



ALPHA BANK

# **INTERIM FINANCIAL STATEMENTS AS AT 31.3.2008**

(In accordance with the International Accounting Standard 34)

ATHENS  
MAY 27, 2008



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**INTERIM INCOME STATEMENT**

		(Thousands of Euro)	
		<b>From 1 January to</b>	
	Note	<b>31.3.2008</b>	<b>31.3.2007</b>
Interest and similar income		930,769	696,728
Interest expense and similar charges		(599,911)	(411,647)
Net interest income		330,858	285,081
Fee and commission income		78,065	78,945
Commission expense		(5,896)	(5,076)
Net fee and commission income		72,169	73,869
Dividend income		3,027	10,534
Gains less losses on financial transactions		29,987	(86,648)
Other income		3,708	9,418
		36,722	(66,696)
<b>Total income</b>		<b>439,749</b>	<b>292,254</b>
Staff costs		(99,243)	(95,487)
General administrative expenses		(79,000)	(71,602)
Depreciation and amortization expenses	6,7,8	(13,616)	(11,287)
Other expenses		(677)	(549)
<b>Total expenses</b>		<b>(192,536)</b>	<b>(178,925)</b>
Impairment losses and provisions for credit risk	2	(57,722)	(52,005)
<b>Profit before income tax</b>		<b>189,491</b>	<b>61,324</b>
Income tax	3	(45,015)	(13,998)
<b>Profit after income tax</b>		<b>144,476</b>	<b>47,326</b>
<b>Earnings per share:</b>	4		
Basic (€ per share)		0.35	0.12
Diluted (€ per share)		0.35	0.12

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The attached notes (pages 7 to 22) form an integral part of these interim financial statements.

**INTERIM BALANCE SHEET**

		(Thousands of Euro)	
	Note	<u>31.3.2008</u>	<u>31.12.2007</u>
<b>ASSETS</b>			
Cash and balances with Central Banks		944,076	1,650,327
Due from banks		7,870,048	7,349,675
Financial assets at fair value through profit or loss		97,423	264,788
Derivative financial assets		378,491	384,466
Loans and advances to customers	5	37,022,475	35,267,874
Investment securities			
- Available for sale		6,744,645	6,300,377
Investments in subsidiaries, associates and joint ventures	17	1,620,052	1,626,100
Investment property	6	42,093	42,370
Property, plant and equipment	7	609,442	603,831
Goodwill and other intangible assets	8	55,560	55,836
Deferred tax assets		162,199	158,160
Other assets		352,194	280,626
		<u>55,898,698</u>	<u>53,984,430</u>
Non-current assets held for sale	9	55,978	54,706
<b>Total Assets</b>		<b><u>55,954,676</u></b>	<b><u>54,039,136</u></b>
<b>LIABILITIES</b>			
Due to banks		6,462,039	5,637,562
Derivative financial liabilities		471,155	383,129
Due to customers		24,411,224	23,334,888
Debt securities in issue and other borrowed funds	10	20,535,223	20,521,976
Liabilities for current income tax and other taxes		126,628	127,863
Deferred tax liabilities		105,388	82,960
Employee defined benefit obligations		3,717	3,733
Other liabilities		1,105,463	1,159,012
Provisions	11	59,580	47,796
<b>Total Liabilities</b>		<b><u>53,280,417</u></b>	<b><u>51,298,919</u></b>
<b>EQUITY</b>			
Share capital		1,602,809	1,602,809
Share premium		184,033	184,033
Reserves		291,008	333,892
Retained earnings		763,960	619,483
Treasury shares	12	(167,551)	-
<b>Total Equity</b>		<b><u>2,674,259</u></b>	<b><u>2,740,217</u></b>
<b>Total Liabilities and Equity</b>		<b><u>55,954,676</u></b>	<b><u>54,039,136</u></b>

