income tax and other taxes		125,850	158,797
Deferred tax liabilities		153,306	94,807
Employee defined benefit obligations		44,076	42,019
Other liabilities		1,619,476	1,323,554
Provisions	12	97,489	95,935
		<u>53,421,829</u>	<u>50,391,442</u>
Liabilities related to non-current assets held for sale	10		1,583
<b>Total Liabilities</b>		<b>53,421,829</b>	<b>50,393,025</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Bank</b>			
Share Capital	13	1,931,590	1,602,809
Share premium	13		184,033
Reserves		451,116	445,662
Retained earnings	13	888,134	1,138,195
Treasury shares	13	(1,737)	(188)
		<u>3,269,103</u>	<u>3,370,511</u>
<b>Minority interest</b>		<b>39,794</b>	<b>32,859</b>
<b>Hybrid securities</b>		<b>887,412</b>	<b>887,894</b>
<b>Total Equity</b>		<b>4,196,309</b>	<b>4,291,264</b>
<b>Total Liabilities and Equity</b>		<b>57,618,138</b>	<b>54,684,289</b>

The attached notes (pages 17-41) form an integral part of these interim consolidated financial statements.



## Interim Consolidated Statement of Changes in Equity

	(Thousands of Euro)								
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total equity
<b>Balance 1.1.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>349,121</b>	<b>686,018</b>	<b>(14,653)</b>	<b>2,739,733</b>	<b>44,280</b>	<b>829,654</b>	<b>3,613,667</b>
<b>Changes for the period 1.1-30.6.2007</b>									
Net change in fair value of available for sale securities			(24,476)			(24,476)			(24,476)
Net change in fair value of available for sale securities transferred to income statement from sales			134,710			134,710			134,710
Exchange differences on translating foreign operations			(2,365)			(2,365)			(2,365)
Net income recognized directly in equity			107,869			107,869			107,869
Profit for the period after income tax				453,966		453,966	526		454,492
<b>Total</b>			<b>107,869</b>	<b>453,966</b>		<b>561,835</b>	<b>526</b>		<b>562,361</b>
Purchases, sales and change of ownership interests in subsidiaries				27		27	(14,353)		(14,326)
Purchases/sales of treasury shares and hybrid securities				(15,151)	(29,094)	(44,245)		58,030	13,785
Recognition of employee share options			4,247			4,247			4,247
Dividends distributed to equity holders of the Bank and minority interest				(304,421)		(304,421)	(1,077)		(305,498)
Dividends paid to hybrid securities holders				(42,257)		(42,257)			(42,257)
Appropriation to reserves			18,005	(18,005)					
Other				(1,760)		(1,760)			(1,760)
<b>Balance 30.6.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>479,242</b>	<b>758,417</b>	<b>(43,747)</b>	<b>2,913,159</b>	<b>29,376</b>	<b>887,684</b>	<b>3,830,219</b>

**Interim Consolidated Statement of Changes in Equity**

	(Thousands of Euro)								
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total equity
<b>Balance 1.7.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>479,242</b>	<b>758,417</b>	<b>(43,747)</b>	<b>2,913,159</b>	<b>29,376</b>	<b>887,684</b>	<b>3,830,219</b>
<b>Changes for the period 1.7-31.12.2007</b>									
Net change in fair value of available for sale securities			(14,137)			(14,137)			(14,137)
Net change in fair value of available for sale securities transferred to income statement from sales			(11,656)			(11,656)			(11,656)
Exchange differences on translating foreign operations			2,433			2,433			2,433
Net income recognized directly in equity			(23,360)			(23,360)			(23,360)
Profit for the period after income tax				396,069		396,069	525		396,594
<b>Total</b>			<b>(23,360)</b>	<b>396,069</b>		<b>372,709</b>	<b>525</b>		<b>373,234</b>
Purchases, sales and change of ownership interests in subsidiaries				(3,640)		(3,640)	2,958		(682)
Purchases/sales of treasury shares and hybrid securities				(3,046)	43,559	40,513		210	40,723
Recognition of employee share options			15,240			15,240			15,240
Exercise of employee share options		25,477	(25,477)						
Issue of new shares due to share options exercise	11,523	30,595				42,118			42,118
Dividends paid to hybrid securities holders				(10,739)		(10,739)			(10,739)
Transfer to statutory reserve			(36,827)	36,827					
Appropriation to reserves			36,844	(36,844)					
Other				1,151		1,151			1,151
<b>Balance 31.12.2007</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>



## Interim Consolidated Statement of Changes in Equity

	(Thousands of Euro)								
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total equity
<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 1.1-30.6.2008</b>									
Net change in fair value of available for sale securities (after taxes)			(39,645)			(39,645)			(39,645)
Net change in fair value of available for sale securities transferred to income statement from sales			(595)			(595)			(595)
Exchange differences on translating foreign operations			(1,953)	(765)		(2,718)			(2,718)
Net income recognized directly in equity			(42,193)	(765)		(42,958)			(42,958)
Profit for the period after income tax				414,132		414,132	720		414,852
<b>Total</b>			<b>(42,193)</b>	<b>413,367</b>		<b>371,174</b>	<b>720</b>		<b>371,894</b>
Share capital increase by capitalization of share premium and retained earnings <small>(note 13a)</small>	328,781	(184,033)		(144,748)					
Purchases, sales and change of ownership interests in subsidiaries				(2,972)		(2,972)	6,747		3,775
Purchases/sales of treasury shares and hybrid securities				(54,368)	(1,549)	(55,917)		(482)	(56,399)
Dividends distributed to equity holders of the Bank and minority interest <small>(note 13b)</small>				(362,199)		(362,199)	(532)		(362,731)
Dividends paid to hybrid securities holders				(47,022)		(47,022)			(47,022)
Appropriation to reserves			47,647	(47,647)					
Other				(4,472)		(4,472)			(4,472)
<b>Balance 30.6.2008</b>	<b>1,931,590</b>		<b>451,116</b>	<b>888,134</b>	<b>(1,737)</b>	<b>3,269,103</b>	<b>39,794</b>	<b>887,412</b>	<b>4,196,309</b>

The attached notes (pages 17-41) form an integral part of these interim consolidated financial statements.

**Interim Consolidated Cash Flow Statement**

	Note	(Thousands of Euro)	
		From 1 January to	
		30.6.2008	30.6.2007
<b>Cash flows from operating activities</b>			
Profit before income tax		522,933	468,739
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	7, 8	28,420	24,289
Amortization of intangible assets	9	13,760	10,819
Impairment losses from loans and provisions		150,412	102,837
Other adjustments		(5,574)	4,247
(Gains)/losses from investing activities		(11,463)	26,294
(Gains)/losses from financing activities		20,093	27,286
Share of (profit)/loss of associates		(21)	(1,254)
		<b>718,560</b>	<b>663,257</b>
<i>Net (increase)/decrease in assets relating to operating activities:</i>			
Due from banks		149,184	(599,243)
Financial assets at fair value through profit or loss and derivative financial assets		38,524	(109,829)
Loans and advances to customers		(4,874,750)	(4,483,061)
Other assets		(28,841)	(389,356)
<i>Net increase /(decrease) in liabilities relating to operating activities</i>			
Due to banks		83,311	(2,089,613)
Derivative financial liabilities		130,214	183,615
Due to customers		2,580,387	3,658,908
Other liabilities		<u>337,072</u>	<u>592,651</u>
<i>Net cash flows from operating activities before taxes</i>		(866,339)	(2,572,671)
Income taxes and other taxes paid		(97,876)	(75,385)
<b>Net cash flows from continuing operating activities</b>		<b>(964,215)</b>	<b>(2,648,056)</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries and associates		(195,737)	(14,314)
Proceeds from sale of investments in subsidiaries and associates		1,694	-
Dividends received		2,504	2,210
Purchase of property, plant and equipment		(91,908)	(61,268)
Disposal of property, plant and equipment		20,577	14,741
Net (increase)/decrease in investment securities		1,354,474	4,549,533
<b>Net cash flows from continuing investing activities</b>		<b>1,091,604</b>	<b>4,490,902</b>
<b>Cash flows from financing activities</b>			
Expenses of share capital increase		(2,204)	
Dividends paid		(360,111)	(302,627)
(Purchase)/sale of treasury shares		(335,945)	(29,094)
Proceeds from the issue of loans		100,000	547,979
Repayment of loans		(174,271)	(367,765)
(Purchases)/sales of hybrid securities		(501)	42,879
Dividends paid to hybrid securities holders		(47,022)	(42,257)
<b>Net cash flows from continuing financing activities</b>		<b>(820,054)</b>	<b>(150,885)</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>		<b>(1,991)</b>	<b>(2,365)</b>
<b>Net increase/(decrease) in cash and cash equivalents from continuing activities</b>		<b>(694,656)</b>	<b>1,689,596</b>
Net cash flows from discontinued operating activities			
Net cash flows from discontinued investing activities			160,700
Net cash flows from discontinued financing activities			
<b>Net increase/(decrease) in cash and cash equivalents from discontinued activities</b>			<b>160,700</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,792,031</b>	<b>4,575,831</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3,097,375</b>	<b>6,426,127</b>

The attached notes (pages 17-41) 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 services such as:

- Corporate and retail banking
- Financial services
- Investment banking and brokerage services
- Insurance
- 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 purpose is to provide banking services in Greece and abroad.

The term of the Board of Directors, elected by the shareholders at the general meeting of 19 April 2005, ends in 2010.

The General Meeting of Shareholders on 3 April 2008 approved the resolution to increase the number of the Directors from 14 to 15, as set out in the Bank's Articles of Incorporation and elected Mrs. Ioanna E. Papadopoulou as a non-executive member. It also elected Mr. Minas G. Tanes and Mr. George E. Agouridis as non-executive independent members.

The Board of Directors as at 30 June 2008 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

Artemis Ch. Theodoridis

#### NON-EXECUTIVE MEMBERS

Sophia G. Eleftheroudaki

Paul G. Karakostas\*

Nicholaos I. Manessis \*\*

Ioanna E. Papadopoulou

#### NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis \*

Pavlos A. Apostolides \*\*

Thanos M. Veremis

Evangelos J. Kaloussis \*/\*\*\*

Ioannis K. Lyras \*\*

#### SECRETARY

Hector P. Verykios

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

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



The certified auditors of the semi-annual and year end financial statements are:

Principal Auditors: Marios T. Kyriacou

Nick E. Vouniseas

Substitute Auditors: Charalambos G. Sirounis

Nikolaos Ch. Tsiboukas

of KPMG Certified Auditors A.E.

The Bank's shares are listed in the Athens Stock Exchange since 1925. As at 30 June 2008 Alpha Bank was ranked third in terms of market capitalization. Since February 2004 the Bank has been included in the FTSE Eurofirst 300 Index, an index which consists of the 300 largest European companies. Additionally, the Bank is included in a series of other indices, such as S&P Europe 350, FTSE Med 100, MSCI Europe, 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 June 2008 the Bank has 410,976,652 shares in issue.

The Bank's growth and consistent dividend policy has attracted local and foreign investors. This has increased the shares' liquidity which for the first semester of 2008 amounted to an average of 1,404,761 shares per day.

Finally, the credit rating of the Bank remains at a high level (Standard & Poor's: A-, Moody's: A1, Fitch Ratings: A-) and reflects the dynamics of its operations and the positive outlook with respect to its share price.

**The financial statements have been approved by the Board of Directors on 26 August 2008.**



## ACCOUNTING POLICIES APPLIED

### 1. Basis of presentation

The Group has prepared the condensed interim financial statements as at 30 June 2008 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:

- Financial assets at fair value through profit or loss
- Derivative financial instruments
- Available for sale securities

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

The accounting policies applied by the Group in preparing the condensed interim financial statements as at 30 June 2008, are consistent with those stated in the published financial statements for the year ended 31 December 2007 after taking into account the interpretation 11 "IFRS 2 – Group and Treasury Share Transactions", issued by the International Accounting Standards Board (IASB), adopted by the European Union and is effective for annual periods beginning on or after 1.1.2008. The adoption of this interpretation did not have a substantial impact on the Group's financial statements.

The adoption by the European Union, by 31 December 2008, 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 January 2008, may retrospectively affect the periods presented in these interim financial statements.

**INCOME STATEMENT****2. Impairment losses and provisions for credit risk**

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Impairment losses on loans and advances to customers	151,661	121,378	95,352	40,657
Reversals of impairment losses from due from banks	(20)	(14)	(6)	(14)
Provisions to cover credit risk relating to off balance sheet items	1,562	(14,946)	(10,007)	
Recoveries	(11,247)	(3,817)	(10,967)	(425)
<b>Total</b>	<b>141,956</b>	<b>102,601</b>	<b>74,372</b>	<b>40,218</b>

**3. Income tax**

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 25% for fiscal year 2007 and thereafter.

In accordance with article 26 of Law 3634/2008 income tax is imposed, 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.). Only dividend income is not subject to tax since it has been already taxed at the corporate level.

It should be noted that as all profits have been taxed, the dividends distributed to shareholders are free of tax.

The tax rates for 2007 and 2008 of the subsidiaries and the Bank's branches operating abroad are as follows:

	%
Cyprus	10
Bulgaria	10
Serbia	10
Romania	16
Jersey	20
Ukraine	25
Luxembourg	29.63

For the countries mentioned below the annual tax rates are as follows:

	Fiscal year 2007	Fiscal year 2008
	%	%
FYROM	12	10
Albania	20	10
United Kingdom	30	28

The income tax expense is analysed as follows:

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Current tax	64,928	68,347	40,972	31,612
Deferred tax	43,153	26,288	12,361	13,814
<b>Total</b>	<b>108,081</b>	<b>94,635</b>	<b>53,333</b>	<b>45,426</b>



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

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Depreciation and fixed asset write-offs	1,644	4,761	473	1,753
Valuation of loans	(17,753)	(7,654)	(31,974)	(5,430)
Suspension of interest accruals	18,681	12,381	9,556	5,214
Loans impairment	2,848	5,852	(2,650)	6,259
Employee defined benefit obligations	(216)	253	(67)	119
Liabilities to E.T.A.T. (Common Insurance Fund of Bank Employees)	14,282		(1,269)	
Valuation of derivatives	12,276	(2,538)	28,229	(3,103)
Effective interest rate	4,634	736	2,357	368
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	4,689	10,551	6,162	7,334
Valuation of bonds	198		(1,840)	
Valuation of other securities	(5,634)		(855)	
Carry forward of unused tax losses	894	(77)	1,090	246
Other temporary differences	6,610	2,023	3,149	1,054
<b>Total</b>	<b>43,153</b>	<b>26,288</b>	<b>12,361</b>	<b>13,814</b>

The temporary differences attributable to the valuation of bonds and other securities are due to the tax imposed according to Law 3634/2008.

