

ALPHA BANK



**INTERIM FINANCIAL STATEMENTS
AS AT 31.03.2006**

(In accordance with the International Accounting Standard 34)

ATHENS
16 MAY 2006

Table of Contents

	Page
Financial statements	
Interim income statement	1
Interim balance sheet	2
Interim statement of changes in equity	3
Interim cash flow statement	6

General information	7
----------------------------	---

Notes to the financial statements		
Accounting principles applied		
Note		
1	Basis of presentation	9

Income Statement		
Note		
2	Net interest income	10
3	Net fee and commission income	10
4	Dividend income	10
5	Gains less losses on financial transactions	10
6	Other income	11
7	Staff costs	11
8	General administrative expenses	11
9	Impairment losses and provisions to cover credit risk	12
10	Income tax	12
11	Earnings per share	13

Assets		
Note		Page
12	Cash and balances with Central Banks	14
13	Loans and advances to customers	14
14	Investments in subsidiaries and associates	15
15	Investment property	17
16	Property, plant and equipment	18
17	Goodwill and other intangible assets	19
18	Deferred tax assets and liabilities	20
19	Non-current assets held for sale	22

Liabilities		
Note		
20	Due to Customers	23
21	Debt securities in issue and other borrowed funds	23

Additional Information		
Note		
22	Contingent liabilities and commitments	26
23	Segment reporting	27
24	Capital adequacy	28
25	Related-party transactions	29
26	Disposals of subsidiaries and associates	30
27	Events after the balance sheet date	30

Interim income statement

		(Thousands of Euro)	
		From 1 January to	
Note	31.3.2006	31.3.2005	
Interest and similar income		529,389	358,847
Interest expense and similar charges		<u>(252,801)</u>	<u>(130,257)</u>
Net interest income	2	276,588	228,590
Fee and commission income		69,491	59,848
Commission expense		<u>(4,100)</u>	<u>(4,476)</u>
Net fee and commission income	3	65,391	55,372
Dividend income	4	10,784	54,567
Gains less losses on financial transactions	5	18,102	8,441
Other income	6	<u>2,566</u>	<u>3,473</u>
		31,452	66,481
Total income		373,431	350,443
Staff costs	7	(91,174)	(87,483)
General administrative expenses	8	(58,210)	(53,753)
Depreciation and amortization expenses	15,16,17	(9,994)	(9,482)
Other expenses		<u>(417)</u>	<u>(9)</u>
Total expenses		(159,795)	(150,727)
Impairment losses and provisions to cover credit risk	9	(57,332)	(56,715)
Profit before tax		156,304	143,001
Income tax expense	10	<u>(37,755)</u>	<u>(19,983)</u>
Profit after tax		<u>118,549</u>	<u>123,018</u>
Earnings per share:	11		
Basic earnings per share (€)		0.42	0.44
Diluted earnings per share (€)		0.42	0.43

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.

Interim balance sheet

(Thousands of Euro)

	Note	31.3.2006	31.12.2005
ASSETS			
Cash and balances with Central Banks	12	1,054,607	1,621,172
Due from banks		6,406,447	5,673,393
Securities held for trading		429,119	153,587
Derivative financial assets		181,261	139,114
Loans and advances to customers	13	24,874,396	24,201,139
Investment securities			
-Available for sale		7,837,069	7,561,491
Investments in subsidiaries and associates	14	1,479,164	1,481,979
Investment property	15	43,144	43,245
Property, plant and equipment	16	528,191	529,511
Goodwill and other intangible assets	17	32,090	33,016
Deferred tax assets	18	205,244	177,936
Other assets		169,621	143,414
		<u>43,240,353</u>	<u>41,758,997</u>
Non-current assets held for sale	19	89,661	90,249
Total Assets		<u>43,330,014</u>	<u>41,849,246</u>
LIABILITIES			
Due to banks		8,463,508	8,600,366
Derivative financial liabilities		187,039	140,632
Due to customers	20	19,079,072	19,301,646
Debt securities in issue and other borrowed funds	21	12,191,785	10,665,761
Liabilities for current income tax and other taxes		115,989	87,699
Deferred tax liabilities	18	49,769	19,517
Employee defined benefit obligations		525,050	513,797
Other liabilities		679,777	566,763
Provisions		16,785	1,628
Total Liabilities		<u>41,308,774</u>	<u>39,897,809</u>
EQUITY			
Share Capital		1,456,018	1,456,018
Share premium		125,685	125,685
Reserves		171,473	220,423
Retained earnings		456,192	337,439
Treasury shares		(188,128)	(188,128)
Total Equity		<u>2,021,240</u>	<u>1,951,437</u>
Total Liabilities and Equity		<u>43,330,014</u>	<u>41,849,246</u>

