

ALPHA BANK



INTERIM FINANCIAL STATEMENTS AS AT 30.09.2006

(In accordance with the International Accounting Standard 34)



ATHENS
NOVEMBER 14, 2006

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General information

At present, the Bank operates under the brand name of ALPHA BANK S.A. and with the sign of ALPHA BANK. Its registered office is at 40 Stadiou Street, Athens and it is listed as a societe anonyme, with number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by a decision of the shareholders in a general meeting.

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

The term of the Board of Directors, who were elected by the shareholders' general meeting on April 19, 2005 ends in 2010. The Board of Directors, after the changes approved by the Board meeting held on 27 July 2006 (resignation of the vice-chairman Mr. Canelopoulos Andreas, who was replaced by Mr. Tanes Minas and election of Mr. Athanasopoulos Takis as a new non-executive member) consists of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non Executive 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

George E. Agouridis *

Takis J. Athanasopoulos *

Sophia G. Eleftheroudaki

Paul G. Karakostas*

Nicholaos I. Manassis **

NON-EXECUTIVE INDEPENDENT MEMBERS

Pavlos A. Apostolides **

Thanos M. Veremis

Ioannis K. Lyras **

SECRETARY

Hector P. Verykios

* Member of the Audit Committee

** Member of the Remuneration Committee

The certified auditors of the Bank are:

Principal Auditors:

Marios T. Kyriacou

Nick E. Vouniseas

Substitute Auditors:

Garyfalia B. Spyriouni

Nick Ch. Tsiboukas

of KPMG Kyriacou Certified Auditors S.A.

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

As at 30 September 2006 Alpha Bank was ranked 4th among all listed companies, in terms of market capitalization. Since February 2004 the Bank has been included in the FTSE Eurofirst 300 Index, which consists of the 300 largest European companies.

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

As at 30 September 2006 the Bank has issued 407,685,052 shares.

The Bank's continuous growth and consistent dividend policy has attracted local and foreign investors. This has increased the shares' trading volume which for the nine month period of 2006 amounted to an average of 1,031,000 shares per day.

In function held on 28 September 2006, for the celebration of 130 years from the foundation and operation of Athens Stock Exchange, Alpha Bank was awarded with the first prize, among all listed companies, as for over ¼ of the century presents continual profitability, contributes to the growth of the Greek stock exchange institution and distributes each year dividend to its shareholders for 58 years.

The credit rating of the Bank remains at a high level compared to the European standards (Standard & Poor's: BBB+, Moody's: A3, Fitch Ratings: A-) and reflects the dynamics of its operations and the positive share price prospects.

The financial statements below (pages 3 – 33) have been approved by the Board of Directors on 14 November 2006.

FINANCIAL STATEMENTS AS AT 30.9.2006

Interim income statement

	Note	(Thousands of Euro)			
		From 1 January to		From 1 July to	
		30.9.2006	30.9.2005	30.9.2006	30.9.2005
Interest and similar income		1,735,732	1,153,861	626,084	409,235
Interest expense and similar charges		<u>(883,258)</u>	<u>(435,628)</u>	<u>(335,936)</u>	<u>(158,708)</u>
Net interest income	2	852,474	718,233	290,148	250,527
Fee and commission income		227,451	196,047	83,005	71,234
Commission expense		<u>(16,123)</u>	<u>(16,329)</u>	<u>(7,227)</u>	<u>(6,683)</u>
Net fee and commission income	3	211,328	179,718	75,778	64,551
Dividend income	4	37,685	59,612	-	3
Gains less losses on financial transactions	5	26,216	(2,170)	573	6,081
Other income	6	<u>10,418</u>	<u>19,321</u>	<u>3,835</u>	<u>3,411</u>
		74,319	76,763	4,408	9,495
Total income		1,138,121	974,714	370,334	324,573
Staff costs	7	(271,414)	(259,364)	(89,394)	(85,866)
General administrative expenses	8	(197,354)	(173,845)	(65,714)	(61,242)
Depreciation and amortization expenses	15,16,17	(29,617)	(27,992)	(9,930)	(9,086)
Other expenses		<u>(1,163)</u>	<u>(210)</u>	<u>(402)</u>	<u>(140)</u>
Total expenses		(499,548)	(461,411)	(165,440)	(156,334)
Impairment losses and provisions to cover credit risk	9	<u>(165,390)</u>	<u>(171,701)</u>	<u>(49,736)</u>	<u>(55,966)</u>
Profit before taxes		473,183	341,602	155,158	112,273
Income tax	10	<u>(104,032)</u>	<u>(58,356)</u>	<u>(36,055)</u>	<u>(24,207)</u>
Profit after taxes		<u>369,151</u>	<u>283,246</u>	<u>119,103</u>	<u>88,066</u>
Earnings per share:	11				
Basic (€)		0.94	0.70	0.31	0.22
Diluted (€)		0.94	0.70	0.30	0.22

The attached notes (pages 9 to 33) form an integral part of these interim financial statements.

Interim balance sheet

(Thousands of Euro)

	Note	30.9.2006	31.12.2005
ASSETS			
Cash and balances with Central Banks	12	974,929	1,621,172
Due from banks		5,493,971	5,673,393
Securities held for trading		275,992	153,587
Derivative financial assets		182,930	139,114
Loans and advances to customers	13	27,460,233	24,201,139
Investment securities			
-Available for sale		8,019,184	7,561,491
Investments in subsidiaries and associates	14	1,512,609	1,481,979
Investment property	15	42,947	43,245
Property, plant and equipment	16	538,190	529,511
Goodwill and other intangible assets	17	36,660	33,016
Deferred tax assets	18	248,227	177,936
Other assets		205,479	143,414
		<u>44,991,351</u>	<u>41,758,997</u>
Non-current assets held for sale	19	90,520	90,249
Total Assets		<u>45,081,871</u>	<u>41,849,246</u>
LIABILITIES			
Due to banks		7,388,207	8,600,366
Derivative financial liabilities		169,580	140,632
Due to customers	20	20,596,757	19,301,646
Debt securities in issue and other borrowed funds	21	13,536,157	10,665,761
Liabilities for current income tax and other taxes		81,867	87,699
Deferred tax liabilities	18	110,034	19,517
Employee defined benefit obligations		513,096	513,797
Other liabilities		781,750	566,763
Provisions		17,469	1,628
Total Liabilities		<u>43,194,917</u>	<u>39,897,809</u>
EQUITY			
Share Capital	22	1,589,972	1,456,018
Share premium		125,685	125,685
Reserves		212,201	220,423
Retained earnings	22	297,504	337,439
Treasury shares	22	(338,408)	(188,128)
Total Equity		<u>1,886,954</u>	<u>1,951,437</u>
Total Liabilities and Equity		<u>45,081,871</u>	<u>41,849,246</u>

The attached notes (pages 9 to 33) 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
Balance 1.1.2005	1,274,272		264,835	291,548	(18,638)	1,812,017
Changes in equity for the period 1.1-30.9.2005						
Valuation on available for sale securities	-	-	1,950	-	-	1,950
Transfer to income statement due to sales of available for sale securities	-	-	(249)	-	-	(249)
Other	-	-	-	402	-	402
Net income recognized directly in equity	-	-	1,701	402	-	2,103
Profit for the period	-	-	-	283,246	-	283,246
Total	-	-	1,701	283,648	-	285,349
Purchase of treasury shares	-	-	-	-	(113,587)	(113,587)
Dividends distributed	-	-	-	(174,064)	-	(174,064)
Increase of share capital from capitalization of reserve and change of nominal value of share to € 5	157,735	-	-	(157,735)	-	-
Acquisition of 61.24% of Delta Singular A.E.P. with issuance of 7,564,106 shares	23,449	125,685	-	-	-	149,134
Capitalization of reserve to round the nominal share price to € 5.35	562	-	-	(562)	-	-
Amortization of initial share options valuation granted to employees	-	-	1,722	-	-	1,722
Balance 30.9.2005	1,456,018	125,685	268,258	242,835	(132,225)	1,960,571