Reconciliation of effective and nominal tax rate:

	From 1 January to				From 1 April to			
	30.6.2008		30.6.2007		30.6.2008		30.6.2007	
	%		%	%		%		
<b>Profit before income tax</b>		<b>522,933</b>		<b>468,739</b>		<b>263,056</b>		<b>244,948</b>
Income tax (nominal tax rate)	23.26*	121,633	23.52*	110,247	23.04	60,608	25.94	63,531
<b>Increase/(decrease) due to:</b>								
Additional tax on rental income of fixed assets	0.04	226	0.02	92	0.05	124	(0.17)	(415)
Non taxable income	(3.28)	(17,181)	(4.69)	(21,962)	(6.08)	(15,982)	(6.24)	(15,292)
Non deductible expenses	0.76	4,004	0.43	2,008	0.47	1,241	(0.01)	(36)
Part of profit relating to non taxable income			(0.09)	(438)			(0.16)	(386)
Part of profit relating to distributable income			0.07	326			0.11	267
Differences carried forward	(0.04)	(217)	0.04	184	(0.08)	(217)	0.08	184
Other	(0.07)	(384)	0.89	4,178	2.87	7,559	(0.99)	(2,427)
<b>Income tax (effective tax rate)</b>	<b>20.67</b>	<b>108,081</b>	<b>20.19</b>	<b>94,635</b>	<b>20.27</b>	<b>53,333</b>	<b>18.56</b>	<b>45,426</b>

\* The applicable income tax rate of 23.26% for 2008 and 23.52% for 2007 is the weighted average nominal tax rate based on the nominal income tax rate and the profit before tax of each of the Group's subsidiaries.



#### 4. Profit after income tax from discontinued operations

On 23.3.2007, the sale of 99.57% of the shares of the subsidiary Alpha Insurance A.E. to AXA, an insurance company which is the worldwide leader in financial protection was completed.

Alpha Bank and AXA also signed a long term exclusive bankassurance agreement for the distribution of AXA products through the extensive branch network of the Bank.

The results of Alpha Insurance A.E. which had been classified as a discontinued operation for the period 1.1.2007 up to 23.3.2007 and the profit from the sale are included in caption "profit after income tax from discontinued operations" and are analyzed as follows:

	<b>From 1 January to 30.6.2007</b>	<b>From 1 April to 30.6.2007</b>
<b>Income</b>		
Net interest income	860	
Net fee and commission income	409	
Other income (premiums etc.)	3,573	
<b>Total income</b>	<b>4,842</b>	
<b>Expenses</b>		
Staff costs	(2,338)	
General administrative expenses	(1,583)	
Depreciation and amortization expenses	(239)	
<b>Total expenses</b>	<b>(4,160)</b>	
<b>Profit/(losses) before income tax</b>	<b>682</b>	
Income tax	(421)	
<b>Profit/(losses) after income tax</b>	<b>261</b>	
<b>Profit from the disposal of Alpha Insurance A.E.</b>	<b>80,127</b>	<b>(1,409)</b>
<b>Profit after income tax from discontinued operations</b>	<b>80,388</b>	<b>(1,409)</b>

#### 5. Earnings per share

##### a. Basic

Basic earnings per share is calculated by dividing the profit after tax for the period attributable to the equity holders of the Bank by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by the companies of the Group, during the period.

	<b>From 1 January to</b>		<b>From 1 April to</b>	
	<b>30.6.2008</b>	<b>30.6.2007</b>	<b>30.6.2008</b>	<b>30.6.2007</b>
<b>Profit attributable to equity holders of the Bank from continuing and discontinued operations</b>	414,132	453,966	209,101	197,826
Weighted average number of outstanding ordinary shares	402,973,756	406,353,824	398,749,246	405,884,184
Basic earnings per share from continuing and discontinued operations (in €)	1.03	1.12	0.52	0.49
<b>Profit attributable to equity holders of the Bank from continuing operations</b>	414,132	373,578	209,101	199,235
Weighted average number of outstanding ordinary shares	402,973,756	406,353,824	398,749,246	405,884,184
Basic earnings per share from continuing operations (in €)	1.03	0.92	0.52	0.49





## b. Diluted

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

The Bank had a single category of dilutive potential ordinary shares resulting from a share options program exercised during 2007.

For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. Upon the issuance of new ordinary shares resulting from share options exercise, the shares are included in the calculation of basic and diluted earnings per share.

The weighted average number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
<b><i>Profit attributable to equity holders of the Bank from continuing and discontinued operations</i></b>	414,132	453,966	209,101	197,826
Weighted average number of outstanding ordinary shares	402,973,756	406,353,824	398,749,246	405,884,184
Adjustment for share options		935,315		1,120,334
Weighted average number of outstanding ordinary shares for diluted earnings per share	402,973,756	407,289,139	398,749,246	407,004,518
Diluted earnings per share from continuing and discontinued operations (in € )	1.03	1.11	0.52	0.49

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
<b><i>Profit attributable to equity holders of the Bank from continuing operations</i></b>	414,132	373,578	209,101	199,235
Weighted average number of outstanding ordinary shares	402,973,756	406,353,824	398,749,246	405,884,184
Adjustment for share options		935,315		1,120,334
Weighted average number of outstanding ordinary shares for diluted earnings per share	402,973,756	407,289,139	398,749,246	407,004,518
Diluted earnings per share from continuing operations (in € )	1.03	0.92	0.52	0.49



## ASSETS

## 6. Loans and advances to customers

	<b>30.6.2008</b>	<b>31.12.2007</b>
<b>Individuals:</b>		
Mortgages	12,508,228	11,186,669
Consumer	4,161,632	3,606,631
Credit cards	1,188,456	1,092,863
Other	122,654	146,762
Total	17,980,970	16,032,925
<b>Companies:</b>		
Corporate loans	27,481,758	24,771,065
Leasing	1,407,947	1,338,340
Factoring	500,043	532,640
Total	29,389,748	26,642,045
<b>Receivables from insurance and re-insurance activities</b>	9,836	9,494
<b>Other receivables</b>	253,443	228,201
	<b>47,633,997</b>	<b>42,912,665</b>
Less:		
Allowance for impairment losses *	(874,701)	(840,594)
<b>Total</b>	<b>46,759,296</b>	<b>42,072,071</b>

## Allowance for impairment losses

<b>Balance 1.1.2007</b>	<b>977,249</b>
<b>Changes for the period 1.1. – 30.6.2007</b>	
Change in present value of impairment reserve	28,811
Foreign exchange differences	(3,558)
Impairment losses for the period <sup>(note 2)</sup>	121,378
Loans written-off during the period	(226,841)
<b>Balance 30.6.2007</b>	<b>897,039</b>
<b>Changes for the period 1.7. – 31.12.2007</b>	
Transfer of impairment of assets classified as held for sale	(57)
Change in present value of impairment reserve	12,477
Foreign exchange differences	1,542
Impairment losses for the period	84,854
Loans written-off during the period	(155,261)
<b>Balance 31.12.2007</b>	<b>840,594</b>
<b>Changes for the period 1.1. – 30.6.2008</b>	
Change in present value of impairment reserve	19,591
Foreign exchange differences	250
Impairment losses for the period <sup>(note 2)</sup>	151,661
Loans written-off during the period	(137,395)
<b>Balance 30.6.2008</b>	<b>874,701</b>

\* In addition to the allowance for impairment losses, an additional provision of € 47,491 (31.12.2007: € 45,929) has been recorded to cover credit risk relating to off-balance sheet items, as referred in note 12. The total provision recorded to cover credit risk amounts to €922,192 (31.12.2007: € 886,523).



The receivables from finance leases are analyzed as follows:

	<b>30.6.2008</b>	<b>31.12.2007</b>
Up to 1 year	435,879	398,360
From 1 year up to 5 years	708,390	675,630
More than 5 years	798,408	829,707
	<b>1,942,677</b>	<b>1,903,697</b>
Unearned finance income	(534,730)	(565,357)
<b>Total</b>	<b>1,407,947</b>	<b>1,338,340</b>

The net amount of finance leases is analyzed as follows:

	<b>30.6.2008</b>	<b>31.12.2007</b>
Up to 1 year	353,273	316,096
From 1 year up to 5 years	493,600	456,249
More than 5 years	561,074	565,995
<b>Total</b>	<b>1,407,947</b>	<b>1,338,340</b>

**7. Investment property**

	<b>Land and Buildings</b>
<b>Balance 1.1.2007</b>	
Cost	34,948
Accumulated depreciation	<u>(3,430)</u>
Net book value 1.1.2007	<u>31,518</u>
<b>1.1.2007-30.6.2007</b>	
Net book value 1.1.2007	31,518
Foreign exchange differences	(145)
Additions	1,308
Disposals	(1,315)
Reclassifications	16,940
Depreciation charge for the period	<u>(366)</u>
Net book value 30.6.2007	<u>47,940</u>
<b>Balance 30.6.2007</b>	
Cost	52,497
Accumulated depreciation	(4,557)
<b>1.7.2007-31.12.2007</b>	
Net book value 1.7.2007	47,940
Foreign exchange differences	110
Additions	25,294
Disposals	835
Reclassifications	(312)
Depreciation charge for the period	<u>(307)</u>
Net book value 31.12.2007	<u>73,560</u>
<b>Balance 31.12.2007</b>	
Cost	78,526
Accumulated depreciation	(4,966)
<b>1.1.2008-30.6.2008</b>	
Net book value 1.1.2008	73,560
Foreign exchange differences	89
Additions	282
Reclassification to "Property, plant and equipment"	(33)
Depreciation charge for the period	<u>(330)</u>
Net book value 30.6.2008	<u>73,568</u>
<b>Balance 30.6.2008</b>	
Cost	78,753
Accumulated depreciation	(5,185)

**8. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Leased equipment</b>	<b>Equipment</b>	<b>Total</b>
<b>Balance 1.1.2007</b>				
Cost	1,058,044	4,055	361,639	1,423,738
Accumulated depreciation	(209,573)	(1,963)	(276,206)	(487,742)
Net book value 1.1.2007	<u>848,471</u>	<u>2,092</u>	<u>85,433</u>	<u>935,996</u>
<b>1.1.2007-30.6.2007</b>				
Net book value 1.1.2007	848,471	2,092	85,433	935,996
Foreign exchange differences	258	136	864	1,258
Additions	22,537	914	16,901	40,352
Disposals	(1,099)		(4,097)	(5,196)
Reclassification to "Investment property"	(16,940)			(16,940)
Reclassification from "Non-current assets held for sale" <sup>(1)</sup>	42,405			42,405
Other reclassifications			(3)	(3)
Depreciation charge for the period	(10,404)	(329)	(13,057)	(23,790)
Net book value 30.6.2007	<u>885,228</u>	<u>2,813</u>	<u>86,041</u>	<u>974,082</u>
<b>Balance 30.6.2007</b>				
Cost	1,103,785	4,963	374,136	1,482,884
Accumulated depreciation	(218,557)	(2,150)	(288,095)	(508,802)
<b>1.7.2007-31.12.2007</b>				
Net book value 1.7.2007	885,228	2,813	86,041	974,082
Foreign exchange differences	(1,927)	(209)	(1,400)	(3,536)
Additions	42,177	833	20,947	63,957
Disposals	(4,336)		2,748	(1,588)
Additions from companies consolidated for first time in second semester of 2007	145,909		23,346	169,255
Reclassification to "Investment property"	312			312
Other reclassifications			(265)	(265)
Depreciation charge for the period <sup>(2)</sup>	(14,001)	(365)	(14,576)	(28,942)
Net book value 31.12.2007	<u>1,053,362</u>	<u>3,072</u>	<u>116,841</u>	<u>1,173,275</u>
<b>Balance 31.12.2007</b>				
Cost	1,283,906	5,414	414,199	1,703,519
Accumulated depreciation	(230,544)	(2,342)	(297,358)	(530,244)
<b>1.1.2008-30.6.2008</b>				
Net book value 1.1.2008	1,053,362	3,072	116,841	1,173,275
Foreign exchange differences	156	(30)	(305)	(179)
Additions	35,521		30,307	65,828
Disposals	(123)	(1,022)		(1,145)
Additions from companies consolidated for first time in first semester of 2008	1,465		1,125	2,590
Reclassification from "Investment property"	33			33
Other reclassifications	3,184	260	(3,494)	(50)
Depreciation charge for the period	(11,842)	(159)	(16,089)	(28,090)
Net book value 30.6.2008	<u>1,081,756</u>	<u>2,121</u>	<u>128,385</u>	<u>1,212,262</u>
<b>Balance 30.6.2008</b>				
Cost	1,324,269	3,205	440,780	1,768,254
Accumulated depreciation	(242,513)	(1,084)	(312,395)	(555,992)

<sup>(1)</sup> Property, plant and equipment amounting to € 42.4 million was reclassified from "Non-current assets held for sale" due to Bank's decision for own use.

<sup>(2)</sup> The depreciation charge for the period 1.7-31.12.2007 does not include an amount of € 1.1 million that concerns to depreciation of Hilton Rhodes Resort which was classified as "Non-current assets held for sale" (note 10).