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.

Interim statement of changes in equity

	Share capital	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 1.1-31.3.2005					
Valuation on available for sale securities	-	(5,839)	-	-	(5,839)
Transfer to income statement due to sales of available for sale securities	-	(5,121)	-	-	(5,121)
Net income recognized directly in equity	-	(10,960)	-	-	(10,960)
Profit for the period	-	-	123,018	-	123,018
Total	-	(10,960)	123,018	-	112,058
Amortization of initial share options valuation granted to employees	-	495	-	-	495
Other	-	-	625	-	625
Balance 31.3.2005	<u>1,274,272</u>	<u>254,370</u>	<u>415,191</u>	<u>(18,638)</u>	<u>1,925,195</u>

	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
Balance 1.4.2005	1,274,272	-	254,370	415,191	(18,638)	1,925,195
Changes in equity for the period 1.4-31.12.2005						
Valuation on available for sale securities	-	-	(39,097)	-	-	(39,097)
Transfer to income statement due to sales of available for sale securities	-	-	3,400	-	-	3,400
Other	-	-	-	(243)	-	(243)
Net income recognized directly in equity	-	-	(35,697)	(243)	-	(35,940)
Profit for the period	-	-	-	254,852	-	254,852
Total	-	-	(35,697)	254,609	-	218,912
Treasury shares purchase	-	-	-	-	(169,490)	(169,490)
Dividends paid	-	-	-	(174,064)	-	(174,064)
Acquisition of 61.24% of Delta Singular A.E. with issuance of 7,564,106 shares	23,449	125,685	-	-	-	149,134
Capitalization of reserve to round the share price to € 5.35	562	-	-	(562)	-	-
Increase of share capital from capitalization of reserve and change of nominal value of share to € 5	157,735	-	-	(157,735)	-	-
Amortization of initial share options valuation granted to employees	-	-	1,750	-	-	1,750
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.-31.3.2006						
Valuation on available for sale securities	-	-	(54,509)	-	-	(54,509)
Transfer to income statement due to sales of available for sale securities	-	-	4,378	-	-	4,378
	-	-	-	-	-	-
Net income recognized directly in equity	-	-	(50,131)	-	-	(50,131)
Profit for the period	-	-	-	118,549	-	118,549
Total	-	-	(50,131)	118,549	-	68,418
Amortization of initial share options valuation granted to employees	-	-	1,181	-	-	1,181
Other	-	-	-	204	-	204
Balance 31.3.2006	<u>1,456,018</u>	<u>125,685</u>	<u>171,473</u>	<u>456,192</u>	<u>(188,128)</u>	<u>2,021,240</u>

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.