	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
Balance 1.10.2005	1,456,018	125,685	268,258	242,835	(132,225)	1,960,571
Changes in equity for the period 1.10-31.12.2005						
Valuation on available for sale securities	-	-	(46,886)	-	-	(46,886)
Transfer to income statement due to sales of available for sale securities	-	-	(1,472)	-	-	(1,472)
Other	-	-	-	(20)	-	(20)
Net income recognized directly in equity	-	-	(48,358)	(20)	-	(48,378)
Profit for the period	-	-	-	94,624	-	94,624
Total	-	-	(48,358)	94,604	-	46,246
Purchase of treasury shares	-	-	-	-	(55,903)	(55,903)
Amortization of initial share options valuation granted to employees	-	-	523	-	-	523
Balance 31.12.2005	<u>1,456,018</u>	<u>125,685</u>	<u>220,423</u>	<u>337,439</u>	<u>(188,128)</u>	<u>1,951,437</u>

	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
Balance 1.1.2006	1,456,018	125,685	220,423	337,439	(188,128)	1,951,437
Changes in equity for the period 1.1.-30.9.2006						
Valuation on available for sale securities	-	-	(27,155)	-	-	(27,155)
Transfer to income statement due to sales of available for sale securities	-	-	(22,666)	-	-	(22,666)
Net income recognized directly in equity	-	-	(49,821)	-	-	(49,821)
Profit for the period	-	-	-	369,151	-	369,151
Total	-	-	(49,821)	369,151	-	319,330
Purchase of treasury shares	-	-	-	-	(150,280)	(150,280)
Dividends distributed	-	-	-	(237,556)	-	(237,556)
Increase of share capital from capitalization of reserve and change of nominal value of share to € 3.90	133,954	-	-	(133,954)	-	-
Reserves	-	-	37,780	(37,780)	-	-
Amortization of initial share options valuation granted to employees	-	-	3,819	-	-	3,819
Other	-	-	-	204	-	204
Balance 30.9.2006	<u>1,589,972</u>	<u>125,685</u>	<u>212,201</u>	<u>297,504</u>	<u>(338,408)</u>	<u>1,886,954</u>

The attached notes (pages 9 to 33) form an integral part of these interim financial statements.

Interim cash flow statement

	Note	(Thousands of Euro)	
		From 1 January to	
		30.9.2006	30.9.2005
Cash flows from operating activities			
Profit before taxes		473,183	341,602
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	15,16	19,670	20,381
Amortization of intangible assets	17	9,947	7,611
Impairment losses and provisions		167,829	174,349
Other adjustments		56,352	1,722
(Gains) / losses from investing activities		(70,192)	(60,075)
(Gains) / losses from financing activities		71,824	59,321
		<u>728,613</u>	<u>544,911</u>
<i>Net (increase) / decrease in assets relating to operating activities:</i>			
Due from banks		(444,535)	195,526
Securities held for trading and derivative financial assets		(166,221)	(200,520)
Loans and advances to customers		(3,521,699)	(3,351,006)
Other assets		(63,053)	(48,702)
<i>Net increase / (decrease) in liabilities relating to operating activities</i>			
Due to banks		(1,214,102)	4,704,345
Derivative financial liabilities		28,947	(58,095)
Due to customers		4,178,140	1,997,156
Other liabilities		198,133	196,017
<i>Net cash flows from operating activities before taxes</i>		(275,777)	3,979,632
Income and other taxes paid		(81,437)	(123,440)
Net cash flows from operating activities		(357,214)	3,856,192
Cash flows from investing activities			
Acquisitions of subsidiaries and associates		(10,808)	(258,352)
Proceeds from sale of investments (subsidiaries and associates)		7,914	59
Dividends received	4	37,685	59,612
Purchase of property, plant and equipment	15,16,17	(53,312)	(29,129)
Merger of Belgrade Branch with Alpha Bank AD Beograd		(48,125)	-
Disposal of property, plant and equipment		5,654	120
Net (increase) / decrease in investment securities		(480,148)	(2,993,100)
Net cash flows from investing activities		(541,140)	(3,220,790)
Cash flows from financing activities			
Purchases/sales of treasury shares		(144,700)	(113,587)
Dividends paid		(234,707)	(170,270)
Proceeds from the issue of loans		-	805,000
Repayment of loans		(79,430)	(128,347)
Net cash flows from financing activities		(458,837)	392,796
Effect of exchange rate fluctuations on cash and cash equivalents		845	1,049
Net increase / (decrease) in cash and cash equivalents		(1,356,346)	1,029,247
Cash and cash equivalents at beginning of the period	12	5,083,955	5,392,022
Cash and cash equivalents at end of the period	12	3,727,609	6,421,269

The attached notes (pages 9 to 33) form an integral part of these interim financial statements.

Notes to the interim financial statements

Accounting principles applied

1. Basis of presentation

The Bank has prepared the condensed interim financial statements as at 30.9.2006 in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The accounting policies applied by the Bank in these condensed interim financial statements as at 30 September 2006 are the same as those applied by the Bank in its published financial statements for the year ended 31 December 2005, taking into consideration the new standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union, which are effective for accounting periods beginning on or after 1.1.2006:

1.1 IAS 19 (amendment), «Employee Benefits» (Rule 1910/8.11.2005)

The amendment of IAS 19 introduces the option of an alternative recognition approach for actuarial gains and losses of some benefit plans.

It allows the total recognition of actuarial gains and losses directly in equity. It also clarifies the way the companies must include defined benefit obligations to their financial statements and it imposes the disclosure of additional information.

The Bank has not changed the accounting policies relating to the recognition of defined benefit obligations.

1.2 Amendment IAS 39, Fair Value option (Rule 1864/15.11.2005)

According to the above amendment, under certain circumstances, the Bank has the ability to designate financial instruments upon initial recognition, to be measured at fair value, with changes in fair value recognized in profit and loss (fair value option).

The Bank did not use the above option at the present financial statements.

1.3 IAS 39 (amendment), Recognition and Valuation of financial instruments (Rule 2106/21.12.2005)

According to this amendment, it permits the entities to designate, under certain circumstances, forecast intragroup transactions denominated in foreign currency, as the hedged instrument in the Group's financial statements.

As at 30.9.2006, no forecast intragroup transactions had occurred which could be recognized as hedged instruments.

1.4 IAS 39 and IFRS 4 (amendment), Financial Guarantee Contracts (Rule 108/27.1.2006)

The main objective of these amendments is to ensure that the issuers of financial guarantee contracts include the obligations on their balance sheet. Particularly, the issuer of such contract must initially recognize it at its fair value (except it is considered as an insurance contract) and subsequently to measure it at the higher of:

(i) the amount arising from the principles of IAS 37 relating to provisions.

and

(ii) the amount initially recognized, reduced by the amount that has been already recognized as revenue, according to IAS 18, for revenue recognition.

This amendment did not have a significant effect on the Bank's financial statements.

1.5 Amendment in IAS 21, concerning the effects of exchange prices variation (Rule 708/8.5.2006)

This amendment allows the direct recognition of the foreign exchange differences in equity. These exchange differences result from monetary assets, which consist part of the net investment in foreign currency, even if these monetary assets are presented in different currency from the functional currency of the counterparties of the Group.

On 30.9.2006 no monetary assets consisting part of a net investment in foreign currency existed.