**9. Goodwill and other intangible assets**

	<b>Goodwill</b>	<b>Other intangible</b>	<b>Software</b>	<b>Total</b>
<b>Balance 1.1.2007</b>				
Cost	58,344	18,293	144,745	221,382
Accumulated amortization		(5,884)	(98,360)	(104,244)
Net book value 1.1.2007	<u>58,344</u>	<u>12,409</u>	<u>46,385</u>	<u>117,138</u>
<b>1.1.2007-30.6.2007</b>				
Net book value 1.1.2007	58,344	12,409	46,385	117,138
Foreign exchange differences	(1,439)	(75)	(113)	(1,627)
Additions			16,143	16,143
Disposals			(448)	(448)
Amortization charge for the period		(1,745)	(9,207)	(10,952)
Net book value 30.6.2007	<u>56,905</u>	<u>10,589</u>	<u>52,760</u>	<u>120,254</u>
<b>Balance 30.6.2007</b>				
Cost	56,905	18,752	160,564	236,221
Accumulated amortization		(8,163)	(107,804)	(115,967)
<b>1.7.2007-31.12.2007</b>				
Net book value 1.7.2007	56,905	10,589	52,760	120,254
Foreign exchange differences	1,103	220	(120)	1,203
Additions		5,340	19,341	24,681
Disposals			(472)	(472)
Reclassifications			268	268
Additions from companies consolidated for first time in second semester of 2007		1,333		1,333
Amortization charge for the period		(1,739)	(11,031)	(12,770)
Net book value 31.12.2007	<u>58,008</u>	<u>15,743</u>	<u>60,746</u>	<u>134,497</u>
<b>Balance 31.12.2007</b>				
Cost	58,008	25,785	181,273	265,066
Accumulated amortization		(10,042)	(120,527)	(130,569)
<b>1.1.2008-30.6.2008</b>				
Net book value 1.1.2008	58,008	15,743	60,746	134,497
Foreign exchange differences	861	52	(33)	880
Additions		4,680	14,161	18,841
Additions from companies consolidated for first time in the first semester of 2008*	1,551	1	49	1,601
Other reclassifications		(3,358)	3,408	50
Amortization charge for the period		(1,776)	(11,984)	(13,760)
Net book value 30.6.2008	<u>60,420</u>	<u>15,342</u>	<u>66,347</u>	<u>142,109</u>
<b>Balance 30.6.2008</b>				
Cost	60,420	27,147	198,981	286,548
Accumulated amortization		(11,805)	(132,634)	(144,439)

\* The goodwill presented in the first semester of 2008 relates to the acquisition of 90% ownership interest of Astra Bank OJSC (note 19d).



## 10. Non-current assets held for sale and related Liabilities

### a. Fixed Assets

"Non-current assets held for sale" include land, buildings and office equipment amounting to € 47,919 (31.12.2007: € 55,221).

### b. Other

As at 28.3.2008 Ionian Hotel Enterprises A.E. transferred the shares of the subsidiary Tourist Resort A.E., which owns the Rhodes Hotel Resort (note 19b).

The assets and liabilities of Hilton Rhodes Resort as at 31 December 2007 have been classified as "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale" respectively and were as follows:

	<b>31.12.2007</b>
<b>Non-current assets held for sale</b>	
Cash and balances with Central Banks	38
Loans and advances to customers	1,336
Goodwill and other intangible assets	9
Property, plant and equipment	29,745
Deferred tax assets	3,319
Other assets	277
<b>Total</b>	<b>34,724</b>
<b>Liabilities related to non-current assets held for sale</b>	
Liabilities for current income tax and other taxes	39
Deferred tax liabilities	308
Other liabilities	970
Employee defined benefit obligations	266
<b>Total</b>	<b>1,583</b>



## LIABILITIES

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

Short term securities (ECP) <sup>(1)</sup>

<b>Balance 1.1.2008</b>	-
<b>Changes for the period 1.1 – 30.6.2008</b>	
New Issues	1,515,949
Maturities/Redemptions	(769,000)
Accrued interest	12,054
Foreign exchange differences	(152)
<b>Balance 30.6.2008</b>	<b><u>758,851</u></b>

## Senior Debt securities

<b>Balance 1.1.2008</b>	<b>14,296,007</b>
<b>Changes for the period 1.1 – 30.6.2008</b>	
New issues <sup>(2)</sup>	4,776,894
(Purchases)/sales by Group companies	(3,266,687)
Maturities/Redemptions	(3,154,201)
Fair value change due to hedging	(14,314)
Accrued interest	(9,912)
Foreign exchange differences	(2,031)
<b>Balance 30.6.2008</b>	<b><u>12,625,756</u></b>

## Subordinated debt

<b>Balance 1.1.2008</b>	<b>1,228,888</b>
<b>Changes for the period 1.1 – 30.6.2008</b>	
New issues <sup>(3)</sup>	100,000
(Purchases)/sales by Group companies	(20,160)
Maturities/Redemptions <sup>(4)</sup>	(100,000)
Fair value change due to hedging	(4,154)
Accrued interest	55
Foreign exchange differences	(1,667)
<b>Balance 30.6.2008</b>	<b><u>1,202,962</u></b>

<b>Total</b>	<b>14,587,569</b>
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Of the above debt securities in issue an amount of € 5,767,704 (31.12.2007: € 6,335,598) 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 30.6.2008 amounts to € 8,819,865 (31.12.2007: € 9,189,297).

<sup>(1)</sup> The Bank raises short term liquidity, through a Euro Commercial paper program amounting to total € 5 billion. Under this program commercial paper may be issued at a discount or may bear floating, fixed or index linked interest with 1 up to 364 days duration. The commercial paper can be issued in Euro, US Dollar, GB pound, Swiss Franc, Japanese Yen, Australian Dollar, Canadian Dollar and any other currency that will be agreed by the counterparties.

The issues in Euro pay an average spread of 9 to 25 basis points over Euribor of the respective period.

The issues in US Dollars were set on from 14 to 42 basis points over Libor of the respective period.

<sup>(2)</sup> New senior debt issues amounting to € 3,960 million pay a Euribor floating rate, with a spread from 10 up to 50 basis points, depending on the duration of issue.

Additionally, in new senior debt issues amounting to € 375 million, an embedded put option for the investor exists which bears Euribor plus variable spread. If the investor does not exercise the option, the spread may increase to a maximum between 40 and 120 basis points.

<sup>(3)</sup> On 30.5.2008 the subsidiary Alpha Bank Cyprus Ltd, issued subordinate debt securities (lower Tier II) amounting to € 100 million with a 10 year duration paying three month Euribor plus 180 basis points for the first 5 years. If Alpha Bank Cyprus Ltd does not redeem the security, the spread for the following years increases to 280 basis points.

<sup>(4)</sup> On 19 February 2008, five years after issuance, the Bank redeemed a 10 year subordinated debt amounting to € 100 million.





## 12. Provisions

	<b>30.6.2008</b>	<b>31.12.2007</b>
Insurance reserves	42,170	41,561
Provisions to cover credit risk	47,491	45,929
Other provisions	7,828	8,445
<b>Total</b>	<b>97,489</b>	<b>95,935</b>

### a. Insurance provisions

	<b>30.6.2008</b>	<b>31.12.2007</b>
<b>Non-life insurance</b>		
Unearned premiums	5,417	4,643
Outstanding claim reserves	6,217	5,780
<b>Total</b>	<b>11,634</b>	<b>10,423</b>
<b>Life insurance</b>		
Mathematical reserves	6,744	6,992
Outstanding claim reserves	1,163	1,325
<b>Total</b>	<b>7,907</b>	<b>8,317</b>
<b>Reserves for investments held on behalf and at risk of life insurance policy holders</b>	<b>22,629</b>	<b>22,821</b>
<b>Total</b>	<b>42,170</b>	<b>41,561</b>

### b. Provisions to cover credit risk

<b>Balance 1.1.2007</b>	<b>14,946</b>
<b>Changes for the period 1.1. – 30.6.2007</b>	
Reversal of provision to cover credit risk relating to off-balance sheet items (note 2)	(14,946)
<b>Balance 30.6.2007</b>	<b>-</b>
<b>Changes for the period 1.7. – 31.12.2007</b>	
Provisions to cover credit risk relating to off-balance sheet items	45,929
<b>Balance 31.12.2007</b>	<b>45,929</b>
<b>Changes for the period 1.1. – 30.6.2008</b>	
Provisions to cover credit risk relating to off-balance sheet items (note 2)	1,562
<b>Balance 30.6.2008</b>	<b>47,491</b>

**c. Other provisions**

<b>Balance 1.1.2007</b>	<b>11,432</b>
<b>Changes for the period 1.1. – 30.6.2007</b>	
Provisions charged to profit and loss	1,630
Provisions used during the period	(13)
Foreign exchange differences	(1,537)
<b>Balance 30.6.2007</b>	<b>11,512</b>
<b>Changes for the period 1.7. – 31.12.2007</b>	
Decrease of provision for contingent liabilities	(4,525)
Provisions used during the period	(5)
Foreign exchange differences	1,463
<b>Balance 31.12.2007</b>	<b>8,445</b>
<b>Changes for the period 1.1. – 30.6.2008</b>	
Provisions charged to profit and loss	2,713
Provisions used during the period	(2,736)
Foreign exchange differences	(594)
<b>Balance 30.6.2008</b>	<b>7,828</b>

**EQUITY****13. Share capital, Retained earnings and Treasury shares****a) Share capital**

The ordinary meeting of the shareholders held on 3 April 2008, approved the increase of the Bank's share capital by € 328,781 through the capitalization of the share premium reserve of € 184,033 and part of retained earnings of € 144,748, with an increase of the nominal value of each share from € 3.90 to € 4.70.

The Ministry of Development approved through the K2-5168/22.4.2008 decision, the amendment of article 5 of the Bank's Articles of Incorporation following the increase in its share capital.

Pursuant to the above, as at 30 June 2008 the Bank's share capital amounts to € 1,931,590, divided into 410,976,652 shares of a nominal value of € 4.70 each.

**b) Retained earnings**

On 15 April 2008 a dividend of € 0.90 per share was distributed amounting to a total of € 362,199, relating to the fiscal year 2007.

Bank's subsidiaries for the fiscal year of 2007 distributed a dividend to minority interest amounting to € 532.

**c) Treasury shares**

On 25 February 2008 Alpha Insurance Agents A.E., a wholly owned subsidiary of the Bank, completed the sale of 10,080 Bank's shares at total cost € 188 with a price of € 20.8 per share. The profit from the sale of the treasury shares amounted to € 21 was recognised directly to "Retained earnings".

The Bank pursuant to the decisions of prior years General Meetings of Shareholders, purchased during the first quarter of 2008, 8,123,677 treasury shares at a cost of € 167,551 (€ 20.63 per share).

Based on the decision of the general meeting of shareholders held on 3 April 2008 which approved the establishment of a share buy back program, for the period April 2008 - April 2010, the Bank acquired during the second quarter of 2008 8,399,014 treasury shares at a cost of € 175,591 (€ 20.91 per share).

On 30 June 2008, the Bank completed the sale of 16,439,066 treasury shares the cost of which amounted to € 341,405, through a private placement which represented 4% of its issued share capital. The result of the above transaction has been recognized directly to the Retained earnings account of equity.

As at 30 June 2008 the Bank holds 83,625 treasury shares with a cost of € 1,737 (€ 20.77 per share).

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

	<b>Number of share</b>	<b>Cost</b>	<b>Percentage</b>
<b>Balance 31.12.2007</b>	10,080	188	
Purchases 1.1-30.6.2008	16,522,691	343,142	4.02%
Sales 1.1-30.6.2008	(16,449,146)	(341,593)	(4.00%)
<b>Balance 30.6.2008</b>	<b>83,625</b>	<b>1,737</b>	<b>0.02%</b>



## 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 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.

However, the Group recorded a provision amounting to €3.8 million for pending legal cases or issues in progress.

#### b) Tax issues

The Bank and the companies, Alpha Astika Akinita A.E., Messina Holdings S.A., Ionian Hotel Enterprises A.E., ABC Factors A.E. and Kafe Alpha A.E. have been audited by the tax authorities for the years up to and including 2005. Alpha Bank Romania S.A. and Alpha Insurance Agents A.E. have been audited up to and including 2006. Tax audits are in progress at Alpha Finance A.E.P.E.Y., Alpha Leasing A.E. and Alpha Private Investment Services A.E.P.E.Y. for fiscal years from 2003-2006, 2005-2006 and 2002-2007 respectively. The remaining companies of the Group have been audited by the tax authorities, for the years up to and including the year ended 31 December 2002.

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

#### c) Operating leases

The Group's minimum future lease payments are:

	<b>30.6.2008</b>	<b>31.12.2007</b>
▶ Less than one year	42,189	30,894
▶ Between one and five years	129,378	92,662
▶ More than five years	111,657	79,219
<b>Total</b>	<b>283,224</b>	<b>202,775</b>

The Group's minimum future revenues are:

	<b>30.6.2008</b>	<b>31.12.2007</b>
▶ Less than one year	5,582	6,017
▶ Between one and five years	20,325	22,806
▶ More than five years	6,611	9,177
<b>Total</b>	<b>32,518</b>	<b>38,000</b>

#### d) Off balance sheet liabilities

	<b>30.6.2008</b>	<b>31.12.2007</b>
Letters of credit	230,879	48,014
Letters of guarantee	4,721,443	4,835,271
Credit commitments	19,150,351	17,573,361
<b>Total</b>	<b>24,102,673</b>	<b>22,456,646</b>



### e) Assets pledged

	<b>30.6.2008</b>	<b>31.12.2007</b>
Loans to customers	964,490	800,490
Financial assets at fair value through profit or loss	5,000	
Investment securities	155,000	160,000
<b>Total</b>	<b>1,124,490</b>	<b>960,490</b>

The Bank has collateralized customer loans 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 No 61/6.12.2006. The Bank of Greece accepts from 1.1.2007 as collateral for monetary policy purposes and intraday credit, non-marketable assets, which should meet the terms and conditions of the above act.

Financial assets at fair value through profit or loss are pledged as collateral to the clearing house of derivative transactions "ETESEP A.E." as a margin account insurance.

The 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).