The attached notes (pages 7 to 22) 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 in equity for the period 1.1-31.3.2007</b>						
Net change in fair value of available for sale securities			5,457			5,457
Net change in fair value of available for sale securities transferred to income statement from sales			99,231			99,231
Exchange differences on translating foreign operations				(20)		(20)
Net income recognized directly in equity			104,688	(20)		104,668
Profit for the period, after income tax				47,326		47,326
<b>Total</b>			<b>104,688</b>	<b>47,306</b>		<b>151,994</b>
Purchase of treasury shares					(29,094)	(29,094)
Recognition of employee share options			1,181			1,181
<b>Balance 31.3.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>313,722</b>	<b>570,507</b>	<b>(43,559)</b>	<b>2,559,917</b>
<b>Balance 1.4.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>313,722</b>	<b>570,507</b>	<b>(43,559)</b>	<b>2,559,917</b>
<b>Changes in equity for the period 1.4-31.12.2007</b>						
Net change in fair value of available for sale securities			(53,653)			(53,653)
Net change in fair value of available for sale securities transferred to income statement from sales			27,594			27,594
Exchange differences on translating foreign operations				220		220
Net income recognized directly in equity			(26,059)	220		(25,839)
Profit for the period, after income tax				409,680		409,680
<b>Total</b>			<b>(26,059)</b>	<b>409,900</b>		<b>383,841</b>
Purchase of treasury shares					(300,095)	(300,095)
Sale of treasury shares				(2,999)	343,654	340,655
Dividends distributed				(304,421)		(304,421)
Appropriation to reserves			53,400	(53,400)		-
Recognition of employee share options			18,306			18,306
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>-</b>	<b>2,740,217</b>
<b>Balance 1.1.2008</b>	<b>1,602,809</b>	<b>184,033</b>	<b>333,892</b>	<b>619,483</b>	<b>-</b>	<b>2,740,217</b>
<b>Changes in equity for the period 1.1-31.3.2008</b>						
Net change in fair value of available for sale securities (after taxes)			(42,968)			(42,968)
Net change in fair value of available for sale securities transferred to income statement from sales			84			84
Exchange differences on translating foreign operations				1		1
Net income recognized directly in equity			(42,884)	1		(42,883)
Profit for the period, after income tax				144,476		144,476
<b>Total</b>			<b>(42,884)</b>	<b>144,477</b>		<b>101,593</b>
Purchase of treasury shares (note 12)					(167,551)	(167,551)
<b>Balance 31.3.2008</b>	<b>1,602,809</b>	<b>184,033</b>	<b>291,008</b>	<b>763,960</b>	<b>(167,551)</b>	<b>2,674,259</b>

The attached notes (pages 7 to 22) form an integral part of these interim financial statements.

**INTERIM CASH FLOW STATEMENT**

		(Thousands of Euro)	
		<b>From 1 January to</b>	
	Note	<b>31.3.2008</b>	<b>31.3.2007</b>
<b>Cash flows from operating activities</b>			
Profit before tax		189,491	61,324
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	6,7	8,381	7,324
Amortization of intangible assets	8	5,235	3,963
Impairment losses from loans and provisions		58,399	55,605
Other adjustments		-	1,181
(Gains)/losses from investing activities		(12,876)	79,289
(Gains)/Losses from financing activities		44,360	31,376
		<b>292,990</b>	<b>240,062</b>
<i>Net (increase)/decrease in assets relating to operating activities:</i>			
Due from banks		(219,648)	(836,023)
Financial assets at fair value through profit or loss and derivative financial assets		173,340	40,713
Loans and advances to customers		(1,839,422)	(984,600)
Other assets		(71,743)	(29,081)
<i>Net increase/(decrease) in liabilities relating to operating activities</i>			
Due to banks		824,477	(1,729,280)
Derivative financial liabilities		88,027	110,197
Due to customers		1,214,477	4,813,299
Other liabilities		23,683	96,518
<i>Net cash flows from operating activities before taxes</i>		486,181	1,721,805
Income taxes and other taxes paid		(12,755)	(4,649)
<b>Net cash flows from operating activities</b>		<b>473,426</b>	<b>1,717,156</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries, associates and joint ventures		(2,615)	(4,823)
Dividends received		60	10,534
Purchase of property, plant and equipment		(21,447)	(16,391)
Disposal of property, plant and equipment		1,448	7,954
Net (increase)/decrease in investment securities		(513,388)	2,132,258
<b>Net cash flows from investing activities</b>		<b>(535,942)</b>	<b>2,129,532</b>
<b>Cash flows from financing activities</b>			
(Purchases)/sales of treasury shares		(173,442)	(29,094)
Dividends paid		(394)	(344)
Proceeds from the issue of debt securities and other borrowed funds		-	548,298
Repayment of debt securities and other borrowed funds		(169,254)	(355,077)
<b>Net cash flows from financing activities</b>		<b>(343,090)</b>	<b>163,783</b>
Effect of exchange rate fluctuations on cash and cash equivalents		80	130
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(405,526)</b>	<b>4,010,601</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>3,951,402</b>	<b>8,619,008</b>

The attached notes (pages 7 to 22) 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. Its registered office is 40 Stadiou Street, Athens and it is listed as a societe anonyme, registration number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by a decision of the shareholders in General Meeting.