Interim cash flow statement

	Note	(Thousands of Euro)	
		From 1 January to 31.3.2006	31.3.2005
Cash flows from operating activities			
Profit before taxes		156,304	143,001
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	15,16	6,857	6,779
Amortization of intangible assets	17	3,137	2,703
Impairment losses and provisions		58,376	58,318
Gains / (losses) from investing activities		(20,280)	(58,123)
Gains / (losses) from financing activities		29,214	(1,517)
		<u>233,608</u>	<u>151,161</u>
<i>Net (increase) / decrease in assets relating to operating activities:</i>			
Due from banks		(25,540)	497,434
Securities held for trading and derivative financial assets		(317,679)	(1,017,196)
Loans and advances to customers		(732,450)	(731,687)
Other assets		(25,618)	(69,413)
<i>Net increase / (decrease) in liabilities relating to operating activities</i>			
Due to banks		(136,858)	467,567
Derivative financial liabilities		46,407	(24,494)
Due to customers		1,340,797	(376,669)
Other liabilities		125,667	129,862
<i>Net cash from operating activities before taxes</i>		508,334	(973,435)
Income taxes paid and other taxes		(6,524)	(7,699)
Net cash flows from operating activities		501,810	(981,134)
Cash flows from investing activities			
Acquisitions of subsidiaries and associates		(992)	(156,024)
Proceeds from sale of investments (subsidiaries and associates)		7,126	-
Dividends received	4	10,784	54,567
Purchase of property, plant and equipment	15,16,17	(7,935)	(8,711)
Disposal of property, plant and equipment		305	293
Net (increase) / decrease in investment securities		(318,575)	566,366
Net cash flows from investing activities		(309,287)	456,491
Cash flows from financing activities			
Purchases (sales) of treasury shares		-	-
Dividends paid		(220)	-
Proceeds from the issue of loans		-	827,800
Repayment of loans		(51,463)	(107,431)
Net cash flows from financing activities		(51,683)	720,369
Effect of exchange rate fluctuations on cash and cash equivalents		110	225
Net increase / (decrease) in cash and cash equivalents		140,950	195,951
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	5,224,905	5,587,973

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.

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, which were elected by the shareholders in general meeting of April 19, 2005, ends in 2010. The members of the Board of Directors consist of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non Executive Member)

Andreas L. Canellopoulos

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 *

Sophia G. Eleftheroudaki

Paul G. Karakostas*

Ioannis K. Lyras ** (Since 18 April 2006 independent non-executive member)

Nicholaos I. Manassis **

Minas G. Tanes *

NON-EXECUTIVE INDEPENDENT MEMBERS

Pavlos A. Apostolides **

Thanos M. Veremis

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

Nikolaos E. Vouniseas

Substitute Auditors:

Garyfallia B. Spyriouni

Nikolaos Ch. Tsiboukas

of KPMG Kyriacou Certified Auditors S.A.

The Bank's shares are listed on the Athens Stock Exchange since 1925. As at 31 March 2006 Alpha Bank was ranked 5th 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 in London Stock Exchange in the form of international certificates (GDR's) and are traded over the counter in New York (ADR's). The Bank as at 31.3.2006 has issued 291,203,608 shares.

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 2006 amounted to an average of 1,000,000 shares per day.

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

The Board of Directors approved the financial statements on 16 May 2006.

Notes to the financial statements

Accounting principles applied

1. Basis of presentation

The Bank has prepared the condensed interim financial statements as at 31 March, 2006 in accordance with International Financial Reporting Standard (IAS) 34, Interim Financial Reporting.

The accounting policies and methods of computation followed in these condensed interim financial statements are the same as those in the published annual financial statements for the year ended 31 December 2005.

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 or interpretations 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 present.

Income Statement

2. Net interest income

	From 1 January to	
	31.3.2006	31.3.2005
Due from Banks	29,916	35,895
Securities	57,224	18,304
Loans and advances to customers	389,070	301,018
Due to Banks	(43,705)	(14,971)
Due to Customers	(54,443)	(41,677)
Debt securities in issue and other borrowed funds	(84,795)	(55,116)
Other	(16,679)	(14,863)
Total	<u>276,588</u>	<u>228,590</u>

3. Net fee and commission income

	From 1 January to	
	31.3.2006	31.3.2005
Loans	10,121	8,690
Letters of guarantee	8,639	7,665
Imports-Exports	4,776	4,537
Credit Cards	7,927	7,875
Fund transfers	14,586	14,685
Mutual Funds	11,868	6,072
Management and advisory fees	3,112	2,112
Other	4,362	3,736
Total	<u>65,391</u>	<u>55,372</u>