## 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 %	
		30.6.2008	31.12.2007
<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	99.99
7. Astra Bank OJSC	Ukraine	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	U.S.A.	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. AEF European Capital Investments B.V.	The Netherlands		100.00
6. Alpha Ventures Capital Management	Greece	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	85.76	84.10
2. Ionian Hotel Enterprises A.E.	Greece	95.89	94.81
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Alpha Real Estate D.O.O. Beograd	Serbia	85.76	84.10
5. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	85.76	84.10
6. Tourist Resorts A.E.	Greece		94.81
7. Alpha Immovables Bulgaria E.O.O.D.	Boulgaria	85.76	84.10
<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 Investment 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
<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. Evremethea 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



## B. JOINT VENTURES

Name	Country of Incorporation	Group's ownership interest %	
		30.6.2008	31.12.2007
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	60.10
4. Anadolu Alpha Gayrimenkul Ticaret Anonim Sirketi	Turkey	50.00	50.00
5. APE Investment Property S.A.	Greece	67.42	67.42
6. Alpha-TANEO-AKES	Greece	51.00	

The subsidiaries are fully consolidated and the joint ventures are consolidated under the proportionate method.

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

## C. ASSOCIATES

Name	Country of Incorporation	Group's ownership interest %	
		30.6.2008	31.12.2007
1. Evisak A.E.	Greece	27.00	27.00
2. AEDEP Thessalias and Stereas Ellados	Greece	50.00	50.00
3. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
4. EL.PET. Balcan S.A.	Greece	26.71	

The associates included in consolidated financial statements are measured under the equity method.

## 16. Segment reporting

(Amounts in million of €)

	1.1 - 30.6.2008						
	Group	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Interest	897.8	551.0	167.2	8.4	12.9	156.4	1.9
Commission	233.8	85.3	42.1	37.9	24.5	44.8	(0.8)
Other income	83.5	7.2	5.3	0.9	18.9	28.8	22.4
<b>Total income</b>	<b>1,215.1</b>	<b>643.5</b>	<b>214.6</b>	<b>47.2</b>	<b>56.3</b>	<b>230.0</b>	<b>23.5</b>
<b>Total expenses</b>	<b>(550.3)</b>	<b>(286.5)</b>	<b>(59.1)</b>	<b>(26.8)</b>	<b>(19.9)</b>	<b>(129.8)</b>	<b>(28.2)</b>
Impairment	(141.9)	(96.6)	(30.7)		(0.1)	(14.5)	
<b>Profit before income tax</b>	<b>522.9</b>	<b>260.4</b>	<b>124.8</b>	<b>20.4</b>	<b>36.3</b>	<b>85.7</b>	<b>(4.7)</b>
Income tax	(108.1)						
<b>Profit after income tax</b>	<b>414.8</b>						



(Amounts in million of €)

	1.1 - 30.6.2007						
	Group	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Interest	752.5	470.8	144.9	8.4	21.0	100.6	6.8
Commission	221.7	79.3	45.1	43.3	22.4	33.1	(1.5)
Other income	82.4	11.1	3.1	5.4	12.2	17.6	33.0
<b>Total income</b>	<b>1,056.6</b>	<b>561.2</b>	<b>193.1</b>	<b>57.1</b>	<b>55.6</b>	<b>151.3</b>	<b>38.3</b>
<b>Total expenses</b>	<b>(485.2)</b>	<b>(269.2)</b>	<b>(55.6)</b>	<b>(28.4)</b>	<b>(17.7)</b>	<b>(89.1)</b>	<b>(25.2)</b>
Impairment	(102.6)	(48.9)	(41.2)			(12.4)	(0.1)
<b>Profit before income tax</b>	<b>468.8</b>	<b>243.1</b>	<b>96.3</b>	<b>28.7</b>	<b>37.9</b>	<b>49.8</b>	<b>13.0</b>
Income tax	(94.6)						
Profit from discontinued operations	80.3						
<b>Profit after income tax</b>	<b>454.5</b>						

#### i. Retail Banking

Includes all individuals (retail banking customers) of the Bank, professionals, and small companies.

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, letter of guarantees) 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.

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

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 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 offered 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.). Includes also 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 Bank reports on a quarterly basis.

The minimum capital adequacy ratios (Tier I and capital adequacy ratio) which the Bank 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.

(Amounts in millions of Euro)

	<b>30.6.2008</b>	<b>31.12.2007</b>
	<b>Basel II</b>	<b>Basel I</b>
Risk-weighted assets from credit risk	41,221	39,950
Risk-weighted assets from market risk	892	553
Risk-weighted assets from operational risk	<u>3,072</u>	<u>          </u>
Total risk-weighted assets	<u>45,185</u>	<u>40,503</u>
Upper Tier I capital	3,286	3,137
Tier I capital	4,036	3,890
Total Tier I + Tier II capital	5,152	5,043
Upper Tier I ratio	7.3%	7.7%
Tier I ratio	8.9%	9.6%
<b>Capital adequacy ratio (Tier I + Tier II)</b>	<b>11.4%</b>	<b>12.5%</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 the controlled by them entities are as follows:

	<b>30.6.2008</b>	<b>31.12.2007</b>
Loans	164,624	39,951
Deposits	68,189	43,523
Debts securities in issue	25,030	9,009
Letters of guarantee	7,677	83
	<b>From 1 January to</b>	
	<b>30.6.2008</b>	<b>30.6.2007</b>
Interest and similar income	5,401	83
Interest and similar expense	1,715	892

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

	<b>30.6.2008</b>	<b>31.12.2007</b>
<b>Assets</b>		
Loans and advances to customers	218	277
<b>Liabilities</b>		
Due to customers	13	26
	<b>From 1 January to</b>	
	<b>30.6.2008</b>	<b>30.6.2007</b>
<b>Income</b>		
Interest and similar income	10	20
<b>Expenses</b>		
Other expenses	1,786	1,573

c. The Group Companies' Board of Directors and Executive General Managers' fees recorded in the income statement for the A' semester of 2008 amounted to € 5,397 (A' semester 2007: € 6,264).

## 19. Acquisitions, sales of subsidiaries and other corporate events

a. According to Law 3606/2007, which incorporates in Greek Legislation the European's Parliament guidance MiFID (2004/2007) and after the relevant decision of the Extraordinary Shareholders' Meeting held on 14.12.2007 and the approval of the Ministry of Development on 11.2.2008, the name of Alpha Finance A.X.E.P.E.Y. was changed to Alpha Finance A.E.P.E.Y.

b. As at 28.3.2008, the subsidiary Ionian Hotel Enterprises A.E. completed the transfer of 100% of Tourist Resort A.E., owner of Hilton Rhodes Resort to the Greek Hotel Company Lampsas S.A. and to Plaka S.A. by 50% respectively. The sale resulted in a gain of € 1.5 million for the Group.

c. On 31.3.2008 the subsidiary AEF European Capital Investments B.V. was liquidated. No profit or loss resulted from the liquidation.

d. On 4 April 2008 the Bank acquired 90% of the newly established Ukrainian Bank Astra Bank OJSC at a cost of € 10.9 million. The Bank agreed with the founders of Astra Bank that they will hold a stake up to 10% of the share capital and will remain as executive members of management.

e. On 22.4.2008 the Bank's subsidiary Alpha Ventures A.E. sold its shares in BIOMAGN AMETVE. From the sale resulted a gain amounting to € 328 thousand.



- f.** On 7 May 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.
- g.** On 8 May 2008 the Bank participated in Alpha Bank Srbija A.D. share capital increase at the total amount of € 49.8 million.
- h.** On 9.5.2008 the subsidiary Alpha Ventures A.E. established the company Alpha Ventures Capital Management. Alpha Ventures Capital Management has the management of mutual fund ALPHA-TANEO-A.K.E.S., which was founded on 2.6.2008 and the Bank holds a 51% ownership interest.
- i.** On 21.5.2008 the Bank acquired 847 shares of APE Commercial Property. After the acquisition the Bank's interest in APE Commercial Property was 72.20%.
- j.** On 21.5.2008, the Group recognised its participation to the associate EL.P.ET. Balcan S.A. which was included in consolidated financial statements under the equity method.
- k.** On 30.6.2008 the Bank participated in Astra Bank OJSC share capital increase at the total amount of € 126.4 million plus expenses. After this share capital increase the Bank's interest is 93.33%.

## 20. Events after the balance sheet date

On 2 July 2008 Alpha Covered Bonds Plc was established in United Kingdom by the Bank which has 100% ownership interest. The primary activity of Alpha Covered Bonds Plc is the issue of covered bonds.

On 18 July 2008 the issuance of two covered bonds was completed according to paragraph 91 of Law 3601/2007 and P.D./BoG 2598/2.11.2007. Each covered bond issue amounts to € 1 billion, has three and five year duration respectively, is guaranteed by the Bank and collateralised with mortgage loans. These bonds received a AAA rating from the three international credit rating agencies (Standard & Poor's, Moody's and Fitch), will be sold to institutional investors and will be also placed as collateral for monetary policy purposes to the Bank of Greece.

Athens, 26 August 2008

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE EXECUTIVE DIRECTOR

GROUP FINANCIAL  
REPORTING OFFICER

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

DEMETRIOS P. MANTZOUNIS  
I.D. No I 166670

MARINOS S. YANNOPOULOS  
I.D. No N 308546

GEORGE N. KONTOS  
I.D. No AB 522299





## INTERIM FINANCIAL STATEMENTS AS AT 30.6.2008

### Interim Income Statement

		(Thousands of Euro)			
	Note	From 1 January to		From 1 April to	
		30.6.2008	30.6.2007	30.6.2008	30.6.2007
Interest and similar income		1,951,743	1,437,298	1,020,974	740,570
Interest expense and similar charges		(1,275,272)	(856,207)	(675,361)	(444,560)
Net interest income		676,471	581,091	345,613	296,010
Fee and commission income		158,896	167,663	80,831	88,718
Commission expense		(13,178)	(11,456)	(7,282)	(6,380)
Net fee and commission income		145,718	156,207	73,549	82,338
Dividend income		60,541	34,003	57,514	23,469
Gains less losses on financial transactions		25,302	(85,363)	(4,685)	1,285
Other income		13,053	13,760	9,345	4,342
		98,896	(37,600)	62,174	29,096
<b>Total income</b>		<b>921,085</b>	<b>699,698</b>	<b>481,336</b>	<b>407,444</b>
Staff costs		(203,917)	(192,876)	(104,674)	(97,389)
General administrative expenses		(163,183)	(151,793)	(84,183)	(80,191)
Depreciation and amortization expenses	6, 7, 8	(27,903)	(23,602)	(14,287)	(12,315)
Other expenses		(1,484)	(1,143)	(807)	(594)
<b>Total expenses</b>		<b>(396,487)</b>	<b>(369,414)</b>	<b>(203,951)</b>	<b>(190,489)</b>
Impairment losses and provisions for credit risk	2	(129,023)	(88,572)	(71,301)	(36,567)
<b>Profit before income tax</b>		<b>395,575</b>	<b>241,712</b>	<b>206,084</b>	<b>180,388</b>
Income tax	3	(81,633)	(54,419)	(36,618)	(40,421)
<b>Profit after income tax</b>		<b>313,942</b>	<b>187,293</b>	<b>169,466</b>	<b>139,967</b>
<b>Earnings per share:</b>	4				
Basic (€ per share)		0.78	0.46	0.42	0.34
Diluted (€ per share)		0.78	0.46	0.42	0.34

The attached notes (pages 48-67) form an integral part of these interim financial statements.

## Interim Balance Sheet

	Note	(Thousands of Euro)	
		<b>30.6.2008</b>	<b>31.12.2007</b>
<b>ASSETS</b>			
Cash and balances with Central Banks		1,533,510	1,650,327
Due from banks		7,249,897	7,349,675
Financial assets at fair value through profit or loss		68,101	264,788
Derivative financial assets		546,969	384,466
Loans and advances to customers	5	38,615,143	35,267,874
Investment securities			
- Available for sale		8,184,318	6,300,377
Investments in subsidiaries, associates and joint ventures	17	1,814,939	1,626,100
Investment property	6	42,146	42,370
Property, plant and equipment	7	622,263	603,831
Goodwill and other intangible assets	8	56,934	55,836
Deferred tax assets		185,757	158,160
Other assets		593,922	280,626
		<u>59,513,899</u>	<u>53,984,430</u>
Non-current assets held for sale	9	47,404	54,706
<b>Total Assets</b>		<b>59,561,303</b>	<b>54,039,136</b>
<b>LIABILITIES</b>			
Due to banks		5,724,951	5,637,562
Derivative financial liabilities		516,786	383,129
Due to customers		26,303,296	23,334,888
Debt securities in issue and other borrowed funds	10	22,748,128	20,521,976
Liabilities for current income tax and other taxes		76,426	127,863
Deferred tax liabilities		138,316	82,960
Employee defined benefit obligations		3,700	3,733
Other liabilities		1,414,237	1,159,012
Provisions	11	50,600	47,796
<b>Total Liabilities</b>		<b>56,976,440</b>	<b>51,298,919</b>
<b>EQUITY</b>			
Share Capital	12	1,931,590	1,602,809
Share premium	12		184,033
Reserves		331,106	333,892
Retained earnings	12	323,904	619,483
Treasury shares	12	(1,737)	
<b>Total Equity</b>		<b>2,584,863</b>	<b>2,740,217</b>
<b>Total Liabilities and Equity</b>		<b>59,561,303</b>	<b>54,039,136</b>

The attached notes (pages 48-67) form an integral part of these interim financial statements.