In accordance with article 4 of the articles of Incorporation, the Bank's purpose is to provide general banking services in Greece and abroad.

The term of the Board of Directors, elected by the Shareholders' General Meeting on 19 April 2005, ends in 2010. The General Shareholders Meeting held on 3 April 2008 decided to increase the number of the Board of Directors members from 14 to 15, as accounted for in the Bank's articles of Incorporation. The General Shareholder's Meeting elected Mrs. Ioanna E. Papadopoulou as a non-executive member. The Board of Directors as at 31 March 2008 consist of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non-Executive Member)

Minas G. Tanes\*\*\* (On 3 April 2008 elected as a non-executive independent member by the Shareholders' Meeting)

### 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

George E. Agouridis \* (On 3 April 2008 elected as a non-executive independent member by the Shareholders' Meeting)

Sophia G. Eleftheroudaki

Paul G. Karakostas\*

Nicholaos I. Manassis \*\*

NON-EXECUTIVE INDEPENDENT MEMBERS

Pavlos A. Apostolides \*\*

Thanos M. Veremis

Evangelos I. 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 of the Bank are:

Principal Auditors:

Marios T. Kyriacou  
Nikolaos E. Vouniseas

Substitute Auditors:

Charalambos G. Sirounis  
Nikolaos Ch. Tsiboukas

of KPMG Certified Auditors A.E.

The Bank's shares are listed on the Athens Stock Exchange since 1925.

As at 31 March 2008 Alpha Bank was ranked fifth 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 31 March 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 quarter of 2008 amounted to an average of 1,686,419 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 27 May 2008.**





## Accounting policies applied

### 1. Basis of presentation

The Bank has prepared the condensed interim financial statements as at 31 March 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 the condensed interim financial statements as at 31 March 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 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	
	31.3.2008	31.3.2007
Impairment losses on loans and advances to customers	46,153	70,002
Provisions to cover credit risk relating to off balance sheet items	11,569	(14,946)
Recoveries	-	(3,051)
<b>Total</b>	<b>57,722</b>	<b>52,005</b>

### 3. Income tax

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

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	
	31.3.2008	31.3.2007
Current tax	11,519	4,246
Deferred tax	33,496	9,752
<b>Total</b>	<b>45,015</b>	<b>13,998</b>

In accordance with article 26 of Law 3634/2008 tax is imposed, at the current tax rate (25%), on profits of banks 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.

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

	From 1 January to	
	31.3.2008	31.3.2007
Depreciation and fixed asset write-offs	1,055	2,349
Valuation of loans	13,227	(2,717)
Suspension of interest accruals	9,125	7,180
Loans impairment	5,352	(408)
Employee defined benefit obligations	(63)	134
Liabilities to E.T.A.T.	15,551	-
Valuation of derivatives	(6,686)	(1,469)
Effective interest rate	2,083	161
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(1,473)	3,217
Valuation of investments	(2,147)	-
Valuation of bonds	2,038	-
Valuation of other securities	(4,780)	-
Other temporary differences	214	1,305
<b>Total</b>	<b>33,496</b>	<b>9,752</b>

Reconciliation of effective and current tax rate:

	From 1 January to			
	31.3.2008		31.3.2007	
	%		%	
<b>Profit before tax</b>		<b>189,491</b>		<b>61,324</b>
Income tax (current tax rate)	25	47,373	25	15,331
<b>Increase/(decrease) due to:</b>				
Additional tax on rental income of fixed assets	0.04	74	0.11	65
Non taxable income	(0.50)	(952)	(8.10)	(4,967)
Non deductible expenses	1.11	2,095	2.87	1,761
Other temporary differences	(1.89)	(3,575)	2.95	1,808
<b>Income tax (effective tax rate)</b>	<b>23.76</b>	<b>45,015</b>	<b>22.83</b>	<b>13,998</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	
	31.3.2008	31.3.2007
Profit attributable to shareholders	144,476	47,326
Weighted average number of outstanding ordinary shares	407,204,357	406,838,763
Basic earnings per share (in €)	0.35	0.12