4. Dividend income

	From 1 January to	
	31.3.2006	31.3.2005
Subsidiaries and associates	10,784	54,418
Available-for-sale securities	-	149
Total	<u>10,784</u>	<u>54,567</u>

5. Gains less losses on financial transactions

	From 1 January to	
	31.3.2006	31.3.2005
Foreign exchange differences	7,862	132
Bonds	1,763	1,010
Shares	7,631	1,012
Other financial instruments	846	6,287
Total	<u>18,102</u>	<u>8,441</u>

6. Other income

	From 1 January to	
	31.3.2006	31.3.2005
Rental income	727	584
Sale of fixed assets	150	391
Fund transfers	-	227
Insurance indemnities	46	395
Secondment of personnel to group companies	533	496
Other	1,110	1,380
Total	2,566	3,473

7. Staff costs

	From 1 January to	
	31.3.2006	31.3.2005
Wages and salaries	57,099	54,105
Social Security contributions	18,245	16,611
Expenses of defined benefit plans	11,500	11,041
Other	4,330	5,726
Total	91,174	87,483

The total employees of the Bank as at 31.3.2006 was 7,195, of which 6,944 in Greece and 251 abroad.

8. General administrative expenses

	From 1 January to	
	31.3.2006	31.3.2005
Rent of buildings	5,526	5,126
Rent and maintenance of EDP equipment	3,461	4,271
EDP expenses	8,240	6,727
Marketing and advertisement expenses	5,465	3,401
Telecommunications and postage	4,208	4,017
Third party fees	3,350	3,022
Consultants fees	1,472	1,574
Contribution to Savings Guarantee Fund	2,472	2,368
Insurance	1,428	2,288
Consumables	1,153	928
Electricity	1,146	978
Taxes (VAT, real estate etc)	7,385	6,460
Repairs of buildings and equipment	860	779
Cleaning fees	520	535
Security	711	1,192
Transportation	759	957
Agency fees	2,544	692
Other	7,510	8,438
Total	58,210	53,753

9. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.3.2006	31.3.2005
Impairment on loans and advances	43,013	57,704
Provisions to cover credit risk from off balance sheet items	14,946	-
Recoveries	(627)	(989)
Total	57,332	56,715

10. Income tax

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

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., 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

	From 1 January to	
	31.3.2006	31.3.2005
Current tax	34,814	16,945
Deferred tax	2,941	3,038
Total	37,755	19,983

The difference in current tax between the current period and the related previous one is due to the additional dividend income of the previous period and the change in the nominal tax rate, as mentioned above.

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

	From 1 January to	
	31.3.2006	31.3.2005
Amortization and write-offs of intangibles	2,143	2,773
Loans and advances	(8,515)	(1,532)
Employee defined benefit obligations	95	828
Valuation of derivative financial instruments	7,673	(8,143)
Appropriation of income and expense on derivatives	30	481
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	2,421	8,648
Other temporary differences	(906)	(17)
Total	2,941	3,038

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 own shares held, during the period.

	From 1 January to	
	31.3.2006	31.3.2005
Profit attributable to shareholders (in € thousand)	118,549	123,018
Weighted average number of outstanding ordinary shares	282,805,182	282,725,642
Basic earnings per share (in € per share)	0.42	0.44

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	
	31.3.2006	31.3.2005
Profit attributable to shareholders (in € thousand)	118,549	123,018
Weighted average number of outstanding ordinary shares	282,805,182	282,725,642
Adjustment for share options	676,041	307,744
Weighted average number of outstanding ordinary shares for diluted earnings per share	283,481,223	283,033,386
Diluted earnings per share (in € per share)	0.42	0.43

Basic and diluted earnings per share, for the period from 1 January 2005 to 31 March 2005 have been restated in order to be comparative, due to free distribution of shares resulted from the capitalization of reserve on 9 May 2005, in accordance to a decision on a General Shareholders' Meeting held on 19 April 2005.