Interpretation 4 *«Determining whether an Arrangement contains a Lease»*,

Interpretation 5 *«Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds» (Rule 1910/8.11.2005).*

Interpretation 6 *«Liabilities arising from participating in a Specific Market – Waste Electrical and Electronic Equipment» (Rule 108/27.1.2006)*

Interpretation 8 and 9 «Scope of IFRS 2» and «Reassessment of embedded derivatives» (Rule 1329/8.9.2006)

The adoption of interpretations 4, 5, 6, 8 and 9 resulted in no substantial effect on the Bank's financial statements.

Apart from the amendments of the Standards and the new interpretations stated above, the European Union, on 27.1.2006, adopted, through rule 108/2006, the International Financial Reporting Standard 7 «Financial instruments: Disclosures», as well as the changes that it has imposed to other Standards.

IFRS 7 and the amendments that it imposes on other standards are effective for accounting periods beginning on or after 1.1.2007 and they are expected to affect significantly the disclosure requirements concerning financial instruments.

In addition from 8.5.2006, through 708/2006 regulation, interpretation 7, «Applying the restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies» was adopted, which is not expected to have a substantial effect on the financial statements of the Bank.

Finally, IASB has issued interpretation 10 which is effective for annual periods beginning after 1.11.2006 and it has not been adopted, yet, by the European Union. Its application will not have a significant impact on the financial statements of the Bank.

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

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

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

The adoption by the European Union, by 31 December 2006, of new standards, interpretations or amendments issued by the International Accounting Standards Board (IASB) and their mandatory or voluntary adoption after 1 January 2006, may retrospectively affect the period that these interim financial statements cover.

Income Statement

2. Net interest income

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Due from Banks	84,222	114,316	24,760	36,738
Securities	195,429	64,986	69,570	26,074
Loans and advances to customers	1,264,805	965,543	455,925	343,039
Due to Banks	(154,760)	(64,614)	(57,813)	(26,148)
Due to Customers	(178,998)	(129,942)	(66,908)	(45,797)
Debt securities in issue and other borrowed funds	(302,481)	(189,709)	(115,186)	(69,828)
Other	(55,743)	(42,347)	(20,200)	(13,551)
Total	852,474	718,233	290,148	250,527

3. Net fee and commission income

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Loans	39,382	29,390	14,836	10,914
Letters of guarantee	25,039	23,620	8,403	8,093
Imports-Exports	13,666	13,911	4,011	4,765
Credit Cards	32,199	29,241	13,306	11,118
Fund transfers	44,478	45,912	14,572	16,008
Mutual Funds	31,782	20,652	9,288	7,878
Management and advisory fees	5,481	5,705	1,137	1,353
Other	19,301	11,287	10,225	4,422
Total	211,328	179,718	75,778	64,551

4. Dividend income

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Subsidiaries and associates	35,870	57,819	-	1
Available-for-sale securities	1,815	1,793	-	2
Total	37,685	59,612	-	3

5. Gains less losses on financial transactions

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Foreign exchange differences	13,472	1,759	3,571	3,828
Bonds	(5,981)	(13,449)	(2,543)	(1,945)
Shares	20,839	4,367	7,745	916
Other financial instruments	(2,114)	5,153	(8,200)	3,282
Total	26,216	(2,170)	573	6,081

6. Other income

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Rental income	2,213	2,090	747	711
Sale of fixed assets	2,132	2,534	889	1,756
Insurance indemnities	337	509	236	67
Secondment of personnel to group companies	1,652	1,590	444	452
Goodwill from merger with Delta Singular A.E.P.	-	7,695	-	-
Other	4,084	4,903	1,519	425
Total	10,418	19,321	3,835	3,411

7. Staff costs

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Wages and salaries	170,490	160,387	56,658	53,362
Social Security contributions	51,305	50,973	16,459	17,555
Expenses of defined benefit plans	34,500	33,123	11,500	11,041
Other	15,119	14,881	4,777	3,908
Total	271,414	259,364	89,394	85,866

As at 30.9.2006 staff costs include € 3,819 (30.9.2005: € 1,722) that relate to the amortization of initial share options valuation granted to employees.

The total employees of the Bank as at 30.9.2006 were 7,271 (30.9.2005: 7,143), of which 6,910 (30.9.2005: 6,952) are employed in Greece and 361 (30.9.2005: 191) are employed abroad.

8. General administrative expenses

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Rent of buildings	17,340	15,790	6,108	5,390
Rent and maintenance of EDP equipment	12,156	11,074	4,161	3,138
EDP expenses	25,959	21,892	8,848	7,712
Marketing and advertisement expenses	18,947	18,181	4,413	7,967
Telecommunications and postage	15,039	13,022	5,237	4,131
Third party fees	13,024	11,477	4,588	4,174
Consultants fees	6,107	5,104	2,415	1,723
Contribution to Deposit Guarantee Fund	7,804	7,262	2,761	2,324
Insurance	5,725	6,756	1,753	2,264
Consumables	3,227	3,111	685	1,157
Electricity	3,718	3,363	1,463	1,320
Taxes (VAT, real estate etc)	22,388	19,145	7,339	6,060
Repairs of buildings and equipment	2,825	2,636	955	864
Cleaning fees	1,642	1,657	558	552
Security	3,364	3,033	1,456	1,152
Transportation	2,490	2,558	817	859
Agency fees	5,199	3,366	510	1,307
Other	30,400	24,418	11,647	9,148
Total	197,354	173,845	65,714	61,242

9. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Impairment on loans and advances	151,575	174,251	49,843	56,659
Provisions to cover credit risk from off balance sheet items	14,946	-	-	-
Recoveries	(1,131)	(2,550)	(107)	(693)
Total	165,390	171,701	49,736	55,966

10. Income tax

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 32% for 2005, 29% for 2006 and 25% for 2007 and thereafter.

In addition, in accordance with article 9 of Law 2992/2002, the tax rate for entities that have concluded mergers is reduced by 10% and 5%. This reduced rate is applicable on the profits declared for the first and second fiscal year after the completion of the merger respectively, on the condition that the entities were not related from 1.1.1997 up to 20.3.2002. For entities that were related up to 31.12.1996 the reduction of the tax rate amounts to 5% for each year.

Based on the above, the 2005 profit of the Bank was taxed at the rate of 22% and the 2006 profit will be taxed with 24% due to the merger with Delta Singular A.E.P., a listed company, which was not related with the Bank before 1.1.1997.

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

Income tax

Income tax is analyzed as follows:

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Current tax	83,806	48,730	26,722	19,889
Deferred tax	20,226	9,626	9,333	4,318
Total	104,032	58,356	36,055	24,207

The difference of income tax in the comparative periods is due to the increased profit for the period 1.1 – 30.9.2006, the decrease of non taxable income (dividends) and the change of tax rate as mentioned above.

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

	From 1 January to		From 1 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Amortization and write-offs of fixed assets	6,883	8,423	2,332	2,973
Loans and advances	5,607	2,187	15,599	3,560
Employee defined benefit obligations	369	598	131	194
Valuation of derivatives	8,232	(8,572)	(1,448)	(7,494)
Amortization of transaction costs and fees of financial instruments	811	1,305	391	454
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(1,568)	5,726	(8,444)	4,696
Other temporary differences	(108)	(41)	772	(65)
Total	20,226	9,626	9,333	4,318

11. Earnings per share

Basic earnings per share:

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 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Profit attributable to shareholders (in € thousand)	369,151	283,246	119,103	88,066
Weighted average number of outstanding ordinary shares	393,326,333	402,189,497	389,554,901	402,415,877
Basic earnings per share (in € per share)	0.94	0.70	0.31	0.22

Diluted earnings per share:

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 has a single category of dilutive potential ordinary shares resulting from a share options program.

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.