##### 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 which were 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 dilutive 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	
	31.3.2008	31.3.2007
Profit attributable to shareholders	144,476	47,326
Weighted average number of outstanding ordinary shares	407,204,357	406,838,763
Adjustment for share options	-	753,136
Weighted average number of outstanding ordinary shares for diluted earnings per share	407,204,357	407,591,899
Diluted earnings per share (in €)	0.35	0.12



## Assets

### 5. Loans and advances to customers

	31.3.2008	31.12.2007
<b>Individuals:</b>		
- Mortgages	10,123,254	9,741,095
- Consumer	3,073,160	2,922,529
- Credit cards	1,085,155	1,046,941
- Other	98,925	100,031
	<u>14,380,494</u>	<u>13,810,596</u>
<b>Companies:</b>		
- Corporate loans	23,082,174	21,900,097
	<u>163,852</u>	<u>166,342</u>
	37,626,520	35,877,035
Less:		
Allowance for impairment losses *	(604,045)	(609,161)
<b>Total</b>	<b><u>37,022,475</u></b>	<b><u>35,267,874</u></b>

\* In addition to the allowance for impairment losses, an additional provision of € 57,498 has been recorded to cover credit risk relating to off-balance sheet items (note 11). The total provision recorded to cover credit risk amounts to € 661,543 (31.12.2007: € 655,090).

### 6. Investment property

	Land and Building
<b>Balance 1.1.2007</b>	
Cost	48,449
Accumulated depreciation	(6,443)
Net book value 1.1.2007	<u>42,006</u>
<b>1.1.2007-31.3.2007</b>	
Net book value 1.1.2007	42,006
Additions	17
Depreciation charge for the period	(99)
Net book value 31.3.2007	<u>41,924</u>
<b>Balance 31.3.2007</b>	
Cost	48,466
Accumulated depreciation	(6,542)
<b>1.4.2007-31.12.2007</b>	
Net book value 1.4.2007	41,924
Additions	753
Depreciation charge for the period	(307)
Net book value 31.12.2007	<u>42,370</u>
<b>Balance 31.12.2007</b>	
Cost	49,219
Accumulated depreciation	(6,849)
<b>1.1.2008-31.3.2008</b>	
Net book value 1.1.2008	42,370
Additions	101
Reclassification to "property, plant and equipment"	(274)
a) Cost	(425)
b) Accumulated depreciation	151
Depreciation charge for the period	(104)
Net book value 31.3.2008	<u>42,093</u>
<b>Balance 31.3.2008</b>	
Cost	48,895
Accumulated depreciation	(6,802)