Assets

12. Cash and balances with Central Banks

	31.3.2006	31.12.2005
Cash	175,792	271,373
Cheques receivable	36,030	40,734
Balances with Central Banks	842,785	1,309,065
Total	1,054,607	1,621,172
Of which mandatory deposits with Central Banks:	369,627	821,890

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

	31.3.2006	31.12.2005
Cash and balances with Central Banks	684,980	799,282
Sale and repurchase agreements (Reverse Repos)	1,634,001	2,148,476
Short-term placements with other banks	2,905,924	2,136,197
Total	5,224,905	5,083,955

Cash and cash equivalents, as presented in the cash flow statement for the period from 1 January 2005 to 31 March 2005 has been restated in order to be comparative with these of the current period 1 January 2006 to 31 March 2006.

The restatement concerns mandatory deposits with Central Banks not been included in the calculation of cash and cash equivalents.

13. Loans and advances to customers

	31.3.2006	31.12.2005
<i>Individuals:</i>		
Mortgages	6,945,309	6,616,104
Consumer	1,901,495	1,736,453
Credit cards	876,648	863,798
Other	156,606	161,195
	9,880,058	9,377,550
<i>Companies:</i>		
Loans	15,637,959	15,440,322
Other receivables	238,549	206,244
	15,876,508	15,646,566
	25,756,566	25,024,116
Allowance account	(882,170)*	(822,977)
Total	24,874,396	24,201,139

* In addition to the allowance account, a provision of € 14,946 has been made to cover credit risk relating to off balance sheet items. The total amount recorded to cover credit risk is € 897,116.

Allowance account

Balance 1.1.2005	621,120
Exchange differences	(81)
Impairment losses for the period (note 9)	57,704
Loans written-off during the period	<u>(6,443)</u>
Balance 31.3.2005	672,300
Exchange differences	(105)
Impairment losses for the period	176,878
Provision from merger with Delta Singular A.E.	7,566
Loans written-off during the period	<u>(33,662)</u>
Balance 31.12.2005	822,977
Exchange differences	(81)
Impairment losses for the period (note 9)	43,013
Unwind of discount of allowance	16,370
Loans written-off during the period	<u>(109)</u>
Balance 31.3.2006	<u><u>882,170</u></u>

14. Investments in subsidiaries and associates

	1.1-31.3.2006	1.4-31.12.2005	1.1-31.3.2005
Subsidiaries			
Beginning balance	1,471,394	1,377,580	1,221,616
Additions ⁽¹⁾	888	102,658	155,964
Disposals ⁽²⁾	(3,371)	(6,749)	-
Impairment	-	(340)	-
Transfer to non-current assets held for sale	-	(1,755)	-
Ending balance	<u>1,468,911</u>	<u>1,471,394</u>	<u>1,377,580</u>
Associates			
Beginning balance	10,463	109,882	110,082
Additions	104	917	60
Disposals ⁽³⁾	(436)	(100,336)	-
Impairment	-	-	(260)
Ending balance	<u>10,131</u>	<u>10,463</u>	<u>109,882</u>
Joint Ventures			
Beginning balance	122	50	50
Additions	-	72	-
Ending balance	<u>122</u>	<u>122</u>	<u>50</u>
Total	<u><u>1,479,164</u></u>	<u><u>1,481,979</u></u>	<u><u>1,487,512</u></u>

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

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

- (1) Amount of € 810 relates to the purchase of Ionian Hotel Enterprises A.E. shares.
- (2) Amount of € 3,371 relates to the sale of Alpha Private Investment Services A.E.P.E.Y. (note 26, paragraph a).
- (3) Amount of € 436 relates to the sale of Lesvos Tourist Company A.E. (note 26, paragraph c).