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 July to	
	30.9.2006	30.9.2005	30.9.2006	30.9.2005
Profit attributable to shareholders (in € thousand)	369,151	283,246	119,103	88,066
Weighted average number of outstanding ordinary shares	393,326,333	402,189,497	389,554,901	402,415,877
Adjustment for share options	983,702	550,066	1,010,221	577,997
Weighted average number of outstanding ordinary shares for diluted earnings per share	394,310,035	402,739,563	390,565,122	402,993,874
Diluted earnings per share (in € per share)	0.94	0.70	0.30	0.22

Basic and diluted earnings per share, for the period from 1 January 2005 to 30 September 2005 have been restated in order to be comparative, due to distribution of additional shares from the capitalization of reserve on 3 May 2006, in accordance with the decision of the Shareholders' Meeting on 18 April 2006.

Assets

12. Cash and balances with Central Banks

	30.9.2006	31.12.2005
Cash	196,957	271,373
Cheques receivable	39,159	40,734
Balances with Central Banks	738,813	1,309,065
Total	974,929	1,621,172
Of which mandatory deposits with Central Banks:	458,592	821,890

Cash and cash equivalents (as presented for the purposes of the cash flow statement)

	30.9.2006	31.12.2005
Cash and balances with Central Banks	516,337	799,282
Sale and repurchase agreements (Reverse Repos)	389,249	2,148,476
Short-term placements with other banks	2,822,023	2,136,197
Total	3,727,609	5,083,955

Cash and cash equivalents, as presented in the cash flow statement for the period from 1 January 2005 to 30 September 2005 have been restated in order to be comparative with the respective figures from the period 1/1-30/9/2006, as mandatory deposits with Central Banks are not included in the calculation of cash and cash equivalents.

Due to the merger of Alpha Bank Belgrade Branch with the subsidiary Alpha Bank A.D. Beograd (note 27, par. e) in May 2006, cash and cash equivalent have been reduced by an amount of € 48,125.

13. Loans and advances to customers

	30.9.2006	31.12.2005
<i>Individuals:</i>		
Mortgages	7,723,829	6,616,104
Consumer	2,103,683	1,736,453
Credit cards	913,367	863,798
Other	153,084	161,195
	10,893,963	9,377,550
<i>Companies:</i>		
Loans	17,286,268	15,440,322
	17,286,268	15,440,322
Other receivables	209,539	206,244
	28,389,770	25,024,116
Allowance for impairment losses	(929,537)	(822,977)
Total	27,460,233	24,201,139

* In addition to the provision made for impairment on loans and advances, an additional provision of € 14,946 has been made for the nine month period of 2006 to cover credit risk relating to off balance sheet items. The total provision recorded to cover credit risk amounts to € 944,483.

Allowance for impairment losses

Balance 1.1.2005	621,120
Exchange differences	(184)
Impairment on loans and advances (note 9)	174,251
Provision from merger with Delta Singular A.E.P.	7,566
Loans written-off during the period	(13,129)
Balance 30.9.2005	789,624
Exchange differences	(2)
Impairment on loans and advances	60,331
Loans written-off during the period	(26,976)
Balance 31.12.2005	822,977
Exchange differences	(91)
Impairment on loans and advances (note 9)	151,575
Decrease due to merger of Belgrade Branch with Alpha Bank A.D. Beograd (note 27 par. e)	(3,180)
Unwinding of the discount of allowance	52,533
Loans written-off during the period	(94,277)
Balance 30.9.2006	929,537

14. Investments in subsidiaries and associates

	1.1-30.9.2006	1.10-31.12.2005	1.1-30.9.2005
Subsidiaries			
Beginning balance	1,471,394	1,479,482	1,221,616
Additions	32,499 ⁽¹⁾	711	257,911
Disposals	(3,371) ⁽²⁾	(6,704)	(45)
Valuation of subsidiaries fair value hedge	1,444 ⁽⁴⁾	-	-
Transfer to non-current assets held for sale	-	(1,755)	-
Impairment	-	(340)	-
Ending balance	1,501,966	1,471,394	1,479,482
Associates			
Beginning balance	10,463	10,463	110,082
Additions	1,236	-	977
Disposals	(1,178) ⁽³⁾	-	(100,336)
Impairment	-	-	(260)
Ending balance	10,521	10,463	10,463
Joint Ventures			
Beginning balance	122	122	50
Additions	-	-	72
Ending balance	122	122	122
Total	1,512,609	1,481,979	1,490,067

Additions of investments represent shares purchases, participation in share capital increases and issuances of shares due to mergers.

Disposals of investments represent sales of shares, repayment of capital and liquidation of companies.

- (1) The following amounts are included to:
 - € 3,230 share purchases of Ionian Hotel Enterprise
 - € 4,820 share purchases of Alpha Astika Akinita A.E.
 - € 24,351 increase of investment to subsidiary Jubanka A.D. due to the merger with Bank's Belgrade Branch. As at 1.6.2006 Jubanka A.D. was renamed to Alpha Bank A.D. Beograd and as at 9.10.2006 to Alpha Bank Srbija A.D.
- (2) The amount of € 3,371 refers to the sale of Alpha Private Investment Services A.E.P.E.Y. (note 27, paragr. a).
- (3) It includes an amount of:
 - € 436 referring to the sale of Lesvos Tourist Company A.E. (note 27, paragr. c).
 - € 742 referring to capital repayment from ALC Nouvelle Investments Ltd.
- (4) From the second quarter of the current fiscal year the Bank uses FX SWAPS to hedge the foreign exchange risk of the investment in Alpha bank London.

Summary Financial information Subsidiaries and Associates

a. Subsidiaries

Name	Country of incorporation	Balances 30.9.2006			Turnover	Profit/(loss)	Ownership
		Assets	Equity	Liabilities	1.1-30.9.2006	before tax 1.1-30.9.2006	interest % 30.9.2006
BANKS							
1. Alpha Bank London Ltd	United Kingdom	668,693	93,601	575,092	22,769	2,846	100.00
2. Alpha Bank Ltd	Cyprus	3,035,883	236,328	2,799,555	132,338	30,158	100.00
3. Alpha Bank Romania S.A.	Romania	1,895,043	205,688	1,689,355	93,228	25,289	99.44
4. Alpha Bank AD Skopje	FYROM	82,039	24,588	57,451	4,730	2,038	100.00
5. Alpha Bank A.D. Beograd	Serbia	461,838	125,095	336,743	25,729	(1,847)	99.99
LEASING/ FACTORING COMPANIES							
1. Alpha Leasing A.E.	Greece	921,270	276,435	644,835	38,669	11,032	92.24
2. Alpha Leasing Romania S.A.	Romania	74,644	10,657	63,987	5,671	1,765	62.94
3. ABC Factors A.E.	Greece	321,396	58,642	262,754	18,474	6,078	100.00
INVESTMENT BANKING							
1. Alpha Finance A.X.E.P.E.Y.	Greece	162,992	47,648	115,344	30,487	9,323	99.62
2. Alpha Finance US Corporation	U.S.A.	878	860	18	728	(286)	100.00
3. Alpha Finance Romania S.A.	Romania	3,818	2,219	1,599	1,058	107	45.68
4. Alpha Ventures	Greece	25,772	25,505	267	389	(229)	99.42
ASSET MANAGEMENT							
1. Alpha Asset Management AEDAK	Greece	53,424	39,544	13,880	50,664	11,887	85.21
INSURANCE							
1. Alpha Insurance A.E.	Greece	411,325	76,728	334,597	130,947	11,047	99.56
2. Alpha Insurance Agents A.E.	Greece	5,458	4,126	1,332	4,654	4,627	100.00
OTHER COMPANIES							
1. Alpha Astika Akinita A.E.	Greece	110,670	107,192	3,478	12,282	6,262	66.09
2. Alpha Group Jersey Ltd	Jersey	923,881	293	923,588	39,546	117	100.00
3. Ionian Hotel Enterprises A.E.	Greece	252,959	103,287	149,672	36,109	1,808	92.69
4. Ionian Holding A.E.	Greece	344,478	344,374	104	2,045	1,925	100.00
5. Oceanos A.T.O.E.E.	Greece	22,201	17,951	4,250	1,113	680	100.00
6. Alpha Credit Group Plc	United Kingdom	13,589,323	23,852	13,565,471	302,225	11,427	100.00
7. Messana Holdings S.A.	Luxembourg	138	79	59	4	(8)	99.00
8. Kafe Mazi A.E.	Greece	151	99	52	149	10	100.00
9. Evremethea A.E.	Greece	1,282	86	1,196	1,156	(4)	100.00