**7. Property, plant and equipment**

	Land and Building	Leased equipment	Equipment	Total
<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	497,333	200	47,103	544,636
<b>1.1.2007 - 31.3.2007</b>				
Net book value 1.1.2007	497,333	200	47,103	544,636
Additions	6,041	-	4,240	10,281
Foreign exchange differences	(54)	-	(23)	(77)
<i>a) Cost</i>	(76)	-	(49)	(125)
<i>b) Accumulated depreciation</i>	22	-	26	48
Disposals	(1,520)	-	(18)	(1,538)
<i>a) Cost</i>	(2,270)	-	(405)	(2,675)
<i>b) Accumulated depreciation</i>	750	-	387	1,137
Depreciation charge for the period	(3,136)	(30)	(4,059)	(7,225)
Net book value 31.3.2007	498,664	170	47,243	546,077
<b>Balance 31.3.2007</b>				
Cost	667,646	1,142	273,086	941,874
Accumulated depreciation	(168,982)	(972)	(225,843)	(395,797)
<b>1.4.2007-31.12.2007</b>				
Net book value 1.4.2007	498,664	170	47,243	546,077
Additions	26,421	-	17,686	44,107
Foreign exchange differences	96	-	35	131
<i>a) Cost</i>	138	-	89	227
<i>b) Accumulated depreciation</i>	(42)	-	(54)	(96)
Disposals	(3,072)	-	(93)	(3,165)
<i>a) Cost</i>	(5,247)	-	(1,146)	(6,393)
<i>b) Accumulated depreciation</i>	2,175	-	1,053	3,228
Reclassification from "Non-current assets held-for-sale " (1)	42,405	-	-	42,405
<i>a) Cost</i>	43,298	-	-	43,298
<i>b) Accumulated depreciation</i>	(893)	-	-	(893)
Depreciation charge for the period	(12,504)	(90)	(13,130)	(25,724)
Net book value 31.12.2007	552,010	80	51,741	603,831
<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>1.1.2008-31.3.2008</b>				
Net book value 1.1.2008	552,010	80	51,741	603,831
Additions	7,374	-	6,362	13,736
Foreign exchange differences	(49)	-	(30)	(79)
<i>a) Cost</i>	(69)	-	(58)	(127)
<i>b) Accumulated depreciation</i>	20	-	28	48
Disposals	(10)	-	(33)	(43)
<i>a) Cost</i>	(20)	-	(378)	(398)
<i>b) Accumulated depreciation</i>	10	-	345	355
Reclassification from "Investment property"	274	-	-	274
<i>a) Cost</i>	425	-	-	425
<i>b) Accumulated depreciation</i>	(151)	-	-	(151)
Reclassification to other sub category	-	(60)	60	-
<i>a) Cost</i>	-	(1,142)	1,142	-
<i>b) Accumulated depreciation</i>	-	1,082	(1,082)	-
Depreciation charge for the period	(3,666)	(20)	(4,591)	(8,277)
Net book value 31.3.2008	555,933	-	53,509	609,442
<b>Balance 31.3.2008</b>				
Cost	739,966	-	296,783	1,036,749
Accumulated depreciation	(184,033)	-	(243,274)	(427,307)

(1) 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	42,104	-	42,104
<b>1.1.2007-31.3.2007</b>			
Net book value 1.1.2007	42,104	-	42,104
Additions	4,435	-	4,435
Foreign exchange differences	(11)	-	(11)
<i>a) Cost</i>	(14)	-	(14)
<i>b) Accumulated amortization</i>	3	-	3
Amortization charge for the period	(3,963)	-	(3,963)
Net book value 31.3.2007	42,565	-	42,565
<b>Balance 31.3.2007</b>			
Cost	131,092	-	131,092
Accumulated amortization	(88,527)	-	(88,527)
<b>1.4.2007-31.12.2007</b>			
Net book value 1.4.2007	42,565	-	42,565
Additions (1)	25,950	1,785	27,735
Foreign exchange differences	22	-	22
<i>a) Cost</i>	25	-	25
<i>b) Accumulated amortization</i>	(3)	-	(3)
Disposals	(618)	-	(618)
<i>a) Cost</i>	(618)	-	(618)
<i>b) Accumulated amortization</i>	-	-	-
Amortization charge for the period	(13,838)	(30)	(13,868)
Net book value 31.12.2007	54,081	1,755	55,836
<b>Balance 31.12.2007</b>			
Cost	156,449	1,785	158,234
Accumulated amortization	(102,368)	(30)	(102,398)
<b>1.1.2008-31.3.2008</b>			
Net book value 1.1.2008	54,081	1,755	55,836
Additions	5,000	-	5,000
Foreign exchange differences	(41)	-	(41)
<i>a) Cost</i>	(61)	-	(61)
<i>b) Accumulated amortization</i>	20	-	20
Amortization charge for the period	(5,146)	(89)	(5,235)
Net book value 31.3.2008	53,894	1,666	55,560
<b>Balance 31.3.2008</b>			
Cost	161,388	1,785	163,173
Accumulated amortization	(107,494)	(119)	(107,613)

(1) Amount of € 1,785 refers to the purchase of brand name and other banking rights which will be amortized in 5 years.

**9. Non-current assets held for sale**

"Non-current assets held for sale" include land, buildings and office equipment amounting to € 55,978 (31.12.2007: € 54,706).

