

# FINANCIAL STATEMENTS AND INFORMATION OF ALPHA BANK A.E. AND THE GROUP

for the period from January 1, 2008 to December 31, 2008  
(In accordance with Codified Law 2190/20 article 135, concerning businesses that prepare annual financial statements, consolidated or not, in accordance with International Accounting Standards, I.A.S.)  
(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, where the financial statements as well as the auditor's report are available.

## INFORMATION OF ALPHA BANK

Registered office: 40 Stadiou Street, 102 52 Athens  
R.N.S.A.: 6066/06/B/86/05  
Supervising authority: Bank of Greece, Ministry of Development  
Date of approval of the Financial Statements by the Board of Directors: February 24, 2009  
(from which the financial statements and Information were derived): Marios T. Kyriacou (A.M. SOEL 11121)  
Certified Auditors: Nick E. Vouniseas (A.M. SOEL 18701)  
KPMG Certified Auditors S.A.  
Unqualified opinion  
www.alpha.gr

## MEMBERS OF THE BOARD OF DIRECTORS:

CHAIRMAN (Executive Member) Yannis S. Costopoulos VICE CHAIRMAN (Non-Executive Independent Member) Minas G. Tanes MANAGING DIRECTOR (Executive Member) Demetrios P. Mantzounis	EXECUTIVE DIRECTORS AND GENERAL MANAGERS (Executive Members) Marinos S. Yannopoulos (CFO) Spyros N. Filaretos Artemis Ch. Theodoridis	NON-EXECUTIVE MEMBERS Sophia G. Eleftheroudaki Paul G. Karakostas Nikolaos I. Manessis Ioanna E. Papadopoulou	NON-EXECUTIVE INDEPENDENT MEMBERS George E. Agouridis Pavlos A. Apostolides Thanos M. Veremis Evangelos J. Calousis Ioannis K. Lyras
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## BALANCE SHEET

	Consolidated		Alpha Bank	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
<b>ASSETS</b>				
Cash and balances with Central Banks	3,450,947	3,263,612	1,724,081	1,650,327
Due from banks	2,829,970	3,509,696	8,420,793	7,349,675
Financial assets at fair value through profit or loss				
- Held for trading	81,135	266,047	86,880	264,788
Derivative financial assets	485,026	383,432	494,386	384,466
Loans and advances to customers	50,704,702	42,072,071	42,189,278	35,267,874
Investment securities				
- Available for sale	752,526	3,156,901	6,033,897	6,300,377
- Held to maturity	4,488,709	-	4,488,709	-
Investments in subsidiaries, associates and joint ventures	-	-	1,750,902	1,626,100
Investments in associates	59,260	5,320	-	-
Investment property	66,875	73,560	42,195	42,370
Property, plant and equipment	1,254,240	1,173,275	649,452	603,831
Goodwill and other intangible assets	159,961	134,497	68,723	55,836
Deferred tax assets	333,499	170,257	316,069	158,160
Other assets	549,299	385,676	419,526	280,626
	65,216,149	54,594,344	66,684,891	53,984,430
Non-current assets held for sale	53,805	89,945	53,283	54,706
<b>Total Assets</b>	<b>65,269,954</b>	<b>54,684,289</b>	<b>66,738,174</b>	<b>54,039,136</b>
<b>LIABILITIES</b>				
Due to banks	8,963,796	4,437,736	10,883,969	5,637,562
Derivative financial liabilities	805,346	384,139	804,172	383,129
Due to customers	-	-	33,816,094	23,334,888
(Including debt securities in issue)	42,546,777	34,665,158	-	-
Debt securities in issue held by institutional investors and other borrowed funds	7,241,185	9,189,297	17,395,646	20,521,976
Liabilities for current income tax and other taxes	128,062	158,797	97,855	127,863
Deferred tax liabilities	197,779	94,807	158,212	82,960
Employee defined benefit obligations	42,762	42,019	-	3,733
Other liabilities	1,350,287	1,323,554	1,204,462	1,159,012
Provisions	53,263	95,935	8,415	47,796
	61,329,257	50,391,442	64,368,825	51,298,919
Liabilities related to non-current assets held for sale	-	1,583	-	-
<b>Total Liabilities (a)</b>	<b>61,329,257</b>	<b>50,393,025</b>	<b>64,368,825</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	188,404	445,662	165,848	333,892
Retained earnings	969,815	1,138,195	340,896	619,483
Treasury shares	(68,985)	(188)	(68,985)	-
Equity attributable to equity holders of the Bank	3,020,824	3,370,511	2,369,349	2,740,217
Minority interest	32,567	32,859	-	-
Hybrid securities	887,306	887,894	-	-
<b>Total Equity (b)</b>	<b>3,940,697</b>	<b>4,291,264</b>	<b>2,369,349</b>	<b>2,740,217</b>
<b>Total Liabilities and Equity (a) + (b)</b>	<b>65,269,954</b>	<b>54,684,289</b>	<b>66,738,174</b>	<b>54,039,136</b>