## Interim Statement of Changes in Equity

	(Thousands of Euro)					
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
<b>Balance 1.1.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>207,853</b>	<b>523,201</b>	<b>(14,465)</b>	<b>2,435,836</b>
<b>Changes for the period 1.1-30.6.2007</b>						
Net change in fair value of available for sale securities			(25,823)			(25,823)
Net change in fair value of available for sale securities transferred to income statement from sales			138,615			138,615
Exchange differences on translating foreign operations				142		142
Net income recognized directly in equity			112,792	142		112,934
Profit for the period, after income tax				187,293		187,293
<b>Total</b>			<b>112,792</b>	<b>187,435</b>		<b>300,227</b>
Purchase of treasury shares					(29,094)	(29,094)
Dividends distributed				(304,421)		(304,421)
Appropriation to reserves			53,400	(53,400)		
Recognition of employee share options			4,247			4,247
<b>Balance 30.6.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>378,292</b>	<b>352,815</b>	<b>(43,559)</b>	<b>2,406,795</b>
<b>Changes for the period 1.7.-31.12.2007</b>						
Net change in fair value of available for sale securities			(22,373)			(22,373)
Net change in fair value of available for sale securities transferred to income statement from sales			(11,790)			(11,790)
Exchange differences on translating foreign operations				58		58
Net income recognized directly in equity			(34,163)	58		(34,105)
Profit for the period, after income tax				269,713		269,713
<b>Total</b>			<b>(34,163)</b>	<b>269,771</b>		<b>235,608</b>
Purchase of treasury shares					(300,095)	(300,095)
Sale of treasury shares				(2,999)	343,654	340,655
Recognition of employee share options			15,240			15,240
Exercise of employee share options		25,477	(25,477)			
Issue of new shares due to share options exercise	11,523	30,595				42,118
Other				(104)		(104)
<b>Balance 31.12.2007</b>	<b>1,602,809</b>	<b>184,033</b>	<b>333,892</b>	<b>619,483</b>		<b>2,740,217</b>

**Interim Statement of Changes In Equity**

	(Thousands of Euro)					
	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
<b>Balance 1.1.2008</b>	<b>1,602,809</b>	<b>184,033</b>	<b>333,892</b>	<b>619,483</b>		<b>2,740,217</b>
<b>Changes for the period 1.1-30.6.2008</b>						
Net change in fair value of available for sale securities (after taxes)			(48,356)			(48,356)
Net change in fair value of available for sale securities transferred to income statement from sales			(530)			(530)
Exchange differences on translating foreign operations				71		71
Net income recognized directly in equity			(48,886)	71		(48,815)
Profit for the period, after income tax				313,942		313,942
<b>Total</b>			<b>(48,886)</b>	<b>314,013</b>		<b>265,127</b>
Purchase of treasury shares <sup>(note 12c)</sup>					(343,142)	(343,142)
Sale of treasury shares <sup>(note 12c)</sup>				(54,328)	341,405	287,077
Share capital increase by capitalization of share premium and retained earnings <sup>(note 12a)</sup>	328,781	(184,033)		(144,748)		
Dividends distributed <sup>(note 12b)</sup>				(362,199)		(362,199)
Appropriation to reserves			46,100	(46,100)		
Other				(2,217)		(2,217)
<b>Balance 30.6.2008</b>	<b>1,931,590</b>		<b>331,106</b>	<b>323,904</b>	<b>(1,737)</b>	<b>2,584,863</b>

The attached notes (pages 48-67) form an integral part of these interim financial statements.



## Interim Cash Flow Statement

	Note	(Thousands of Euro)	
		From 1 January to 30.6.2008	30.6.2007
<b>Cash flows from operating activities</b>			
Profit before income tax		395,575	241,712
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	6, 7	17,147	15,377
Amortization of intangible assets	8	10,756	8,225
Impairment losses from loans and provisions		138,183	93,334
Other adjustments			4,247
(Gains)/losses from investing activities		(71,846)	94,526
(Gains)/losses from financing activities		66,118	43,834
		<b>555,933</b>	<b>501,255</b>
<i>Net (increase)/decrease in assets relating to operating activities:</i>			
Due from banks		(474,533)	(1,363,181)
Financial assets at fair value through profit or loss and derivative financial assets		34,184	(62,368)
Loans and advances to customers		(3,520,786)	(3,139,138)
Other assets		(18,212)	16,722
<i>Net increase /(decrease) in liabilities relating to operating activities:</i>			
Due to banks		87,389	(1,917,014)
Derivative financial liabilities		133,658	185,777
Due to customers		5,319,172	4,303,055
Other liabilities		305,524	205,413
<i>Net cash flows from operating activities before taxes</i>		2,422,329	(1,269,479)
Income taxes and other taxes paid		(88,203)	(62,548)
<b>Net cash flows from operating activities</b>		<b>2,334,126</b>	<b>(1,332,027)</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries, associates and joint ventures		(194,850)	(18,233)
Proceeds from sale of investments in subsidiaries, associates and joint ventures			1,117
Dividends received		59,948	28,977
Purchase of property, plant and equipment		(54,335)	(42,194)
Disposal of property, plant and equipment		19,672	9,560
Net (increase)/decrease in investment securities		(1,967,204)	3,359,359
<b>Net cash flows from investing activities</b>		<b>(2,136,769)</b>	<b>3,338,586</b>
<b>Cash flows from financing activities</b>			
Expenses from share capital increase		(2,204)	
(Purchases)/sales of treasury shares		(336,133)	(29,094)
Dividends paid		(359,556)	(301,570)
Proceeds from the issue of debt securities and other borrowed funds			547,979
Repayment of debt securities and other borrowed funds		(190,730)	(397,559)
<b>Net cash flows from financing activities</b>		<b>(888,623)</b>	<b>(180,244)</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>		<b>138</b>	<b>410</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>		<b>(691,128)</b>	<b>1,826,725</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>4,356,928</b>	<b>4,608,407</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3,665,800</b>	<b>6,435,132</b>

The attached notes (pages 48-67) 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 purpose is to provide banking services in Greece and abroad.

The term of the Board of Directors, elected by the Shareholders at the General Meeting of 19 April 2005, ends in 2010.

The General Meeting of Shareholders on 3 April 2008 approved the resolution to increase the number of the Directors from 14 to 15, as set out in the Bank's Articles of Incorporation and elected Mrs. Ioanna E. Papadopoulou as a non-executive member. It also elected Mr. Minas G. Tanes and Mr. George E. Agouridis as non-executive independent members. The Board of Directors as at 30 June 2008 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

Artemis Ch. Theodoridis

#### 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 \*\*

#### SECRETARY

Hector P. Verykios

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\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

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



The certified auditors of the semi-annual and year end financial statements of the Bank are:

**Principal Auditors:** Marios T. Kyriacou

Nick E. Vouniseas

**Substitute Auditors:** Charalambos G. Sirounis

Nikolaos Ch. Tsiboukas

of KPMG Certified Auditors A.E.

The Bank's shares are listed in the Athens Stock Exchange since 1925. As at 30 June 2008 Alpha Bank was ranked third in terms of market capitalization. Since February 2004 the Bank has been included in the FTSE Eurofirst 300 Index, an index which consists of the 300 largest European companies. Additionally, the Bank is included in a series of other indices, such as S&P Europe 350, FTSE Med 100, MSCI Europe, 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 June 2008 the Bank has 410,976,652 shares in issue.

The Bank's growth and consistent dividend policy has attracted local and foreign investors. This has increased the shares' liquidity which for the first semester of 2008 amounted to an average of 1,404,761 shares per day.

Finally, the credit rating of the Bank remains at a high level (Standard & Poor's: A-, Moody's: A1, Fitch Ratings: A-) and reflects the dynamics of its operations and the positive outlook with respect to its share price.

**The financial statements have been approved by the Board of Directors on 26 August 2008.**



## ACCOUNTING POLICIES APPLIED

### 1. Basis of presentation

The Bank has prepared the condensed interim financial statements as at 30 June 2008 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:

- Financial assets at fair value through profit or loss
- Derivative financial instruments
- Available for sale securities

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

The accounting policies applied by the Bank in preparing the condensed interim financial statements as at 30 June 2008, are consistent with those stated in the published financial statements for the year ended 31 December 2007 after taking into account the interpretation 11 "IFRS 2 – Group and Treasury Share Transactions", issued by the International Accounting Standards Board (IASB), adopted by the European Union and is effective for annual periods beginning on or after 1.1.2008. The adoption of this interpretation did not have a substantial impact on the Bank's financial statements.

The adoption by the European Union, by 31 December 2008, 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 January 2008, may retrospectively affect the periods presented in these interim financial statements.



## INCOME STATEMENT

### 2. Impairment losses and provisions for credit risk

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Impairment losses on loans and advances to customers	134,791	107,137	88,638	37,135
Provisions to cover credit risk relating to off balance sheet items	1,909	(14,946)	(9,660)	
Recoveries	(7,677)	(3,619)	(7,677)	(568)
<b>Total</b>	<b>129,023</b>	<b>88,572</b>	<b>71,301</b>	<b>36,567</b>

### 3. Income tax

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 25% for fiscal year 2007 and thereafter.

In accordance with article 26 of Law 3634/2008 income tax is imposed, 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.). Only dividend income is not subject to tax since it has been already taxed at the corporate level.

It should be noted that as all profits have been taxed, the distribution of dividends to shareholders are free of tax.

The income tax expense is analyzed as follows:

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Current tax	36,766	33,145	25,247	28,899
Deferred tax	44,867	21,274	11,371	11,522
<b>Total</b>	<b>81,633</b>	<b>54,419</b>	<b>36,618</b>	<b>40,421</b>

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

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Depreciation and fixed asset write-offs	2,050	3,806	995	1,457
Valuation of loans	(18,063)	(9,551)	(31,290)	(6,834)
Suspension of interest accruals	18,681	12,392	9,556	5,212
Loans impairment	2,950	5,852	(2,402)	6,260
Employee defined benefit obligations	(124)	284	(61)	150
Liabilities to E.T.A.T. (Common Insurance Fund of Bank Employees)	14,282		(1,269)	
Valuation of derivatives	20,727	(4,441)	27,413	(2,972)
Effective interest rate	4,219	322	2,136	161
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	4,689	10,551	6,162	7,334
Valuation of investments in subsidiaries due to hedging <sup>(note 17)</sup>	(1,484)		663	
Valuation of bonds	(33)		(2,071)	
Valuation of other securities	(5,634)		(854)	
Other	2,607	2,059	2,393	754
<b>Total</b>	<b>44,867</b>	<b>21,274</b>	<b>11,371</b>	<b>11,522</b>

The temporary differences attributable to the valuation of investments, bonds and other securities are due to the tax imposed according to Law 3634/2008.



Reconciliation of effective and nominal tax rate:

	From 1 January to				From 1 April to			
	30.6.2008		30.6.2007		30.6.2008		30.6.2007	
	%		%		%		%	
<b>Profit before income tax</b>		<b>395,575</b>		<b>241,712</b>		<b>206,084</b>		<b>180,388</b>
Income tax (nominal tax rate)	25	98,894	25	60,428	25	51,521	25	45,097
<b>Increase/(decrease) due to:</b>								
Additional tax on income of fixed assets	0.04	145	0.02	37	0.03	71	(0.02)	(28)
Non taxable income	(4.00)	(15,802)	(4.50)	(10,888)	(7.20)	(14,850)	(3.28)	(5,921)
Non deductible expenses	1.00	3,939	0.55	1,353	0.89	1,844	(0.23)	(408)
Part of profit relating to non taxable income			(0.18)	(437)			(0.21)	(385)
Part of profit relating to distributable income			0.13	326			0.15	266
Other temporary differences	(1.40)	(5,543)	1.49	3,600	(0.95)	(1,968)	1.00	1,800
<b>Income tax (effective tax rate)</b>	<b>20.64</b>	<b>81,633</b>	<b>22.51</b>	<b>54,419</b>	<b>17.77</b>	<b>36,618</b>	<b>22.41</b>	<b>40,421</b>

## 4. Earnings per share

### a. Basic

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

	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
<i>Profit attributable to shareholders</i>	313,942	187,293	169,466	139,967
Weighted average number of outstanding ordinary shares	402,976,802	406,363,904	398,749,246	405,894,264
Basic earnings per share (in €)	0.78	0.46	0.42	0.34

### b. Diluted

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

The Bank had a single category of dilutive potential ordinary shares resulting from a share options program exercised during 2007.

For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. Upon the issuance of new ordinary shares resulting from share options exercise, the shares are included in the calculation of basic and diluted earnings per share.

The weighted average number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.



	From 1 January to		From 1 April to	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007
<i>Profit attributable to shareholders</i>	313,942	187,293	169,466	139,967
Weighted average number of outstanding ordinary shares	402,976,802	406,363,904	398,749,246	405,894,264
Adjustment for share options		935,315		1,120,334
Weighted average number of outstanding ordinary shares for diluted earnings per share	402,976,802	407,299,219	398,749,246	407,014,598
Diluted earnings per share (in €)	0.78	0.46	0.42	0.34



## ASSETS

## 5. Loans and advances to customers

	<u>30.6.2008</u>	<u>31.12.2007</u>
<b>Individuals:</b>		
Mortgages	10,562,448	9,741,095
Consumer	3,262,879	2,922,529
Credit cards	1,137,380	1,046,941
Other	<u>90,326</u>	<u>100,031</u>
Total	15,053,033	13,810,596
<b>Companies:</b>		
Corporate loans	23,999,207	21,900,097
<b>Other receivables</b>	<u>194,446</u>	<u>166,342</u>
	<b><u>39,246,686</u></b>	<b><u>35,877,035</u></b>
Less:		
Allowance for impairment losses *	(631,543)	(609,161)
<b>Total</b>	<b>38,615,143</b>	<b>35,267,874</b>

## Allowance for impairment losses

<b>Balance 1.1.2007</b>	<b>739,327</b>
<b>Changes for the period 1.1 - 30.6.2007</b>	
Foreign exchange differences	(90)
Impairment losses for the period <sup>(note 2)</sup>	107,137
Change in present value of impairment reserve	32,626
Loans written-off during the period	<u>(216,321)</u>
<b>Balance 30.6.2007</b>	<b><u>662,679</u></b>
<b>Changes for the period 1.7 – 31.12.2007</b>	
Foreign exchange differences	(73)
Impairment losses for the period	65,127
Change in present value of impairment reserve	6,074
Loans written-of during the period	<u>(124,646)</u>
<b>Balance 31.12.2007</b>	<b><u>609,161</u></b>
<b>Changes for the period 1.1 - 30.6.2008</b>	
Foreign exchange differences	28
Impairment losses for the period <sup>(note 2)</sup>	134,791
Change in present value of impairment reserve	13,789
Loans written-off during the period	<u>(126,226)</u>
<b>Balance 30.6.2008</b>	<b><u>631,543</u></b>

\* In addition to the allowance for impairment losses, an additional provision of € 47,838 (31.12.2007: € 45,929) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to € 679,381 (31.12.2007: € 655,090).