## Liabilities

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

#### Short term securities (ECP)

<b>Balance 1.1.2008</b>	-
<b>Changes for the period from 1.1 to 31.3.2008</b>	
New issues <sup>(1)</sup>	795,675
Maturities/Redemptions	(230,000)
Accrued interest	4,374
Foreign exchange differences	<u>(90)</u>
<b>Balance 31.3.2008</b>	<b>569,959</b>

#### Senior Debt securities

<b>Balance 1.1.2008</b>	<b>18,187,633</b>
<b>Changes for the period from 1.1 to 31.3.2008</b>	
New issues <sup>(2)</sup>	894,559
Maturities/Redemptions	(1,312,749)
Fair value change due to hedging	9,348
Accrued interest	(7,798)
Foreign exchange differences	<u>(15,177)</u>
<b>Balance 31.3.2008</b>	<b>17,755,816</b>

#### Subordinated debt

<b>Balance 1.1.2008</b>	<b>1,412,431</b>
<b>Changes for the period from 1.1 to 31.3.2008</b>	
Maturities/Redemptions <sup>(3)</sup>	(100,000)
Fair value change due to hedging	(3,456)
Accrued interest	(2,631)
Foreign exchange differences	<u>8,825</u>
<b>Balance 31.3.2008</b>	<b>1,315,169</b>

#### Hybrid securities

<b>Balance 1.1.2008</b>	<b>921,912</b>
<b>Changes for the period from 1.1 to 31.3.2008</b>	
Accrued interest	<u>(27,633)</u>
<b>Balance 31.3.2008</b>	<b>894,279</b>
<b>Grand total</b>	<b><u>20,535,223</u></b>

(1) The Bank raises short term liquidity, through a Euro Commercial paper program amounting to total € 5 billion. Under this program commercial papers 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 outstanding balance as at 31 March 2008 consists of € 567.7 million and USD 3.5 million.

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

The issues in US Dollars was set on 14 basis points over six month Libor.

(2) The new senior debt issues pay a Euribor floating rate, with a spread between -10 basis points and +50 basis points, depending on the duration of issue.

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

**11. Provisions**

<b>Balance 1.1.2007</b>	<b>17,901</b>
<b>Changes for the period from 1.1 to 31.3.2007</b>	
Reversal of provisions to cover credit risk relating to off-balance sheet items (note 2)	(14,946)
Other provisions charged to profit and loss	493
Provisions used during the period	(13)
	<u>3,435</u>
<b>Balance 31.3.2007</b>	<b>3,435</b>
<b>Changes for the period from 1.4 to 31.12.2007</b>	
Provisions to cover credit risk relating to off-balance sheet items	45,929
Reversal of provisions	(1,568)
	<u>47,796</u>
<b>Balance 31.12.2007</b>	<b>47,796</b>
<b>Changes for the period from 1.1 to 31.3.2008</b>	
Provisions to cover credit risk relating to off-balance sheet items (note 2)	11,569
Other provisions charged to profit and loss	650
Provisions used during the period	(435)
	<u>59,580</u>
<b>Balance 31.3.2008</b>	<b>59,580</b>

**Equity****12. Treasury shares**

The Bank based on the decisions of the Ordinary General Shareholders' Meetings held in prior years, acquired during the period from 1.1. to 31.3.2008 8,123,677 treasury shares at a cost of € 167,551 thousand (or € 20.63 per share) which represents 1.98% of the total share capital.



## 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 a lessee*

The Bank has various obligations with respect to leases of buildings which are used as branches or for administration 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>31.3.2008</b>	<b>31.12.2007</b>
Less than one year	25,860	25,410
Between one and five years	73,160	70,904
More than five years	61,189	57,918
<b>Total</b>	<b>160,209</b>	<b>154,232</b>

The lease expense for the first quarter of 2008 relating to rental of buildings amounts to € 7,574 (first quarter of 2007: € 6,239) and are included in "General administrative expenses".

##### *The Bank as a lessor*

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

The minimum future revenues are:

	<b>31.3.2008</b>	<b>31.12.2007</b>
Less than one year	3,480	3,720
Between one and five years	9,037	10,307
More than five years	6,285	7,218
<b>Total</b>	<b>18,802</b>	<b>21,245</b>

The lease revenues for the first quarter of 2008 amount to € 1,016 (first quarter of 2007: € 802), and are included in "Other income".