## CASH FLOW STATEMENT

	Consolidated		Alpha Bank	
	From 1 January to 31.12.2008	31.12.2007	From 1 January to 31.12.2008	31.12.2007
Net cash flows from continuing operating activities	2,888,383	(5,104,982)	5,772,620	(1,320,595)
Net cash flows from discontinued operating activities	-	-	-	-
<b>Net cash flows from operating activities (a)</b>	<b>2,888,383</b>	<b>(5,104,982)</b>	<b>5,772,620</b>	<b>(1,320,595)</b>
Net cash flows from continuing investing activities	(2,728,334)	4,270,234	(4,629,371)	1,081,217
Net cash flows from discontinued investing activities	-	160,700	-	-
<b>Net cash flows from investing activities (b)</b>	<b>(2,728,334)</b>	<b>4,430,934</b>	<b>(4,629,371)</b>	<b>1,081,217</b>
Net cash flows from continuing financing activities	(855,188)	(109,819)	(962,292)	(12,601)
Net cash flows from discontinued financing activities	-	-	-	-
<b>Net cash flows from financing activities (c)</b>	<b>(855,188)</b>	<b>(109,819)</b>	<b>(962,292)</b>	<b>(12,601)</b>
<b>Net increase / (decrease) in cash and cash equivalents of the period (a) + (b) + (c)</b>	<b>(695,139)</b>	<b>(783,867)</b>	<b>180,957</b>	<b>(251,979)</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(83,256)	67	1,239	500
<b>Total cash flows for the period</b>	<b>(778,395)</b>	<b>(783,800)</b>	<b>182,196</b>	<b>(251,479)</b>
<b>Cash and cash equivalents at the beginning of the fiscal year</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 fiscal year</b>	<b>3,013,636</b>	<b>3,792,031</b>	<b>4,539,124</b>	<b>4,356,928</b>

## STATEMENT OF CHANGES IN EQUITY

	Consolidated		Alpha Bank	
	From 1 January to 31.12.2008	31.12.2007	From 1 January to 31.12.2008	31.12.2007
Equity at the beginning of the fiscal year (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 (a)	33,655	123,054	33,739	126,825
Net change in fair value of available for sale securities (b)	(205,653)	(38,613)	(247,883)	(48,196)
Exchange differences on translating foreign operations (c)	(132,924)	68	(130)	200
<b>Net income recognized directly in equity (a) + (b) + (c)</b>	<b>(304,922)</b>	<b>84,509</b>	<b>(214,274)</b>	<b>78,829</b>
Net income for the fiscal year after income tax	513,447	851,086	334,238	457,006
Share capital increase	-	61,605	-	61,605
Expenses for share capital increase	(2,204)	-	(2,204)	-
Change of ownership interests in subsidiaries	(6,410)	(15,008)	-	-
Dividends distributed	(362,731)	(305,498)	(362,199)	(304,421)
Dividends paid to hybrid securities holders	(58,575)	(52,996)	-	-
Purchases / sales of treasury shares and hybrid securities	(127,174)	54,508	(123,276)	11,466
Other	(1,998)	(609)	(3,153)	(104)
<b>Equity at the end of the fiscal year (31.12.2008 and 31.12.2007 respectively)</b>	<b>3,940,697</b>	<b>4,291,264</b>	<b>2,369,349</b>	<b>2,740,217</b>