## 6. Investment property

	<u>Land and Buildings</u>
<b>Balance 1.1.2007</b>	
Cost	48,449
Accumulated depreciation	<u>(6,443)</u>
Net book value 1.1.2007	<u>42,006</u>
<b>1.1.2007-30.6.2007</b>	
Net book value 1.1.2007	42,006
Additions	273
Depreciation charge for the period	<u>(198)</u>
Net book value 30.6.2007	<u>42,081</u>
<b>Balance 30.6.2007</b>	
Cost	48,722
Accumulated depreciation	(6,641)
<b>1.7.2007-31.12.2007</b>	
Net book value 1.7.2007	42,081
Additions	497
Depreciation charge for the period	<u>(208)</u>
Net book value 31.12.2007	<u>42,370</u>
<b>Balance 31.12.2007</b>	
Cost	49,219
Accumulated depreciation	(6,849)
<b>1.1.2008-30.6.2008</b>	
Net book value 1.1.2008	42,370
Additions	258
Reclassification to "Property, plant and equipment"	(274)
a) Cost	(425)
b) Accumulated depreciation	151
Depreciation charge for the period	<u>(208)</u>
Net book value 30.6.2008	<u>42,146</u>
<b>Balance 30.6.2008</b>	
Cost	49,052
Accumulated depreciation	(6,906)

**7. Property, plant and equipment**

	<b>Land and Buildings</b>	<b>Leased equipment</b>	<b>Equipment</b>	<b>Total</b>
<b>Balance 1.1.2007</b>				
Cost	663,951	1,142	269,300	934,393
Accumulated depreciation	(166,618)	(942)	(222,197)	(389,757)
Net book value 1.1.2007	<u>497,333</u>	<u>200</u>	<u>47,103</u>	<u>544,636</u>
<b>1.1.2007-30.6.2007</b>				
Net book value 1.1.2007	497,333	200	47,103	544,636
Additions	13,840		10,591	24,431
Foreign exchange differences	41		13	54
a) Cost	60		39	99
b) Accumulated depreciation	(19)		(26)	(45)
Disposals	(1,553)		(50)	(1,603)
a) Cost	(3,117)		(933)	(4,050)
b) Accumulated depreciation	1,564		883	2,447
Reclassification from "Non-current assets held for sale" <sup>(1)</sup>	42,405			42,405
a) Cost	43,298			43,298
b) Accumulated depreciation	(893)			(893)
Depreciation charge for the period	(6,849)	(60)	(8,270)	(15,179)
Net book value 30.6.2007	<u>545,217</u>	<u>140</u>	<u>49,387</u>	<u>594,744</u>
<b>Balance 30.6.2007</b>				
Cost	718,032	1,142	278,997	998,171
Accumulated depreciation	(172,815)	(1,002)	(229,610)	(403,427)
<b>1.7.2007-31.12.2007</b>				
Net book value 1.7.2007	545,217	140	49,387	594,744
Additions	18,622		11,335	29,957
Foreign exchange differences	1		(1)	0
a) Cost	2		1	3
b) Accumulated depreciation	(1)		(2)	(3)
Disposals	(3,039)		(61)	(3,100)
a) Cost	(4,400)		(618)	(5,018)
b) Accumulated depreciation	1,361		557	1,918
Depreciation charge for the period	(8,791)	(60)	(8,919)	(17,770)
Net book value 31.12.2007	<u>552,010</u>	<u>80</u>	<u>51,741</u>	<u>603,831</u>
<b>Balance 31.12.2007</b>				
Cost	732,256	1,142	289,715	1,023,113
Accumulated depreciation	(180,246)	(1,062)	(237,974)	(419,282)
<b>1.1.2008-30.6.2008</b>				
Net book value 1.1.2008	552,010	80	51,741	603,831
Additions	20,971		14,221	35,192
Foreign exchange differences	(8)		(7)	(15)
a) Cost	(10)		(8)	(18)
b) Accumulated depreciation	2		1	3
Disposals	(30)		(50)	(80)
a) Cost	(66)		(1,049)	(1,115)
b) Accumulated depreciation	36		999	1,035
Reclassification from "Investment property"	274			274
a) Cost	425			425
b) Accumulated depreciation	(151)			(151)
Reclassification to other sub category		(60)	60	
a) Cost		(1,142)	1,142	
b) Accumulated depreciation		1,082	(1,082)	
Depreciation charge for the period	(7,456)	(20)	(9,463)	(16,939)
Net book value 30.6.2008	<u>565,761</u>	<u>80</u>	<u>56,502</u>	<u>622,263</u>
<b>Balance 30.6.2008</b>				
Cost	753,576		304,021	1,057,597
Accumulated depreciation	(187,815)		(247,519)	(435,334)

<sup>(1)</sup> During 2007 property, plant and equipment amounting to € 42.4 million was reclassified from "Non-current assets held for sale" due to Bank's decision for own use.

## 8. Goodwill and other intangible assets

	Software	Banking rights	Total
<b>Balance 1.1.2007</b>			
Cost	126,671		126,671
Accumulated amortization	(84,567)		(84,567)
Net book value 1.1.2007	<u>42,104</u>		<u>42,104</u>
<b>1.1.2007-30.6.2007</b>			
Net book value 1.1.2007	42,104		42,104
Additions	14,027		14,027
Foreign exchange differences	5		5
a) Cost	11		11
b) Accumulated amortization	(6)		(6)
Disposals	(50)		(50)
a) Cost	(50)		(50)
b) Accumulated amortization			
Amortization charge for the period	(8,225)		(8,225)
Net book value 30.6.2007	<u>47,861</u>		<u>47,861</u>
<b>Balance 30.6.2007</b>			
Cost	140,659		140,659
Accumulated amortization	(92,798)		(92,798)
<b>1.7.2007-31.12.2007</b>			
Net book value 1.7.2007	47,861		47,861
Additions <sup>(1)</sup>	16,358	1,785	18,143
Foreign exchange differences	6		6
a) Cost			
b) Accumulated amortization	6		6
Disposals	(568)		(568)
a) Cost	(568)		(568)
b) Accumulated amortization			
Amortization charge for the period	(9,576)	(30)	(9,606)
Net book value 31.12.2007	<u>54,081</u>	<u>1,755</u>	<u>55,836</u>
<b>Balance 31.12.2007</b>			
Cost	156,449	1,785	158,234
Accumulated amortization	(102,368)	(30)	(102,398)
<b>1.1.2008-30.6.2008</b>			
Net book value 1.1.2008	54,081	1,755	55,836
Additions	11,883		11,883
Foreign exchange differences	(29)		(29)
a) Cost	(42)		(42)
b) Accumulated amortization	13		13
Amortization charge for the period	(10,577)	(179)	(10,756)
Net book value 30.6.2008	<u>55,358</u>	<u>1,576</u>	<u>56,934</u>
<b>Balance 30.6.2008</b>			
Cost	168,290	1,785	170,075
Accumulated amortization	(112,932)	(209)	(113,141)

## 9. Non-current assets held for sale

Non-current assets held for sale include land, buildings and office equipment amounting to € 47,404 (31.12.2007: € 54,706).

<sup>(1)</sup> Amount of € 1,785 refers to the purchase of a brand name and other banking rights which will be amortized over 5 years.

**LIABILITIES****10. Debt securities in issue and other borrowed funds****Short-term securities (ECP) <sup>(1)</sup>**

<b>Balance 1.1.2008</b>	-
<b>Changes for the period 1.1 – 30.6.2008</b>	
New issues <sup>(1)</sup>	1,515,949
Maturities/Redemptions	(769,000)
Accrued interest	12,054
Foreign exchange differences	(152)
<b>Balance 30.6.2008</b>	<b>758,851</b>

**Senior Debt securities**

<b>Balance 1.1.2008</b>	<b>18,187,633</b>
<b>Changes for the period 1.1 – 30.6.2008</b>	
New issues <sup>(2)</sup>	4,766,583
Maturities/Redemptions	(3,154,201)
Fair value change due to hedging	(14,602)
Accrued interest	(3,836)
Foreign exchange differences	(2,031)
<b>Balance 30.6.2008</b>	<b>19,779,546</b>

**Subordinated debt**

<b>Balance 1.1.2008</b>	<b>1,412,431</b>
<b>Changes for the period 1.1 – 30.6.2008</b>	
Maturities/Redemptions <sup>(3)</sup>	(100,000)
Fair value change due to hedging	(4,154)
Accrued interest	(470)
Foreign exchange differences	(1,667)
<b>Balance 30.6.2008</b>	<b>1,306,140</b>

**Hybrid securities**

<b>Balance 1.1.2008</b>	<b>921,912</b>
<b>Changes for the period 1.1 – 30.6.2008</b>	
Accrued interest	(18,321)
<b>Balance 30.6.2008</b>	<b>903,591</b>

<b>Total</b>	<b>22,748,128</b>
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<sup>(1)</sup> The Bank raises short term liquidity, through a Euro Commercial Paper program amounting to total € 5 billion. Under this program commercial paper may be issued at a discount or may bear floating, fixed or index linked interest with 1 to 364 days duration. The commercial paper can be issued in Euro, US Dollar, GB Pound, Swiss Franc, Japanese Yen, Australian Dollar, Canadian Dollar and any other currency that will be agreed by the counterparties.

The issues in Euro pay an average spread of 9 to 25 basis points over Euribor of the respective period.

The issues in US Dollars were set on from 14 to 42 basis points over Libor of the respective period.

<sup>(2)</sup> New senior debt issues amounting to € 3,960 million pay a Euribor floating rate, with a spread from 10 up to 50 basis points, depending on the duration of issue. Additionally, in new senior debt issues amounting to € 375 million, an embedded put option for the investor exists which bears Euribor plus variable spread. If the investor does not exercise the option, the spread may increase to a maximum between 40 and 120 basis points.

<sup>(3)</sup> On 19 February 2008, five years after issuance, the Bank redeemed a 10 year subordinated debt amounting to € 100 million.



## 11. Provisions

<b>Balance 1.1.2007</b>	<b>17,901</b>
<b>Changes for the period 1.1 – 30.6.2007</b>	
Other provisions charged to profit and loss	1,039
Reversal of provisions to cover credit risk relating to off-balance sheet items <sup>(note 2)</sup>	(14,946)
Provisions used during the period	<u>(14)</u>
<b>Balance 30.6.2007</b>	<b><u>3,980</u></b>
<b>Changes for the period 1.7 – 31.12.2007</b>	
Reversal of provisions	(2,113)
Provisions to cover credit risk relating to off-balance sheet items	<u>45,929</u>
<b>Balance 31.12.2007</b>	<b><u>47,796</u></b>
<b>Changes for the period 1.1 – 30.6.2008</b>	
Provisions to cover credit risk relating to off-balance sheet items <sup>(note 2)</sup>	1,909
Other provisions charged to profit and loss	1,334
Provisions used during the period	<u>(439)</u>
<b>Balance 30.6.2008</b>	<b><u>50,600</u></b>



## EQUITY

**12. Share capital, Retained earnings and Treasury shares****a) Share capital**

The ordinary meeting of the shareholders held on 3 April 2008, approved the increase of the Bank's share capital by € 328,781 through the capitalization of the share premium reserve of € 184,033 and part of retained earnings of € 144,748, with an increase of the nominal value of each share from € 3.90 to € 4.70.

The Ministry of Development approved through the K2-5168/22.4.2008 decision, the amendment of article 5 of the Bank's Articles of Incorporation following the increase in its share capital.

Pursuant to the above, as at 30 June 2008 the Bank's share capital amounts to €1,931,590 divided into 410,976,652 shares of a nominal value of € 4.70 each.

**b) Retained earnings**

On 15 April 2008 a dividend of € 0.90 per share was distributed amounting to a total of € 362,199, relating to the fiscal year 2007.

**c) Treasury shares**

The Bank pursuant to the decisions of prior years General Meetings of Shareholders, purchased during the first quarter of 2008, 8,123,677 treasury shares at a cost of € 167,551 (€ 20.63 per share).

Based on the decision of the general meeting of shareholders held on 3 April 2008 which approved the establishment of a share buy back program, for the period April 2008 - April 2010, the Bank acquired during the second quarter of 2008 8,399,014 treasury shares at a cost of € 175,591 (€ 20.91 per share).

On 30 June 2008, the Bank completed the sale of 16,439,066 treasury shares the cost of which amounted to € 341,405, through a private placement, which represented 4% of its issued share capital. The result of the above transaction has been recognized directly to the Retained earnings account of equity.

As at 30 June 2008 the Bank holds 83,625 treasury shares with a cost of € 1,737 (€ 20.77 per share).

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

	<b>Number of shares</b>	<b>Cost</b>	<b>Percentage</b>
<b>Balance 31.12.2007</b>	-	-	
Purchases 1.1-30.6.2008	16,522,691	343,142	4.02%
Sales 30.6.2008	(16,439,066)	(341,405)	(4.00%)
<b>Balance 30.6.2008</b>	<b>83,625</b>	<b>1,737</b>	<b>0.02%</b>



## ADDITIONAL INFORMATION

### 13. 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 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

The Bank's books and records have been audited by the tax authorities up to and including the year ended 31 December 2005.

Additional taxes and penalties may be imposed for the unaudited years ended 31 December 2006 and 31 December 2007.

#### c) Operating leases

##### ► The Bank as 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 option or extension. In accordance with the lease agreements the rent is subject to annual indexation adjustment, usually according to official annual inflation rate.

The policy of the Bank is to renew these contracts.

The minimum future lease payments are:

	<b>30.6.2008</b>	<b>31.12.2007</b>
► less than one year	27,095	25,410
► between one and five years	77,151	70,904
► more than five years	65,566	57,918
<b>Total</b>	<b>169,812</b>	<b>154,232</b>

The total lease expense for the first semester of 2008 relating to rental of buildings amounts to € 15,673 (first semester 2007: € 13,008) and are included in "General administrative expenses".