**d) Off balance sheet liabilities**

	<b>31.3.2008</b>	<b>31.12.2007</b>
Letters of guarantee	5,341,548	5,453,629
Letters of credit	102,993	82,857
Undrawn credit facilities	17,298,059	16,386,205
Guarantees relating to bonds issued by subsidiaries of the Bank	19,961,432	20,485,817
<b>Total</b>	<b>42,704,032</b>	<b>42,408,508</b>

**e) Assets pledged**

	<b>31.3.2008</b>	<b>31.12.2007</b>
Loans to customers	800,490	800,490
Investment securities	160,000	160,000
<b>Total</b>	<b>960,490</b>	<b>960,490</b>

The Bank has placed as collateral with the Bank of Greece customer loans in accordance with the Monetary Policy Council Act no 54/27.2.2004 as in force following its amendment by Monetary Policy Council Act 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.

From the investment securities portfolio € 5,000 is pledged as collateral to the clearing house of derivative transactions "ETESEP A.E." as a margin account insurance. The remaining securities portfolio is 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 – 31.3.2008</b>						
	<b>Business segments</b>						
	<b>Bank</b>	<b>Retail</b>	<b>Corporate Banking</b>	<b>Asset Management/ insurance</b>	<b>Investment Banking/ Treasury</b>	<b>South-Eastern Europe</b>	<b>Other</b>
Interest	330.9	247.5	66.3	0.8	7.7	8.6	-
Commission	72.1	35.7	19.0	10.8	4.7	1.9	-
Other income	36.7	2.9	1.5	0.4	13.7	1.7	16.5
<b>Total income</b>	<b>439.7</b>	<b>286.1</b>	<b>86.8</b>	<b>12.0</b>	<b>26.1</b>	<b>12.2</b>	<b>16.5</b>
Expenses	(192.5)	(138.9)	(25.2)	(6.0)	(4.8)	(8.1)	(9.5)
Impairment	(57.7)	(48.7)	(9.0)	-	-	-	-
<b>Profit before tax</b>	<b>189.5</b>	<b>98.5</b>	<b>52.6</b>	<b>6.0</b>	<b>21.3</b>	<b>4.1</b>	<b>7.0</b>



<b>1.1. – 31.3.2007</b>							
<b>Business segments</b>							
	<b>Bank</b>	<b>Retail</b>	<b>Corporate Banking</b>	<b>Asset Management/ insurance</b>	<b>Investment Banking/ Treasury</b>	<b>South- Eastern Europe</b>	<b>Other</b>
Interest	285.1	214.4	57.6	0.8	7.6	4.7	-
Commission	73.9	37.8	20.0	12.8	2.3	1.0	-
Other income	(66.8)	5.1	1.2	0.7	8.8	0.2	(82.8)
<b>Total income</b>	<b>292.2</b>	<b>257.3</b>	<b>78.8</b>	<b>14.3</b>	<b>18.7</b>	<b>5.9</b>	<b>(82.8)</b>
Expenses	(178.9)	(131.9)	(24.6)	(7.0)	(5.1)	(3.6)	(6.7)
Impairment	(52.0)	(24.0)	(28.0)	-	-	-	-
<b>Profit before tax</b>	<b>61.3</b>	<b>101.4</b>	<b>26.2</b>	<b>7.3</b>	<b>13.6</b>	<b>2.3</b>	<b>(89.5)</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 capital adequacy is monitored by the Bank of Greece which is reported to on a quarterly basis.

In accordance with a decision by the Government of the Bank of Greece the minimum capital adequacy ratios are established (Tier I and capital adequacy ratio) which the Bank must be adhered to.

For the calculation of capital adequacy from 1 January 2008 the new regulatory framework (Basel II), adopted by the Greek Legislation based on Law 3601/2007, is implemented. The new regulatory framework amends significantly 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 €)	
	31.3.2008	31.12.2007
Risk-weighted assets from credit risk	34,673	36,596
Risk-weighted assets from market risk	484	591
Risk-weighted assets from operational risk	2,500	-
<b>Total Risk-weighted assets</b>	<b>37,657</b>	<b>37,187</b>
Upper Tier I capital	2,364	2,472
Tier I capital	2,308	2,417
Total Tier I + Tier II capital	4,293	4,476
Upper Tier I ratio	6.3%	6.6%
Tier I ratio	6.1%	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 Bank's relevant committees.