b. Associates

Name	Country of incorporation	Equity	Profit/(loss) before tax 1.1-30.9.2006	Ownership interest % 30.9.2006
1. A.L.C.Novelle Investments Ltd.	Cyprus	13,317	197	33.33
2. Icap A.E.	Greece	19,555	1,830	26.96
3. Evisak A.E.	Greece	2,937	32	27.00
4. Gaiognomon A.E. (under liquidation)	Greece	1,212	(2)	20.00
5. AEDEP Thessalias and Stereas Ellados	Greece	147	-	50.00

c. Joint Ventures

1. Cardlink A.E.	Greece	289	227	50.00
2. APE Fixed Assets A.E.	Greece	24	(10)	60.10
3. APE Commercial Property A.E.	Greece	24	(11)	60.10

Where amounts are not mentioned the respective balances are immaterial.

15. Investment property

	Land and buildings
Balance 1.1.2005	
Cost	49,520
Accumulated Depreciation	<u>(5,973)</u>
Net Book Value 1.1.2005	<u><u>43,547</u></u>
<hr/>	
1.1.2005-30.9.2005	
Net Book Value 1.1.2005	43,547
Additions	101
Additions from merger with Delta Singular A.E.P.	36,546
Accumulated depreciation from merger with Delta Singular A.E.P.	(2,940)
Reclassification to non-current assets held for sale	(33,463)
<i>a) Cost</i>	(36,591)
<i>b) Accumulated depreciation</i>	3,128
Depreciation charge for the period	<u>(488)</u>
Net Book Value 30.9.2005	<u><u>43,303</u></u>
<hr/>	
Balance 30.9.2005	
Cost	49,576
Accumulated Depreciation	(6,273)
<hr/>	
1.10.2005-31.12.2005	
Net Book Value 1.10.2005	43,303
Additions	42
Depreciation charge for the period	<u>(100)</u>
Net book value 31.12.2005	<u><u>43,245</u></u>
<hr/>	
Balance 31.12.2005	
Cost	49,618
Accumulated Depreciation	(6,373)
<hr/>	
1.1.2006-30.9.2006	
Net Book Value 1.1.2006	43,245
Additions	3
Depreciation charge for the period	<u>(301)</u>
Net Book Value 30.9.2006	<u><u>42,947</u></u>
<hr/>	
Balance 30.9.2006	
Cost	49,621
Accumulated Depreciation	(6,674)

16. Property, plant and equipment

	Land and Buildings	Leased Equipment	Equipment	Total
Balance 1.1.2005				
Cost	638,891	8,406	221,442	868,739
Accumulated depreciation	(143,739)	(8,292)	(188,860)	(340,891)
Net Book Value 1.1.2005	495,152	114	32,582	527,848
1.1.2005-30.9.2005				
Net book value 1.1.2005	495,152	114	32,582	527,848
Additions	5,629	-	15,634	21,263
Additions from merger with Delta Singular A.E.P.	-	800	2,093	2,893
Accumulated depreciation from merger with Delta Singular A.E.P.	-	(270)	(1,902)	(2,172)
Foreign exchange differences	(102)	-	(11)	(113)
<i>a) Cost</i>	(101)	-	(18)	(119)
<i>b) Accumulated depreciation</i>	(1)	-	7	6
Disposals	(406)	-	(787)	(1,193)
<i>a) Cost</i>	(1,186)	-	(3,380)	(4,566)
<i>b) Accumulated depreciation</i>	780	-	2,593	3,373
Reclassification from non-current assets held for sale	1,703	-	-	1,703
<i>a) Cost</i>	1,928	-	-	1,928
<i>b) Accumulated depreciation</i>	(225)	-	-	(225)
Transfer to other category	(5)	-	5	-
<i>a) Cost</i>	(319)	-	319	-
<i>b) Accumulated depreciation</i>	314	-	(314)	-
Depreciation charge for the period	(8,901)	(262)	(10,730)	(19,893)
Net Book Value 30.9.2005	493,070	382	36,884	530,336
Balance 30.9.2005				
Cost	644,842	9,206	236,090	890,138
Accumulated Depreciation	(151,772)	(8,824)	(199,206)	(359,802)
1.10.2005-31.12.2005				
Net Book Value 1.10.2005	493,070	382	36,884	530,336
Additions	3,062	-	3,108	6,170
Foreign exchange differences	(18)	-	-	(18)
<i>a) Cost</i>	(14)	-	4	(10)
<i>b) Accumulated depreciation</i>	(4)	-	(4)	(8)
Disposals	(97)	-	(84)	(181)
<i>a) Cost</i>	(151)	-	(506)	(657)
<i>b) Accumulated depreciation</i>	54	-	422	476
Transfer to other category	-	-	-	-
<i>a) Cost</i>	-	(7,996)	7,996	-
<i>b) Accumulated depreciation</i>	-	7,996	(7,996)	-
Depreciation charge for the period	(3,192)	(62)	(3,542)	(6,796)
Net book value 31.12.2005	492,825	320	36,366	529,511
Balance 31.12.2005				
Cost	647,739	1,210	246,692	895,641
Accumulated depreciation	(154,914)	(890)	(210,326)	(366,130)

	Land and Buildings	Leased equipment	Equipment	Total
1.1.2006-30.9.2006				
Net Book Value 1.1.2006	492,825	320	36,366	529,511
Additions	14,260	-	20,497	34,757
Foreign exchange differences	(8)	-	(2)	(10)
<i>a) Cost</i>	(11)	-	(6)	(17)
<i>b) Accumulated depreciation</i>	3	-	4	7
Disposals ⁽¹⁾	(6,208)	-	(559)	(6,767)
<i>a) Cost</i>	(6,642)	-	(2,085)	(8,727)
<i>b) Accumulated depreciation</i>	434	-	1,526	1,960
Transfer to other category	-	-	-	-
<i>a) Cost</i>	-	(68)	68	-
<i>b) Accumulated depreciation</i>	-	68	(68)	-
Depreciation charge for the period ⁽²⁾	(9,301)	(90)	(9,910)	(19,301)
Net book value 30.9.2006	<u>491,568</u>	<u>230</u>	<u>46,392</u>	<u>538,190</u>
Balance 30.9.2006				
Cost	655,346	1,142	265,166	921,654
Accumulated depreciation	(163,778)	(912)	(218,774)	(383,464)

⁽¹⁾ Disposals include an amount of € 6,134 referring to property, plant and equipment of Belgrade Branch merged in May 2006 with Alpha Bank A.D. Beograd.

⁽²⁾ For the reason mentioned above, depreciation charge for the period does not include depreciation for 1.1 – 31.5.2006 of Belgrade Branch amounted to € 68.

17. Goodwill and other intangible assets

Only software is included in this category.