Summary Financial information
Subsidiaries and Associates

Subsidiaries

31.3.2006							
Name	Country of Incorporation	Assets	Equity	Liabilities	Turnover 1.1- 31.3.2006	Profit/(loss) before tax 1.1-31.3.2006	Ownership interest % 31.3.2006
BANKS							
1. Alpha Bank London Ltd	United Kingdom	568,268	89,915	478,353	7,030	948	100.00
2. Alpha Bank Ltd	Cyprus	2,706,900	218,956	2,847,944	39,670	8,315	100.00
3. Alpha Bank Romania S.A.	Romania	1,537,466	192,369	1,345,097	28,244	9,225	99.44
4. Alpha Bank AD Skopje	Fyrom	61,607	23,462	38,145	1,309	626	100.00
5. Jubanka a.d. Beograd	Serbia- Montenegro	298,827	96,514	202,313	9,570	676	100.00
LEASING/ FACTORING COMPANIES							
1. Alpha Leasing A.E.	Greece	778,982	271,696	507,286	11,292	4,531	99.22
2. Alpha Leasing Romania S.A.	Romania	63,882	9,840	54,042	1,963	763	62.94
3. ABC Factors A.E.	Greece	319,345	55,621	263,724	6,045	1,880	100.00
INVESTMENT BANKING							
1. Alpha Finance A.X.E.P.E.Y.	Greece	103,517	49,227	54,290	12,244	4,077	99.62
2. Alpha Finance US Corporation	U.S.A.	1,160	1,142	18	357	(52)	100.00
3. Alpha Finance Romania S.A.	Romania	3,217	2,237	980	390	79	45.68
4. Alpha Ventures	Greece	9,982	9,740	242	(8)	(177)	100.00
5. Alpha Equity Fund A.E.	Greece	15,860	15,848	12	61	36	99.00
ASSET MANAGEMENT							
1. Alpha Mutual Fund Management A.E.	Greece	45,506	31,028	14,478	15,219	1,729	80.00
2. Alpha Asset Management A.E.P.E.Y.	Greece	18,846	13,895	4,951	2,880	2,273	99.00
INSURANCE							
1. Alpha Insurance A.E.	Greece	401,662	75,153	326,509	10,458	3,640	99.56
3. Alpha Insurance Agents A.E.	Greece	8,153	5,841	2,312	1,431	1,414	100.00
OTHER COMPANIES							
1. Alpha Astika Akinitia A.E.	Greece	111,091	104,126	6,965	3,923	1,850	61.24
2. Alpha Group Jersey Ltd	Jersey	905,451	227	905,224	12,753	51	100.00
3. Ionian Hotel Enterprises A.E.	Greece	246,842	101,280	145,562	9,192	(1,127)	90.90
4. Ionian Holding A.E.	Greece	348,858	348,675	183	161	122	100.00
5. Oceanos A.T.O.E.E.	Greece	22,154	17,688	4,466	373	184	100.00
6. Alpha Credit Group Plc	United Kingdom	12,256,646	18,333	12,238,313	86,593	3,599	100.00
7. Messana Holdings S.A.	Luxembourg	139	79	60	-	(8)	99.00
8. Kafe Mazi A.E.	Greece	147	94	53	53	3	100.00
9. Evremethea A.E.	Greece	1,233	(142)	1,375	174	(228)	100.00

Associates

31.3.2006					
	Name	Country of Incorporation	Equity	Profit/(loss) before tax 1.1-31.3.2006	Ownership Interest % 31.3.2006
1.	A.L.C. Novelle Investments Ltd	Cyprus	15,597	(182)	33.33
2.	Icap A.E.	Greece	18,256	600	26.96
3.	Evisak A.E.	Greece	2,915	78	27.00
4.	Gaiognomon A.E.	Greece	1,224	(355)	20.00
5.	AEDEP Thessalias and Stereas Ellados	Greece	147	-	50.00
6.	Geosynthesis A.E.	Greece	100	(37)	20.00