## INCOME STATEMENT

	Consolidated				Alpha Bank	
	31.12.2008	From 1 January to 31.12.2007		31.12.2008	31.12.2007	
		Continued operations	Discontinued operations			Total
Interest and similar income	4,406,935	3,406,725	860	3,407,585	4,118,961	3,106,845
Interest expense and similar charges	(2,608,333)	(1,801,472)	-	(1,801,472)	(2,768,455)	(1,879,187)
Net interest income	1,798,602	1,605,253	860	1,606,113	1,350,506	1,227,658
Fee and commission income	505,039	507,651	409	508,060	346,494	349,399
Commission expense	(40,625)	(43,061)	-	(43,061)	(29,418)	(27,480)
Net fee and commission income	464,414	464,590	409	464,999	317,076	321,919
Dividend income	2,591	2,254	-	2,254	74,937	45,462
Gains less losses from financial transactions	(6,848)	82,542	-	82,542	(20,584)	(42,833)
Other income	79,944	81,432	3,573	85,005	21,138	34,878
	75,687	166,228	3,573	169,801	75,491	37,507
<b>Total income</b>	<b>2,338,703</b>	<b>2,236,071</b>	<b>4,842</b>	<b>2,240,913</b>	<b>1,743,073</b>	<b>1,587,084</b>
Staff costs	(589,488)	(526,935)	(2,338)	(529,273)	(429,213)	(386,694)
General administrative expenses	(495,623)	(416,253)	(1,583)	(417,836)	(362,411)	(338,490)
Depreciation and amortization expenses	(88,949)	(78,254)	(239)	(78,493)	(57,592)	(51,186)
Other expenses	(4,256)	(3,903)	-	(3,903)	(3,072)	(2,486)
<b>Total expenses</b>	<b>(1,178,316)</b>	<b>(1,025,345)</b>	<b>(4,160)</b>	<b>(1,029,505)</b>	<b>(852,288)</b>	<b>(778,856)</b>
Impairment losses and provisions for credit risk	(541,751)	(226,683)	-	(226,683)	(495,382)	(194,587)
Share of profit / (loss) of associates	6,997	1,220	-	1,220	-	-
	(534,754)	(225,463)	-	(225,463)	(495,382)	(194,587)
<b>Profit before income tax</b>	<b>625,633</b>	<b>985,263</b>	<b>682</b>	<b>985,945</b>	<b>395,403</b>	<b>613,641</b>
Income tax	(112,186)	(214,565)	(421)	(214,986)	(61,165)	(156,635)
Profit from the sale of Alpha Insurance A.E.	-	-	80,127	80,127	-	-
<b>Profit after income tax</b>	<b>513,447</b>	<b>770,698</b>	<b>80,388</b>	<b>851,086</b>	<b>334,238</b>	<b>457,006</b>
<b>Profit attributable to:</b>						
<b>Equity holders of the Bank</b>	<b>512,067</b>	<b>769,647</b>	<b>80,388</b>	<b>850,035</b>	-	-
Minority interest	1,380	1,051	-	1,051	-	-
<b>Earnings per share:</b>						
Basic (€ per share)	1.2624	1.8980	0.1983	2.0963	0.8240	1.1270
Diluted (€ per share)	1.2624	1.8946	0.1979	2.0925	0.8240	1.1250
Proposed dividend for the year 2008 (€ per share)						
Dividend for the year 2007 (€ per share)						0.9000