Balance 1.1.2005	
Cost	83,954
Accumulated amortization	(60,845)
Net Book Value 1.1.2005	<u>23,109</u>
1.1.2005-30.9.2005	
Net book Value 1.1.2005	23,109
Additions	7,765
Additions from merger with Delta Singular A.E.P.	620
Accumulated amortization from merger with Delta Singular A.E.P.	(381)
Amortization charge for the period	(7,611)
Net Book Value 30.9.2005	<u>23,502</u>
Balance 30.9.2005	
Cost	92,339
Accumulated amortization	(68,837)
1.10.2005-31.12.2005	
Net Book Value 1.10.2005	23,502
Additions	11,803
Amortization charge for the period	(2,289)
Net Book Value 31.12.2005	<u>33,016</u>
Balance 31.12.2005	
Cost	104,142
Accumulated amortization	(71,126)

1.1.2006-30.9.2006	
Net Book Value 1.1.2006	33,016
Additions	13,642
Foreign exchange differences	(2)
<i>a) Cost</i>	(2)
<i>b) Accumulated amortization</i>	-
Disposals	(49)
<i>a) Cost</i>	(63)
<i>b) Accumulated amortization</i>	14
Amortization charge for the period	(9,947)
Net Book Value 30.9.2006	<u>36,660</u>
Balance 30.9.2006	
Cost	117,719
Accumulated amortization	(81,059)

18. Deferred tax assets and liabilities

	30.9.2006	31.12.2005
Deferred tax assets	248,227	177,936
Deferred tax liabilities	(110,034)	(19,517)
Total	<u>138,193</u>	<u>158,419</u>

	1.1.2005-30.9.2005					
	Recognition in					
	Income statement		Equity			
	Balance				Balance	
	1.1.2005	Assets	Liabilities	Assets	Liabilities	30.9.2005
Depreciation	36,297	-	(8,423)	387	-	28,261
Loans and advances	238	1,305	(3,492)	1,640	-	(309)
Valuation of derivative financial instruments	429	8,772	(200)	-	-	9,001
Other provisions	88	54	(13)	-	(20)	109
Amortization of transaction costs and fees of financial instruments	6,180	138	(1,443)	-	-	4,875
Employee defined benefit obligations	127,585	-	(598)	-	-	126,987
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(233)	-	(5,726)	-	-	(5,959)
Total	<u>170,584</u>	<u>10,269</u>	<u>(19,895)</u>	<u>2,027</u>	<u>(20)</u>	<u>162,965</u>

	1.10.2005-31.12.2005					Balance 31.12.2005
	Recognition in				Balance 1.10.2005	
	Income statement		Equity			
	Assets	Liabilities	Assets	Liabilities		
Depreciation	28,261	-	(3,303)	-	-	24,958
Loans and advances	(309)	4,082	(1,666)	-	-	2,107
Valuation of derivative financial instruments	9,001	-	(3,623)	-	-	5,378
Other provisions	109	-	(22)	-	-	87
Amortization of transaction costs and fees of financial instruments	4,875	28	(553)	-	-	4,350
Employee defined benefit obligations	126,987	118	(619)	-	-	126,486
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(5,959)	-	1,012	-	-	(4,947)
Total	162,965	4,228	(8,774)	-	-	158,419

	1.1.2006-30.9.2006					Balance 30.9.2006
	Recognition in				Balance 1.1.2006	
	Income statement		Equity			
	Assets	Liabilities	Assets	Liabilities		
Depreciation	24,958	102	(6,984)	-	-	18,076
Loans and advances	2,107	36,321	(41,929)	-	-	(3,501)
Valuation of derivative financial instruments	5,378	6,466	(14,698)	-	-	(2,854)
Other provisions	87	1,519	(1,411)	-	-	195
Amortization of transaction costs and fees of financial instruments	4,350	4,825	(5,636)	-	-	3,539
Employee defined benefit obligations	126,486	696	(1,065)	-	-	126,117
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,947)	20,361	(18,793)	-	-	(3,379)
Total	158,419	70,290	(90,516)	-	-	138,193

19. Non-current assets held for sale

a) Property, plant and equipment

	Land and Buildings	Office Equipment	Total
1.1.2005-30.9.2005			
Balance 1.1.2005	32,002	617	32,619
Additions	2,996	-	2,996
Additions from merger with Delta Singular A.E.P.	21,175	-	21,175
Disposals	(2,849)	-	(2,849)
Reclassification to property, plant and equipment	(1,703)	-	(1,703)
Reclassification from investment property	33,463	-	33,463
Balance 30.9.2005	<u>85,084</u>	<u>617</u>	<u>85,701</u>
1.10.2005-31.12.2005			
Balance 1.10.2005	85,084	617	85,701
Additions	6,010	20	6,030
Disposals	(3,185)	(52)	(3,237)
Balance 31.12.2005	<u>87,909</u>	<u>585</u>	<u>88,494</u>
1.1.2006-30.9.2006			
Balance 1.1.2006	87,909	585	88,494
Additions	4,581	329	4,910
Disposals	(2,559)	(325)	(2,884)
Balance 30.9.2006	<u>89,931</u>	<u>589</u>	<u>90,520</u>

b) Investments

Balance 31.12.2005	<u>1,755</u>
1.1.2006-30.9.2006	
Balance 1.1.2006	1,755
Disposals	<u>(1,755)</u>
Balance 30.9.2006	<u>-</u>

Disposals of € 1,755 refer to the sale of Alpha Insurance Romania S.A. (note 27, par. b).

Liabilities

20. Due to customers

	30.9.2006	31.12.2005
Current accounts	5,269,952	5,481,435
Saving accounts	9,609,591	9,652,069
Term deposits		
- Synthetic swaps	288,059	357,627
- Other	4,761,735	2,887,928
Sale and repurchase agreements (Repos)	485,550	738,018
	<u>20,414,887</u>	<u>19,117,077</u>
Cheques payable	181,870	184,569
Total	<u>20,596,757</u>	<u>19,301,646</u>

21. Debt securities in issue and other borrowed funds

The Bank, to effectively fund its activities has significantly broadened its funding sources so as to ensure:

- i) cheaper funding
- ii) long-term funding
- iii) strengthening of the capital adequacy ratio

As a result the Bank has issued:

- i) Senior debt securities
- ii) Subordinated debt securities

These securities are subordinated, because the holders in case of a compulsory payment are satisfied after the owners of common debt securities.

Their initial maturity is 10 years, with the right of first redemption after 5 years. These bonds are considered own funds for regulatory purposes.

- iii) Hybrid securities with or without interest step-up clause.

These securities are referred to as hybrid securities because they combine characteristics of debt and equity. They are perpetual securities and are offered for long-term borrowing. They can be redeemed after the expiration of 10 years.

Senior debt	30.9.2006	31.12.2005
Euro due 2006	10,207	2,519,937
Euro due 2007 callable in 2006	-	7,126
Euro due 2007	1,003,050	901,444
US \$ 5 million due 2007	3,804	-
HKD 100 million due 2007	10,241	11,027
Euro due 2008	508,494	507,260
US \$ 10 million due 2008 callable in 2006	7,596	8,052
Euro due 2009	1,683,417	710,405
Euro due 2009 callable in 2007	39,243	-
CZK 1,500 million due 2009	52,963	51,511
US \$ 11 million due 2009 callable in 2006	8,434	8,960
US \$ 5 million due 2009 callable in 2006	3,758	4,027
HKD 50 million due 2009	5,118	5,497

Euro due 2010	1,125,121	924,947
Euro due 2010 callable in 2006	36,249	56,600
Euro due 2010 callable in 2007	2,502,673	2,502,060
US \$ 7 million due 2010 callable in 2006	4,804	5,366
US \$ 50 million due 2010 callable in 2007	39,647	42,521
Euro due 2011	457,421	15,439
CZK 700 million due 2011	24,600	-
Euro due 2011 callable in 2006	15,160	22,843
Euro due 2011 callable in 2007	6,919	-
Euro due 2011 callable in 2008	3,203,655	-
Euro due 2012	315,763	316,104
Euro due 2012 callable in 2006	56,565	9,353
Euro due 2013	319,373	19,341
Euro due 2015	11,985	12,360
US \$ 3 million due in 2016	2,399	-
Euro due 2021	82,062	-
Total	11,540,721	8,662,180

The majority of senior debt securities bears a Euribor floating rate, with a margin between -10 and +30 basis points, which is connected with bond's start date and maturity date.