##### ► The Bank as a lessor

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

The minimum future revenues are:

	<b>30.6.2008</b>	<b>31.12.2007</b>
► less than one year	3,434	3,720
► between one and five years	8,634	10,307
► more than five years	5,902	7,218
<b>Total</b>	<b>17,970</b>	<b>21,245</b>

The lease revenues for the first semester of 2008 amount to € 1,928 (first semester 2007: € 1,636) and are included in "Other income".

#### d) Off balance sheet liabilities

	<b>30.6.2008</b>	<b>31.12.2007</b>
Letters of guarantee	5,688,669	5,453,629
Letters of credit	104,766	82,857
Undrawn credit facilities	17,878,894	16,386,205
Guarantees relating to bonds issued by subsidiaries of the Bank	22,745,048	20,485,817
<b>Total</b>	<b>46,417,377</b>	<b>42,408,508</b>

**e) Assets pledged**

	<b>30.6.2008</b>	<b>31.12.2007</b>
Loans to customers	964,490	800,490
Financial assets at fair value through profit or loss	5,000	
Investment securities	155,000	160,000
<b>Total</b>	<b>1,124,490</b>	<b>960,490</b>

The Bank has collateralized customer loans 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 No 61/6.12.2006. The Bank of Greece accepts from 1.1.2007 as collateral for monetary policy purposes and intraday credit, non-marketable assets, which should meet the terms and conditions of the above act.

Financial assets at fair value through profit or loss are pledged as collateral to the clearing house of derivative transactions "ETESEP A.E." as a margin account insurance.

The 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).

**14. Segment reporting**

(Amounts in millions of €)

	<b>1.1 - 30.6.2008</b>						
	<b>Bank</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Asset Management/ Insurance</b>	<b>Investment Banking/ Treasury</b>	<b>South-Eastern Europe</b>	<b>Other</b>
Interest	676.5	504.6	135.7	1.5	17.7	17.0	
Commission	145.7	72.8	39.7	21.2	7.5	4.5	
Other income	98.9	5.9	5.1	0.6	15.4	2.1	69.8
<b>Total income</b>	<b>921.1</b>	<b>583.3</b>	<b>180.5</b>	<b>23.3</b>	<b>40.6</b>	<b>23.6</b>	<b>69.8</b>
Expenses	(396.5)	(283.3)	(51.4)	(12.1)	(10.1)	(19.2)	(20.4)
Impairment	(129.0)	(96.6)	(30.4)			(2.0)	
<b>Profit before tax</b>	<b>395.6</b>	<b>203.4</b>	<b>98.7</b>	<b>11.2</b>	<b>30.5</b>	<b>2.4</b>	<b>49.4</b>

(Amounts in millions of €)

	<b>1.1 - 30.6.2007</b>						
	<b>Bank</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Asset Management/ Insurance</b>	<b>Investment Banking/ Treasury</b>	<b>South-Eastern Europe</b>	<b>Other</b>
Interest	581.1	435.5	116.1	1.7	18.1	9.7	
Commission	156.2	77.8	43.7	25.7	6.6	2.4	
Other income	(37.6)	10.8	2.9	1.3	10.6	0.5	(63.7)
<b>Total income</b>	<b>699.7</b>	<b>524.1</b>	<b>162.7</b>	<b>28.7</b>	<b>35.3</b>	<b>12.6</b>	<b>(63.7)</b>
Expenses	(369.4)	(268.0)	(50.1)	(14.7)	(10.5)	(8.2)	(17.9)
Impairment	(88.6)	(56.2)	(32.4)				
<b>Profit before tax</b>	<b>241.7</b>	<b>199.9</b>	<b>80.2</b>	<b>14.0</b>	<b>24.8</b>	<b>4.4</b>	<b>(81.6)</b>





#### i. Retail Banking

Includes all individuals (retail banking customers) of the Bank, professionals, and small companies.

The Bank 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, letter of guarantees) 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. The Bank offers working capital facilities, corporate loans, and letters of guarantees.

#### iii. Asset Management / Insurance

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

#### iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. Includes also 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.

## 15. Capital adequacy

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

The minimum capital adequacy ratios (Tier I and capital adequacy ratio) which the Bank 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 has 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 Bank's regulatory own funds with the risks that the Bank 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 Bank in all areas for the next years.



(Amounts in millions of Euro)

	<b>30.6.2008</b>	<b>31.12.2007</b>
	<b>Basel II</b>	<b>Basel I</b>
Risk-weighted assets from credit risk	37,232	36,596
Risk-weighted assets from market risk	652	591
Risk-weighted assets from operational risk	2,464	
Total risk-weighted assets	<u>40,348</u>	<u>37,187</u>
Upper Tier I capital	2,587	2,472
Tier I capital	2,530	2,417
Total Tier I + Tier II capital	4,618	4,476
Upper Tier I ratio	6.4%	6.6%
Tier I ratio	6.3%	6.5%
<b>Capital adequacy ratio (Tier I + Tier II)</b>	<b>11.4%</b>	<b>12.0%</b>

## 16. Related-party transactions

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

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

	<b>30.6.2008</b>	<b>31.12.2007</b>
Loans	163,307	38,649
Deposits	67,259	43,123
Letters of guarantee	7,677	83

	<b>From 1 January to</b>	<b>30.6.2007</b>
	<b>30.6.2008</b>	<b>30.6.2007</b>
Interest and similar income	5,367	64
Interest and similar expense	1,065	564

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

<b>I. Subsidiaries</b>	<b>30.6.2008</b>	<b>31.12.2007</b>
<b>Assets</b>		
Due from banks	4,734,171	4,114,320
Financial assets at fair value through profit or loss	9,896	8,075
Derivative financial instruments	551	2,003
Loans and advances to customers	1,607,798	1,527,856
Available for sale securities	6,645,473	3,368,618
<b>Total</b>	<b>12,997,889</b>	<b>9,020,872</b>
<b>Liabilities</b>		
Due to banks	1,748,904	1,574,301
Due to customers	123,168	101,128
Derivative financial instruments	2,221	87
Debt securities in issue and other borrowed funds	22,748,128	20,521,976
Other liabilities	2,449	1,196
<b>Total</b>	<b>24,624,870</b>	<b>22,198,688</b>
<b>Letters of guarantee and other guarantees</b>	<b>1,151,884</b>	<b>1,001,394</b>



	From 1 January to	
	30.6.2008	30.6.2007
<b>Income</b>		
Interest and similar income	241,501	92,574
Dividend income	58,508	32,461
Fee and commission income	20,809	25,276
Other income	1,365	1,387
<b>Total</b>	<b>322,183</b>	<b>151,698</b>
<b>Expenses</b>		
Interest expense and similar charges	553,981	424,201
Commission expense	439	937
General administrative expenses	5,864	7,002
<b>Total</b>	<b>560,284</b>	<b>432,140</b>

## II. Associates

	30.6.2008	31.12.2007
<b>Assets</b>		
Loans and advances to customers	218	277
<b>Liabilities</b>		
Due to customers	13	26

	From 1 January to	
	30.6.2008	30.6.2007
<b>Income</b>		
Interest and similar income	10	20
Dividend income	11	9
<b>Total</b>	<b>21</b>	<b>29</b>

c. The Board of Directors and Executive General Managers' fees recorded in the income statement for the A' semester of 2008 amounted to € 2,395 (A' semester 2007: € 3,794).



## 17. Acquisitions of subsidiaries and other corporate events

- a.** On 4 April 2008 the Bank acquired 90% of the newly established Ukrainian Bank "Astra Bank OJSC" at a cost of € 10.9 million. The Bank agreed with the founders of Astra Bank that they will hold a stake up to 10% of the share capital and will remain as executive members of management.
- b.** On 8 May 2008 the Bank participated in the share capital increase of Alpha Bank Srbija A.D. by € 49.8 million.
- c.** On 21 May 2008 the Bank acquired 847 shares of APE Commercial Property. After the acquisition the Bank's interest in APE Commercial Property was 72.20%.
- d.** On 2 June 2008 the Mutual Fund ALPHA - TANE0 A.K.E.S., was established. The Bank holds a 51% ownership interest.
- e.** On 30 June 2008 the Bank participated in Astra Bank OJSC share capital increase at the total amount of € 126.4 million plus expenses. After this share capital increase the interest is 93.33%.

An analysis of investments in subsidiaries, associates and joint ventures is presented below:

	1.1-30.6.2008	1.7-31.12.2007	1.1-30.6.2007
<b>Subsidiaries</b>			
<b>Opening balance</b>	<b>1,625,309</b>	<b>1,612,619</b>	<b>1,587,804</b>
Additions <sup>(1)</sup>	191,673	34,415	18,219
Disposals	(74)		(1,117)
Valuation of investments due to fair value hedge <sup>(2)</sup>	(5,936)	(21,725)	7,713
<b>Closing balance</b>	<b>1,810,972</b>	<b>1,625,309</b>	<b>1,612,619</b>
<b>Associates</b>			
<b>Opening balance</b>	<b>74</b>	<b>5,624</b>	<b>5,624</b>
Additions		20	
Disposals		(5,570)	
<b>Closing balance</b>	<b>74</b>	<b>74</b>	<b>5,624</b>
<b>Joint Ventures</b>			
<b>Opening balance</b>	<b>717</b>	<b>136</b>	<b>122</b>
Additions <sup>(3)</sup>	3,176	601	14
Disposals		(20)	
<b>Closing balance</b>	<b>3,893</b>	<b>717</b>	<b>136</b>
<b>Total</b>	<b>1,814,939</b>	<b>1,626,100</b>	<b>1,618,379</b>

Additions represent: share purchases, participation in share capital increases and acquisitions of shares from mergers.

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

<sup>(1)</sup> The following amounts are included:

- ▶ € 137,783 purchase of Astra Bank OJSC shares
- ▶ € 49,770 due to Alpha Bank Srbija share capital increase
- ▶ € 2,319 purchase of Ionian Hotel Enterprises shares
- ▶ € 1,801 purchase of Alpha Astika Akinita shares

<sup>(2)</sup> The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investment in Alpha Bank London Ltd, Alpha Bank Romania S.A. and Alpha Finance US Corporation

<sup>(3)</sup> The following amounts are included

- ▶ € 3,060 purchase of Mutual Fund Alpha - TANE0 AKES shares
- ▶ € 116 purchase of A.P.E. Commercial Property shares



## 18. Events after the balance sheet date

On 2 July 2008 Alpha Covered Bonds Plc was established in United Kingdom by the Bank which has 100% ownership interest. The primary activity of Alpha Covered Bonds Plc is the issue of covered bonds.

On 18 July 2008 the issuance of two covered bonds was completed according to paragraph 91 of Law 3601/2007 and P.D./BoG 2598/2.11.2007. Each covered bond issue amounts to € 1 billion, has three and five year duration respectively, is guaranteed by the Bank and collateralised with mortgage loans. These bonds received a AAA rating from the three international credit rating agencies (Standard & Poor's, Moody's and Fitch), will be sold to institutional investors and will be also placed as collateral for monetary policy purposes to the Bank of Greece.

Athens, 26 August 2008

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE EXECUTIVE DIRECTOR

GROUP FINANCIAL  
REPORTING OFFICER

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

DEMETRIOS P. MANTZOUNIS  
I.D. No I 166670

MARINOS S. YANNOPOULOS  
I.D. No N 308546

GEORGE N. KONTOS  
I.D. No AB 522299

**FINANCIAL INFORMATION OF ALPHA BANK A.E. AND THE GROUP**  
**for the period from January 1, 2008 to June 30, 2008**  
**(In accordance with the decision 6/448/11.10.2007 of the Board of Directors of the Capital Market Commission)**  
**(Amounts in thousands of €)**

The financial information set out below provides a general presentation of the financial position and results of Alpha Bank A.E. and the Group. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank at www.alpha.gr, where the interim financial statements prepared in accordance with International Financial Reporting Standards (I.F.R.S.) are available together with the auditor's review report if required. The interim financial statements as at 30.6.2008 were approved by the Board of Directors on 26th August 2008.

Certified Auditors: Marios T. Kyriacou (A.M. SOEL 11121)  
Nick E. Vouniseas (A.M. SOEL 18701)

Audit Company: KPMG Certified Auditors S.A.