- a. The outstanding balances with members of the Board of Directors and their close family members and the related results of these transactions are as follows:

	31.3.2008	31.12.2007
Loans	40,470	38,649
Deposits	41,317	43,123
Letters of guarantee	99	83
	<b>From 1 January to</b>	
	31.3.2008	31.3.2007
Interest and similar income	370	5
Interest and similar expense	480	269

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

### I. Subsidiaries

	31.3.2008	31.12.2007
<b>Assets</b>		
Due from banks	4,327,836	4,114,320
Financial assets at fair value through profit or loss	9,043	8,075
Derivative financial instruments	1,029	2,003
Loans and advances to customers	1,434,147	1,527,856
Available-for-sale securities	3,637,077	3,368,618
<b>Total</b>	<b>9,409,132</b>	<b>9,020,872</b>
<b>Liabilities</b>		
Due to banks	1,827,602	1,574,301
Due to customers	127,297	101,128
Derivatives financial instruments	588	87
Debt securities in issue and other borrowed funds	20,535,223	20,521,976
Other liabilities	2,063	1,196
<b>Total</b>	<b>22,492,773</b>	<b>22,198,688</b>

<b>Letters of guarantee and other guarantees</b>	<b>1,002,127</b>	<b>1,001,394</b>
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	From 1 January to	
	31.3.2008	31.3.2007
<b>Income</b>		
Interest and similar income	102,930	40,355
Dividend income	2,968	10,522
Fee and commission income	10,655	12,454
Other income	640	667
<b>Total</b>	<b>117,193</b>	<b>63,998</b>
<b>Expenses</b>		
Interest expense and similar charges	263,117	196,402
Commission expense	233	447
General administrative expenses	2,773	2,950
<b>Total</b>	<b>266,123</b>	<b>199,799</b>

## ii. Associates

	31.3.2008	31.12.2007
<b>Assets</b>		
Loans and advances to customers	231	277
<b>Total</b>	<b>231</b>	<b>277</b>
<b>Liabilities</b>		
Due to customers	2	26
<b>Total</b>	<b>2</b>	<b>26</b>
	From 1 January to	
	31.3.2008	31.3.2007
<b>Income</b>		
Interest and similar income	5	12
<b>Total</b>	<b>5</b>	<b>12</b>

- c. The Board of Directors and Executive General Managers' fees recorded in the income statement for the first quarter of 2008 amounted to € 1,141 (first quarter of 2007: € 1,258).

## 17. Changes in investment securities

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

	<u>1.1-31.3.2008</u>	<u>1.4-31.12.2007</u>	<u>1.1-31.3.2007</u>
<b>Subsidiaries</b>			
Opening balance	1,625,309	1,592,047	1,587,804
Additions <sup>(1)</sup>	2,615	47,811	4,823
Disposals	(74)	(1,117)	-
Valuation of investments due to fair value hedge <sup>(2)</sup>	(8,589)	(13,432)	(580)
Closing balance	1,619,261	1,625,309	1,592,047
<b>Associates</b>			
Opening balance	74	5,624	5,624
Additions	-	20	-
Disposals	-	(5,570)	-
Closing balance	74	74	5,624
<b>Joint ventures</b>			
Opening balance	717	122	122
Additions	-	615	-
Disposals	-	(20)	-
Closing balance	717	717	122
<b>Grand total</b>	<b>1,620,052</b>	<b>1,626,100</b>	<b>1,597,793</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.

- (1) The following amounts are included:
  - Purchase of Ionian Hotel Enterprises A.E. shares € 1,845
  - Purchases of Alpha Astika Akinita A.E. shares € 770
- (2) The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investments in Alpha Bank London Ltd, Alpha Bank Romania S.A. and Alpha Finance US Corporation.

## 18. Events after the balance sheet date

a. The Ordinary General Shareholders' Meeting, held on 3 April 2008, decided:

- a dividend distribution of € 0.90 per share for 2007.
- a share buy-back scheme, for the period April 2008 to April 2010, for up to 5% of its total outstanding paid-in share capital.
- the increase of the Bank's share capital by the amount of € 328.8 million, through the capitalization of the share premium of € 184 million and part of the taxable retained earnings of € 144.8 million, 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, the Bank's share capital amounts to € 1,931,590,264.40, divided into 410,976,652 shares of nominal value € 4.70 each.

b. On 4 April 2008 the Bank acquired 90% of the newly established Ukrainian Bank OJSC Astra Bank at a cost of € 10.9 million. Both parties agreed that the founders of Astra Bank will hold a 10% participation on the share capital and will continue as members of Bank's management.

c. 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. 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 in Luxembourg's stock exchange.

Athens, 27 May 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