Subordinated debt

Euro due 2012 callable in 2007	325,840	325,817
Euro due 2013 callable in 2008	351,870	351,570
Euro due 2014 callable in 2009	201,470	201,115
JPY 30 billion callable in 2015	204,015	203,706
Total	1,083,195	1,082,208

Subordinated debt securities due in 2012 carry interest at three-month Euribor plus 90 basis points spread, until they are redeemed. If they are not redeemed, the spread increases to 220 basis points.

Subordinated debt securities, due in 2013, carry interest at three-month Euribor plus a margin between 65 and 90 basis points, until they are redeemed. If they are not redeemed, the spread increases to 195 up to 220 basis points.

Subordinated debt securities, due in 2014, carry interest at three-month Euribor plus 60 basis points spread, until they are redeemed. If they are not redeemed, the spread increases to 190 basis points.

The subordinated debt securities in JPY, with the first call option to redeem in 2015, carrying a fixed rate of 2.94%.

Hybrid securities

Euro perpetual callable in 2012	301,350	301,224
Euro perpetual callable in 2015	610,891	620,149
Total	912,241	921,373
Grand total	13,536,157	10,665,761

The interest rate of the hybrid security, with a first redemption option in 2012 is three-month Euribor plus 265 basis points until the redemption date, which increases to 397.5 basis points in the event that the security is not redeemed.

The interest rate on the hybrid security, with the first redemption option in 2015 carry interest at a fixed rate of 6% for the first five years and thereafter it is determined annually as four times the difference between the 10 years CMS and 2 years CMS with a floor of 3.25% and a cap of 10%.

Equity

22. Share capital, Retained earnings and Treasury shares

a. Share capital increase

The Bank's shareholders during the General Meeting on 18.4.2006 approved an increase of the share capital by € 133,954 with the issuance of 116,481,444 shares with a par value of € 3.90 each at a ratio of 4 new for 10, through the capitalization of retained earnings at an amount of € 133,954 and the decrease of nominal value of each share from € 5.00 to € 3.90.

After the above increase the Bank's share capital amounts to € 1,589,972 divided by 407,685,052 shares.

The share capital increase has been approved by the Ministry of Development decision No K2-6543/3.5.2006.

b. Retained earnings

On 2 May 2006 dividends of a total amount of € 237,556 were distributed (€ 0.84 per share), for the fiscal year 2005.

c. Treasury shares

Treasury shares refer to Alpha Bank shares, held by the Bank and are analyzed as follows:

Alpha Bank	No of shares	Cost €	Ownership interest %
Balance 1.1.2006	8,398,426	188,128	
Bonus shares (4/10)	3,359,370	-	
Purchases 1.1-30.9.2006	7,126,153	150,280	
Balance 30.9.2006	18,883,949	338,408	4.63%

Additional Information

23. 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 actions. No provision has been recorded because after consultation with legal counsel, 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 the year ended 31 December 2002. A tax audit is in process by the tax authorities for the years from 2003 up to 2005 and is expected to be finalized at the end of the current year.

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

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:

	30.9.2006	31.12.2005
Less than one year	22,464	20,675
Between one and five years	65,896	60,747
More than five years	39,344	34,941
Total	<u>127,704</u>	<u>116,363</u>

The lease expense for the nine month period of the current fiscal year relating to buildings amounts to € 17,340 (2005: € 15,790) and is included in General administrative expenses.

The Bank as a lessor

The Bank claims regarding owned buildings rental either to group companies or third parties companies.

The minimum future revenues are:

	30.9.2006	31.12.2005
Less than one year	2,972	2,718
Between one and five years	9,263	9,356
More than five years	4,965	5,202
Total	<u>17,200</u>	<u>17,276</u>

The lease revenue for the nine month period of the current fiscal year amounts to € 2,213 (2005: € 2,090) and is included in Other income.

d) Off balance sheet liabilities

	30.9.2006	31.12.2005
Letters of guarantee	4,227,775	3,627,622
Letters of credit	154,547	212,879
Credit commitments	12,776,196	11,794,929
Guarantees issued for bonds by subsidiaries	13,507,815	10,640,897
Total	30,666,333	26,276,327

e) Assets pledged

	30.9.2006	31.12.2005
Securities linked to Reverse Repos	-	420,000
Investment securities	585,000	165,000
Total	585,000	585,000

From the investment securities portfolio an amount of € 80,000 is pledged for capital withdrawal and an amount of € 5,000 is pledged as collateral to clearing house of derivative transactions "ETESEP" A.E. as margin account insurance. The remaining securities are pledged as collateral with the Bank of Greece for the participation in the Inter-Europe clearing of payments system on an ongoing time (TARGET).

24. Segment reporting

(Millions of Euro)

	30.9.2006						
	Bank	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	852.5	629.5	171.2	2.9	37.3	11.6	-
Commission	211.3	103.5	58.6	35.1	12.0	2.1	-
Other income	74.3	7.8	2.1	0.8	2.1	0.5	61.0
Total income	1,138.1	740.8	231.9	38.8	51.4	14.2	61.0
Expenses	(499.5)	(362.0)	(64.5)	(19.7)	(13.4)	(8.0)	(31.9)
Impairment	(165.4)	(126.8)	(38.6)	-	-	-	-
Profit before tax	473.2	252.0	128.8	19.1	38.0	6.2	29.1

	30.9.2005						
	Bank	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	718.2	519.3	162.2	1.6	24.9	10.2	-
Commission	179.7	86.0	62.0	22.2	7.5	1.9	0.1
Other income	76.8	7.6	2.2	2.2	(6.4)	1.4	69.8
Total income	974.7	612.9	226.4	26.0	26.0	13.5	69.9
Expenses	(461.4)	(332.4)	(62.6)	(20.9)	(10.8)	(9.2)	(25.5)
Impairment	(171.7)	(102.9)	(68.8)	-	-	-	-
Profit before tax	341.6	177.6	95.0	5.1	15.2	4.3	44.4

i. Retail banking

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

The Bank offers through its extension branch network, all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term

deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee), debit and credit cards to the above customers.

ii. Corporate banking

Includes all medium-sized and large companies, corporations with multinational activities, shipping corporations and corporations managed by the Corporate Banking Division (Corporate). The Bank offers working capital facilities, corporate loans, and letters of guarantee.

iii. Asset management / Insurance

Consists of a wide range of asset management services through the Bank's private banking units.

In addition a wide range of insurance products are also offered 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. This segment also includes the interbank Dealing Room (FX Swaps, Bonds, Futures, IRS, Interbank placements – Borrowings etc.).

v. South Eastern Europe

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

vi. Other

This segment consists of the administration of the Bank.

25. Capital adequacy

The ratios measure capital adequacy by comparing the Bank's eligible capital with the risks that the Bank undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves), additional Tier I capital and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the banking book and the market risk of the trading book.

The Bank uses all modern methods to manage its capital adequacy. It has issued hybrid and subordinated debt which are included in the calculation of eligible capital. The cost of these types of debt is lower than share capital and adds value to the shareholders.

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.

	(Millions of Euro)	
	30.9.2006	31.12.2005
Risk-weighted assets from credit risk	29,216	25,659
Risk-weighted assets from market risk	591	569
Total Risk-weighted assets	29,807	26,228
Upper Tier I capital	1,867	1,881
Tier I capital	1,830	1,848
Total Tier I + Tier II capital	3,454	3,485
Upper Tier I ratio	6.3%	7.2%
Tier I ratio	6.1%	7.0%
Capital adequacy ratio Tier I + Tier II	11.6%	13.3%

26. 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 transaction terms and are approved by Bank's relevant committees.