Type of Auditors' Reports: Unqualified opinion

**BALANCE SHEET**

	Consolidated 30.6.2008	31.12.2007	Alpha Bank 30.6.2008	31.12.2007
<b>ASSETS</b>				
Cash and balances with Central Banks	3,036,802	3,263,612	1,533,510	1,650,327
Due from Banks	2,907,303	3,509,696	7,249,897	7,349,675
Financial assets at fair value through profit or loss	65,201	266,047	68,101	264,788
Derivative financial assets	545,754	383,432	546,969	384,466
Loans and advances to customers	46,759,296	42,072,071	38,615,143	35,267,874
Investment securities				
- Available for sale	1,873,267	3,156,901	8,184,318	6,300,377
Investments in subsidiaries, associates and joint ventures	-	-	1,814,939	1,626,100
Investment in associates	52,285	5,320	-	-
Investment property	73,568	73,560	42,146	42,370
Property, plant and equipment	1,212,262	1,173,275	622,263	603,831
Goodwill and other intangible assets	142,109	134,497	56,934	55,836
Deferred tax assets	191,649	170,257	185,757	158,160
Other assets	710,723	385,676	593,922	280,626
	57,570,219	54,594,344	59,513,899	53,984,430
Non-current assets held for sale	47,919	89,945	47,404	54,706
<b>Total Assets</b>	<b>57,618,138</b>	<b>54,684,289</b>	<b>59,561,303</b>	<b>54,039,136</b>
<b>LIABILITIES</b>				
Due to Banks	4,526,425	4,437,736	5,724,951	5,637,562
Derivative financial liabilities	514,353	384,139	516,786	383,129
Due to customers	37,520,989	34,665,158	26,303,296	23,334,888
(Including debt securities in issue)				
Debt securities in issue held by institutional investors and other borrowed funds	8,819,865	9,189,297	22,748,128	20,521,976
Liabilities for current income tax and other taxes	125,850	158,797	76,426	127,863
Deferred tax liabilities	153,306	94,807	138,316	82,960
Employee defined benefit obligations	44,076	42,019	3,700	3,733
Other liabilities	1,619,476	1,323,554	1,414,237	1,159,012
Provisions	97,489	95,935	50,600	47,796
	53,421,829	50,391,442	56,976,440	51,298,919
Liabilities related to non-current assets held for sale	-	-	-	-
<b>Total Liabilities</b>	<b>53,421,829</b>	<b>50,393,025</b>	<b>56,976,440</b>	<b>51,298,919</b>
<b>EQUITY</b>				
Share capital	1,931,590	1,602,809	1,931,590	1,602,809
Share premium	-	184,033	-	184,033
Reserves	451,116	445,662	331,106	333,892
Retained earnings	888,134	1,138,195	323,904	619,483
Treasury shares	(1,737)	(188)	(1,737)	-
Equity attributable to equity holders of the Bank	3,269,103	3,370,511	2,584,863	2,740,217
Minority interest	39,794	32,859	-	-
Hybrid securities	887,412	887,894	-	-
<b>Total Equity</b>	<b>4,196,309</b>	<b>4,291,264</b>	<b>2,584,863</b>	<b>2,740,217</b>
<b>Total Liabilities and Equity</b>	<b>57,618,138</b>	<b>54,684,289</b>	<b>59,561,303</b>	<b>54,039,136</b>

**CASH FLOW STATEMENT**

	Consolidated From 1 January to 30.6.2008	30.6.2007	Alpha Bank From 1 January to 30.6.2008	30.6.2007
Net cash flows from continuing operating activities	(964,215)	(2,648,056)	2,334,126	(1,332,027)
Net cash flows from discontinued operating activities	-	-	-	-
<b>Total cash flows from operating activities (a)</b>	<b>(964,215)</b>	<b>(2,648,056)</b>	<b>2,334,126</b>	<b>(1,332,027)</b>
Net cash flows from continuing investing activities	1,091,604	4,490,902	(2,136,769)	3,338,586
Net cash flows from discontinued investing activities	-	1,607,700	-	-
<b>Total cash flows from investing activities (b)</b>	<b>1,091,604</b>	<b>4,651,602</b>	<b>(2,136,769)</b>	<b>3,338,586</b>
Net cash flows from continuing financing activities	(820,054)	(150,885)	(888,623)	(180,244)
Net cash flows from discontinued financing activities	-	-	-	-
<b>Total cash flows from financing activities (c)</b>	<b>(820,054)</b>	<b>(150,885)</b>	<b>(888,623)</b>	<b>(180,244)</b>
<b>Total cash flows from financing activities (c)</b>	<b>(820,054)</b>	<b>(150,885)</b>	<b>(888,623)</b>	<b>(180,244)</b>
<b>Net increase / (decrease) in cash and cash equivalents of the period (a) + (b) + (c)</b>	<b>(692,665)</b>	<b>1,852,661</b>	<b>(691,266)</b>	<b>1,826,315</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(1,991)	(2,365)	138	410
<b>Total cash flows for the period</b>	<b>(694,656)</b>	<b>1,850,296</b>	<b>(691,128)</b>	<b>1,826,725</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,792,031</b>	<b>4,575,831</b>	<b>4,356,928</b>	<b>4,608,407</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,097,375</b>	<b>6,426,127</b>	<b>3,665,800</b>	<b>6,435,132</b>

**STATEMENT OF CHANGES IN EQUITY**

	Consolidated From 1 January to 30.6.2008	30.6.2007	Alpha Bank From 1 January to 30.6.2008	30.6.2007
Equity at the beginning of the period (1.1.2008 and 1.1.2007 respectively)	4,291,264	3,613,667	2,740,217	2,435,836
Net change in fair value of available for sale securities transferred to income statement from sales (a)	(595)	134,710	(530)	138,615
Net change in fair value of available for sale securities (b)	(39,645)	(24,476)	(48,356)	(25,823)
Exchange differences on translating foreign operations (c)	(2,718)	(2,365)	71	142
Net income recognized directly in equity (a)-(b)-(c)	(42,958)	107,869	(48,815)	112,934
Net income for the period after income tax	414,852	454,492	313,942	187,293
Change of ownership interests in subsidiaries	3,775	(14,326)	-	-
Dividends distributed	(362,731)	(305,498)	(362,199)	(304,421)
Purchases / sales of treasury shares and hybrid securities	(56,399)	13,785	(56,065)	(29,094)
Dividends paid to hybrid securities holders	(47,022)	(42,257)	-	-
Other	(4,472)	2,487	(2,217)	4,247
<b>Equity at the end of the period (30.6.2008 and 30.6.2007 respectively)</b>	<b>4,196,309</b>	<b>3,830,219</b>	<b>2,584,863</b>	<b>2,406,795</b>

## INCOME STATEMENT FOR THE PERIOD

	Consolidated					
	From 1 January to		From 1 April to		Alpha Bank	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007	30.6.2008	30.6.2007
Interest and similar income	2,076,032	1,583,807	1,071,211	818,716	1,951,743	1,437,298
Interest expense and similar charges	(1,178,217)	(831,341)	(615,360)	(428,389)	(1,275,272)	(856,207)
Net interest income	897,835	752,466	455,851	390,327	676,471	581,091
Fee and commission income	263,651	239,779	139,210	123,511	158,896	80,831
Commission expense	(29,827)	(18,067)	(20,664)	(9,267)	(13,178)	(7,282)
Net fee and commission income	233,824	221,712	118,546	114,244	145,718	73,549
Dividend income	2,357	2,210	2,110	1,827	60,541	57,514
Gains less losses on financial transactions	40,297	40,598	23,229	10,670	25,302	(4,685)
Other income	40,818	38,323	24,502	18,534	13,053	9,345
	83,472	81,131	49,841	31,031	98,896	62,174
<b>Total income</b>	<b>1,215,131</b>	<b>1,055,309</b>	<b>624,238</b>	<b>535,602</b>	<b>921,085</b>	<b>699,698</b>
Start costs	(285,250)	(258,683)	(145,965)	(131,378)	(203,917)	(192,876)
General administrative expenses	(221,177)	(189,698)	(161,281)	(101,046)	(163,183)	(84,183)
Depreciation and amortization expenses	(42,180)	(35,108)	(21,898)	(18,241)	(27,903)	(23,602)
Other expenses	(1,656)	(1,734)	(873)	(1,069)	(1,484)	(1,143)
<b>Total expenses</b>	<b>(550,263)</b>	<b>(485,223)</b>	<b>(286,725)</b>	<b>(251,734)</b>	<b>(396,487)</b>	<b>(369,414)</b>
Impairment losses and provisions for credit risk	(141,956)	(102,601)	(74,372)	(40,218)	(129,023)	(88,572)
Share of profit / (loss) of associates	21	1,254	(85)	1,298	(1,409)	-
<b>Profit before income tax</b>	<b>522,933</b>	<b>468,739</b>	<b>244,948</b>	<b>244,948</b>	<b>395,573</b>	<b>288,572</b>
Income tax	(108,081)	(94,635)	(53,333)	(45,426)	(81,633)	(54,419)
Profit from the sale of Alpha Insurance A.E.	-	80,127	-	(1,409)	-	-
<b>Profits attributable to:</b>	<b>414,132</b>	<b>373,578</b>	<b>209,101</b>	<b>199,522</b>	<b>313,942</b>	<b>187,293</b>
Minority interest	720	526	622	287	-	-
<b>Earnings per share:</b>						
Basic (€ per share)	1.0277	0.9193	0.5244	0.4909	0.7791	0.4609
Diluted (€ per share)	1.0277	0.9172	0.5244	0.4895	0.7791	0.4598

### ADDITIONAL DATA AND INFORMATION

1. Companies included in the consolidated financial statements, other than "Alpha Bank", the Group's participation in them as at 30.6.2008, as well as the method of consolidation which was applied, is presented in note 15 of the interim consolidated financial statement as at 30.6.2008.

2. During the period 1.7.2007 until 30.6.2008 the following changes took place in the companies included in the consolidated financial statements:

- a. Concerning companies which are fully consolidated:
  - New companies: The company Alphaife A.A.E.Z., founded by the Bank was consolidated for the first time on 31.12.2007. The company Astra Bank OJSC which was acquired by the Bank, and the subsidiary Alpha Ventures Capital Management, established by the Alpha Ventures A.E. were consolidated for the first time on 30.6.2008.
  - Renamed companies: The subsidiary Ionian Investments A.E. was renamed to APE Investment Property S.A. on 27.11.2007 and Alpha Finance A.X.E.P.E.Y. was renamed to Alpha Finance A.E.P.E.Y. on 11.2.2008.
  - Sales/Liquidations: On 28.3.2008, the subsidiary Ionian Hotel Enterprises A.E. completed the transfer of 100% of Tourist Resort A.E., owner of Hilton Rhodes Resort to the Greek Hotel Company Lampsa S.A. and to Plaka S.A. by 50% respectively. On 31.3.2008 the subsidiary AEF European Capital Investment B.V. was liquidated.
- b. Concerning companies consolidated under the proportionate method:
  - New companies: The company Alpha TAMEO A.K.E.S., in which the Bank holds a 51% ownership interest was consolidated for the first time on 30.6.2008.
  - Change in consolidation method: On 29.11.2007 the Bank proceeded with the sale of 32.58% of the shares of the subsidiary APE Investment Property S.A.. A shareholders' agreement followed the above sale and the subsidiary was converted to joint venture.
  - Concerning companies accounted for under the equity method:
    - New companies: On 21.5.2008, the Group recognized its participation to the associate ELPET Balcan S.A.
    - Transfer within the Group: On 28.11.2007 the company A.L.C. Nouvelle Investments Ltd was transferred from the Bank to the subsidiary Ionian Equity Participations Ltd.
    - In the consolidated financial statements are not included the company Commercial Bank of London Ltd, which does not have any activity, as well as the companies Singular Hospitality Solutions (SHS AE), HSO Europe BV and Prismatech Hellas A.E., which are fully impaired and are under liquidation.
    - A description of the discontinued operations is presented in note 4 of the interim consolidated financial statements as at 30.6.2008.
5. The unaudited tax years of the Bank and the companies of the Group are mentioned in notes 13b and 14b of the interim financial statements as at 30.6.2008 of the Bank and the Group respectively.
6. There are no pending legal cases or issues in progress, which may have a material impact on the financial statements of the Group and the Bank. The Group has raised a provision for them which amounts to € 93.7 million and € 50.6 million respectively.
7. The number of treasury shares held by the Bank as at 30.6.2008 is 83,625 at a cost of € 1,737 thous. The other companies of the Group do not hold any treasury shares.
8. The total employees of the Group as at 30.6.2008 were 14,086 (30.6.2007: 12,369) and the employees of the Bank as at 30.6.2008 were 8,278 (30.6.2007: 7,430).
9. The related party transactions during the period 1.1.2008 until 30.6.2008 are as follows:
  - With members of the Board of Directors and other key management personnel: **a)** of the Group: income € 5,401 thous., expenses € 7,112 thous. **b)** of the Bank: income € 5,367 thous., expenses € 3,460 thous.
  - With other related parties: **a)** of the Group: income € 10 thous., expenses € 1,786 thous. **b)** of the Bank: income € 322,204 thous., expenses € 560,284 thous.

The balances as at 30.6.2008 of the receivables and liabilities arising from the above transactions are as follows:

- with members of the Board of Directors and other key management personnel: **a)** of the Group: receivables € 164,624 thous., liabilities € 93,219 thous., letters of guarantee € 7,677 thous. **b)** of the Bank: receivables € 163,307 thous., liabilities € 67,259 thous., letters of guarantee € 7,677 thous.
- with other related parties: **a)** of the Group: receivables € 218 thous., liabilities € 13 thous. **b)** of the Bank: receivables € 12,998,107 thous., liabilities € 24,624,883 thous., letters of guarantee and other guarantees € 1,151,884 thous.

10. The accounting policies, applied by the Group and the Bank in the interim financial statements as at 30.6.2008 are consistent with those stated in the respective financial statements for the year ended 31.12.2007 and are available on the web site of the Bank.

THE CHAIRMAN  
OF THE BOARD OF DIRECTORS

Athens, 26 August 2008

THE MANAGING DIRECTOR

THE EXECUTIVE DIRECTOR

GROUP FINANCIAL  
REPORTING OFFICER

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

DEMETRIOS P. MANTZOUNIS  
I.D. No I 166670

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## **Independent Auditors report on Review of Interim Financial Information (Translated from the original in Greek)**

To the Shareholders of  
ALPHA BANK A.E.

### **Introduction**

We have reviewed the accompanying stand-alone and consolidated balance sheet of ALPHA BANK A.E. (the Bank) as of 30 June 2008 and the related stand-alone and consolidated statements of income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes which comprise the interim financial information and which forms an integral part of the six-month financial report of article 5 of Law 3556/2007. The management of the Bank is responsible for the preparation and presentation of this interim financial information, in accordance with International Financial Reporting Standards adopted by the European Union applicable to interim financial information (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 International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity," as provided by Greek Auditing Standards. 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 Greek Auditing Standards 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 30 June 2008 is not prepared, in all material respects, in accordance with International Financial Reporting Standards which have been adopted by the European Union relating to interim financial information (IAS 34).

### **Report on other Legal and Regulatory Requirements**

Further to the above interim financial information, we reviewed the additional information included in the six-month financial report issued in accordance with article 5 of Law 3556/2007 and the relevant decisions of the Capital Market Commission. Based on our review, the above report includes all the information required by the relevant legislation and decisions and is consistent with the accompanying interim financial information.

Athens, 26 August 2008  
KPMG Certified Auditors A.E.

Marios T. Kyriacou,  
Certified Auditor Accountant  
AM SOEL 11121

Nick Vouniseas,  
Certified Auditor Accountant  
AM SOEL 18701