## ADDITIONAL DATA AND INFORMATION

- Companies included in the consolidated financial statements, other than "Alpha Bank", the Group's participation in them as at 31.12.2008, as well as the method of consolidation which was applied, is presented in note 40 of the Group Financial Statements as at 31.12.2008.
- During the period 1.1.2008 until 31.12.2008 the following changes took place in the companies included in the consolidated financial statements:
  - Concerning companies which are fully consolidated:
    - New companies: The company Astra Bank OJSC which was acquired by the Bank and the subsidiary Alpha Ventures Capital Management, established by Alpha Ventures A.E. were consolidated for the first time on 30.6.2008. The company Alpha Covered Bonds Plc, founded by the Bank and ABL Holdings Jersey Ltd, established in Jersey by Alpha Bank London Ltd, were consolidated for the first time on 30.9.2008. The company Katanalotika Plc. was consolidated for the first time on 31.12.2008.
    - Transfer within the Group: On 29.9.2008 Alpha Bank London Ltd transferred its participation in Alpha Asset Finance C.I. Ltd to ABL Holdings Jersey Ltd. On 19.12.2008 Alpha Bank transferred its participation in Alpha Astika Akinita A.E. and in Ionian Hotel Enterprises A.E. to its 100% subsidiary Alpha Group Investments Ltd.
    - Renamed companies: 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 Resorts 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 Investments B.V. was liquidated.
  - Concerning companies consolidated under the proportionate method:
    - New companies: The company Alpha - TANEO A.K.E.S., in which the Bank holds a 51% ownership interest was consolidated for the first time on 30.6.2008.
    - Sales: On 15.8.2008 the Bank sold its participation in "Anadolu Alpha Gayrimenkul Ticaret A.S.", or 50% of the share capital, to the other shareholder of Anadolu Group.
  - Concerning companies accounted for under the equity method:
    - New companies: On 21.5.2008, the Group recognized its participation to the associate E.L.P.E.T. Balkaniki S.A.
- In the consolidated financial statements are not included the companies Commercial Bank of London Ltd and Real Car Rental A.E., which do not have any activity, as well as the companies Singular Hospitality Solutions (SHS AE), HSO Europe BV and Prismatch Hellas A.E., which are fully impaired and are under liquidation.
- A description of the discontinued operations is presented in note 11 of the Group Financial Statements as at 31.12.2008.
- The net income recognized directly in equity is extensively referred at the "Statement of changes in equity", as described above.
- The unaudited tax years of the Bank and the Group companies are mentioned in notes 37b and 39b of the Financial Statements as at 31.12.2008 of the Bank and the Group respectively.
- 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 € 4.2 million. Other provisions raised by the Group and the Bank amount to € 49.1 million and € 8.4 million respectively.
- The number of treasury shares held by the Bank as at 31.12.2008 is 5,683,358 at a cost of € 68,985 thousand. The other companies of the Group do not hold any treasury shares.
- The total number of employees of the Group as at 31.12.2008 was 15,619 (31.12.2007: 12,907) and of the Bank as at 31.12.2008 was 8,903 (31.12.2007: 7,693).
- The results arising from the related party transactions during the period 1.1.2008 until 31.12.2008 are as follows:
  - With members of the Board of Directors and other key management personnel: **a)** of the Group: income € 10,295 thousand, expenses € 16,963 thousand **b)** of the Bank: income € 10,142 thousand, expenses € 7,722 thousand.
  - With other related parties: **a)** of the Group: income € 16 thousand, expenses € 3,175 thousand **b)** of the Bank: income € 712,141 thousand, expenses € 1,112,376 thousand.
- The balances as at 31.12.2008 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 € 172,472 thousand, liabilities € 94,087 thousand, letters of guarantee € 21,392 thousand **b)** of the Bank: receivables € 166,137 thousand, liabilities € 71,915 thousand, letters of guarantee € 21,392 thousand.
  - With other related parties: **a)** of the Group: liabilities € 406 thousand **b)** of the Bank: receivables € 13,315,703 thousand, liabilities € 19,715,216 thousand, letters of guarantee € 1,010,387 thousand.
- The Board of Directors, at its meeting held on 16.12.2008, decided the Bank's participation in the regulations of Law 3723/2008 enhancing economy's liquidity.
- The Board of Directors' intention was to propose a cash dividend for the year 2008, as per the provisions of Law 3723/2008. However, in light of the forthcoming legislative amendments regarding the distribution of dividend, the Board of Directors will suspend any decision on the distribution of dividend until the Annual General Meeting of Shareholders, by which time it expects to be in a position to formulate its final proposal.

Athens, 24 February 2009

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. 1 166670

MARINOS S. YANNOPOULOS  
I.D. No. N 308546

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