- a. The outstanding balances arising from the transactions with members of the Board of Directors, the Executive General Managers and their close family members are as follows:

	30.9.2006	31.12.2005
Loans	2,027	3,118
Deposits	30,272	10,960
Letters of guarantee	164	145
Interest and similar income	34	
Interest expense and similar charges	554	

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

I. Subsidiaries

	30.9.2006	31.12.2005
Assets		
Due from banks	1,645,395	1,026,244
Securities held for trading	40,750	40,695
Derivative financial assets	219	477
Loans and advances to customers	1,069,401	942,800
Available for sale securities	373,591	441,499
Total	3,129,356	2,451,715

Liabilities		
Due to banks	1,033,527	735,660
Due to customers	458,643	432,265
Derivatives financial liabilities	281	283
Debt securities in issue and other borrowed funds	13,536,157	10,665,761
Other liabilities	6,854	2,734
Total	15,035,462	11,836,703

	30.9.2006	30.9.2005
Income		
Interest and similar income	72,593	38,055
Dividend income	35,715	57,624
Fee and commission income	35,524	22,506
Other income	1,850	1,697
Total	145,682	119,882

Expenses		
Interest expenses and similar charges	334,117	206,009
Commission expense	1,159	2,759
General administrative expenses	12,172	19,012
Total	347,448	227,780

Letters of guarantee and other guarantee	72,843	-
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II. Associates

	30.9.2006	31.12.2005
Assets		
Loans and advances to customers	960	1,390
	30.9.2006	31.12.2005
Liabilities		
Due to customers	1,014	639
	30.9.2006	30.9.2005
Income		
Interest and similar income	72	84
Dividends income	155	195
Fee and commission income	24	17
Other income	334	-
Total	585	296
Expenses		
Interest and similar charges	5	5
General administrative expenses	509	688
Total	514	693
Letters of guarantee	2,641	1,353

- c. The fees paid to the members of the Board of Directors and Executive General Managers charged in the nine month period of 2006 profit and loss account amount to € 3,719 (30.9.2005: € 2,399). The increase is due to modifications made in the Bank's Management as at 22 February 2005 and the placement of two new Executive General Managers, as at 16 May 2006.

27. Mergers and disposals of subsidiaries and associates

- On 1 February 2006, the Bank transferred 2,178,000 shares of Alpha Private Investment Services AEPEY representing 99% of the company's share capital to another subsidiary Alpha Bank London Ltd at an amount of € 3.4 million. This transfer was made in accordance to the Group's private banking activities reorganization and did not have any affect on the Bank's results.
- The legal transfer of Alpha Insurance Romania S.A. shares to third parties was completed on 16 February 2006 at an amount of € 1.7 million. The sale agreement was signed on 11 October 2005. The assets of Alpha Insurance Romania S.A., amounted to € 1,755 thousand, were presented as at 31 December 2005 in "non-current assets held for sale", and therefore no gain or loss resulted from this transaction.
- On 24 February 2006, the total shares of Lesvos Tourist Company A.E. or 24.99% of the company's total share capital was sold to third parties for € 2 million, resulting to € 1.6 million gain.
- The legal procedure of the merger by absorption of the subsidiary Alpha Equity Fund by Alpha Ventures, which is also a subsidiary, became effective on 31 May 2006, when the relevant decision of the Greek Ministry of Development was published in the S.A. Register. In company's new share capital derived from the above merger the Bank has 100% direct and indirect ownership interest.
- On 31 May 2006 was completed the merger by absorption of Bank's Belgrade branch by Jubanka a.d. Beograd, Bank's new acquisition in 2005, which was re-named on 1 June 2006 to Alpha Bank a.d. Beograd. As a result of the above mentioned merger the Bank's participation in Alpha Bank a.d. Beograd increased by € 24,351 thousand.

- f) On 14 June 2006 was completed the sale of Bank's ownership interest to Geosynthesis A.E. representing 20% of its share capital for € 13.8 thousand. The result of the sale amounted to profit € 13.8 thousand.
- g) The legal procedure of the merger by absorption of the subsidiary Alpha Asset Management AEPEY by Alpha Mutual Fund Management A.E., which is also a subsidiary, became effective on 19 September 2006, when the relevant decision of the Greek Ministry of Development was published in the S.A. Register. The new company was renamed to Alpha Asset Management AEDAK. In company's new share capital derived from the above merger the Bank has 100% direct and indirect ownership interest.

28. Events after the balance sheet date

- a) On 9 October 2006, the subsidiary Alpha Bank A.D. Beograd, was re-named to "Alpha Bank Srbija A.D." by the decision of the relevant authority.
- b) On 16 October 2006, the Bank announced that it has signed an agreement for the sale of 99.56% of the shares of its subsidiary Alpha Insurance A.E. to AXA, an insurance company which is the worldwide leader in financial protection for € 255 million. Alpha Bank and AXA have also signed a long-term exclusive bancassurance agreement for the distribution of AXA insurance products through Alpha Bank's extensive Branch Network. Under the agreement, Alpha Bank will distribute the products and AXA will originate and underwrite them.
- c) On 18 October 2006, the Bank transferred 100% of its participation of its subsidiary "Kafe Mazi A.E." to "Ionian Hotel Enterprises A.E.", also a subsidiary, for € 60 thousand. "Kafe Mazi A.E." was renamed to "Tourist Resorts A.E." and is going to undertake the activities of Hilton Rhodes Resort, in the context of the latter's spin off from "Ionian Hotel Enterprises A.E." with reference date 31 October 2006.
- d) On 18 October 2006, the Bank acquired 100% of the Cypriot company "Alpha Group Investments Ltd", which will be used as a holding company for the Group's development strategy in South Eastern Europe.
- e) The Bank, based on the decisions of the Ordinary General Shareholders' Meetings held in prior fiscal years, had acquired up to 31 December 2005 8,398,426 treasury shares which represent 2.88% of its share capital. According to Ordinary General Shareholders' Meeting held on 18 April 2006 the Bank may proceed, until 17.4.2007, to the purchase of additional treasury shares of up to 3% of its total outstanding paid-in share capital.

The Board of Directors, at its meeting on 18 July 2006, decided the termination as of 20 July 2006 of the current share buyback period, for the period 22 May 2006 up to 20 October 2006, and the initiation of a new time period from 21 July 2006 to 17 April 2007, for the purchase of up to 6,230,552 treasury shares at the lower and upper limit share purchase price of € 3.90 and € 26.00 per share respectively.

The Bank has purchased 1,734,999 treasury shares with cost of € 39,080 thousand (€ 22.52 per share), during the period from 4 October 2006 to 30 October 2006.

The total number of treasury shares purchased on 30 October 2006 was 20,618,948 shares or 5.06% of the outstanding paid-in share capital.

- f) On 2 November 2006, the Bank filed with the Hellenic Capital Market Commission and the Board of Directors of Alpha Leasing A.E. a voluntary public tender offer for the Company's shares in accordance to Law 3461/2006. The consideration amount to be offered is € 6.50 per share. As of the date of the voluntary public tender offer the shares which the Bank is bound to acquire are 137,088 representing 0.35% of Company's share capital. Bank's intention is to acquire shares as of the date and till the end of the tender offer acceptance period through the Athens Stock Exchange. Following completion of the tender offer the Bank will exercise its right to become holder of 100% of Company's shares.
- g) On 9 November 2006, a draft bill amendment was introduced to the Greek Parliament, imposing on the Banks, the individual taxation of specific reserves, which have been formed until 31 December 2005 and have arisen from tax deductible profits or specially taxed revenue.

In case the above amendment is voted by the Parliament, a tax payment is expected, to an amount which cannot be determined before such law is enacted.

Athens, 14 November 2006

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OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE EXECUTIVE DIRECTOR

SENIOR MANAGER -
GROUP FINANCIAL REPORTING

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