Joint Ventures

31.3.2006					
	Name	Country of Incorporation	Equity	Profit/(loss) before tax 1.1- 31.3.2006	Ownership Interest % 31.3.2006
1.	Cardlink A.E.	Greece	245	74	50.00
2.	APE Fixed Assets A.E.	Greece	29	(1)	60.10
3.	APE Commercial Property A.E.	Greece	29	(1)	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	(5,973)
Net Book Value 1.1.2005	<u>43,547</u>
<hr/>	
1.1.2005-31.3.2005	
Net Book Value 1.1.2005	43,547
Additions	8
Depreciation charge for the period	(98)
Net Book Value 31.3.2005	<u>43,457</u>
<hr/>	
Balance 31.3.2005	
Cost	49,528
Accumulated Depreciation	(6,071)
<hr/>	
1.4.2005-31.12.2005	
Net Book Value 1.4.2005	43,457
Additions	135
Additions from merger with Delta Singular A.E.	36,546
Accumulated depreciation from merger with Delta Singular A.E.	(2,940)
Reclassification to non-current assets held for sale	(33,463)
a) Cost	(36,591)
b) Accumulated depreciation	3,128
Depreciation charge for the period	(490)
Net book value 31.12.2005	<u>43,245</u>
<hr/>	
Balance 31.12.2005	
Cost	49,618
Accumulated Depreciation	(6,373)

	Land and buildings
1.1.2006-31.3.2006	
Net Book Value 1.1.2006	43,245
Additions	-
Depreciation charge for the period	(101)
Net Book Value 31.3.2006	<u>43,144</u>
Balance 31.3.2006	
Cost	49,618
Accumulated Depreciation	(6,474)

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	<u>495,152</u>	<u>114</u>	<u>32,582</u>	<u>527,848</u>
1.1.2005-31.3.2005				
Net book Value 1.1.2005	495,152	114	32,582	527,848
Additions	1,146	-	6,333	7,479
Disposals	(71)	-	(179)	(250)
<i>a) Cost</i>	(389)	-	(2,594)	(2,983)
<i>b) Accumulated depreciation</i>	318	-	2,415	2,733
Depreciation charge for the period	(2,972)	(21)	(3,688)	(6,681)
Net Book Value 31.3.2005	<u>493,255</u>	<u>93</u>	<u>35,048</u>	<u>528,396</u>
Balance 31.3.2005				
Cost	639,648	8,406	225,181	873,235
Accumulated Depreciation	(146,393)	(8,313)	(190,133)	(344,839)
1.4.2005-31.12.2005				
Net Book Value 1.4.2005	493,255	93	35,048	528,396
Additions	7,545	-	12,409	19,954
Additions from merger with Delta Singular A.E.	-	800	2,093	2,893
Accumulated depreciation from merger with Delta Singular A.E.	-	(270)	(1,902)	(2,172)
Foreign exchange differences	(120)	-	(11)	(131)
<i>a) Cost</i>	(115)	-	(14)	(129)
<i>b) Accumulated depreciation</i>	(5)	-	3	(2)
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)	(7,996)	8,315	-
<i>b) Accumulated depreciation</i>	314	7,996	(8,310)	-
Disposals	(432)	-	(692)	(1,124)
<i>a) Cost</i>	(948)	-	(1,292)	(2,240)
<i>b) Accumulated depreciation</i>	516	-	600	1,116
Depreciation charge for the period	(9,121)	(303)	(10,584)	(20,008)
Net book value 31.12.2005	<u>492,825</u>	<u>320</u>	<u>36,366</u>	<u>529,511</u>
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
1.1.2006-31.3.2006				
Net Book Value 1.1.2006	492,825	320	36,366	529,511
Additions	2,491	-	3,231	5,722
Foreign exchange differences	(117)	-	(12)	(129)
<i>a) Cost</i>	(121)	-	(27)	(148)
<i>b) Accumulated depreciation</i>	4	-	15	19
Transfer to other category	-	-	-	-
<i>a) Cost</i>	-	(68)	68	-
<i>b) Accumulated depreciation</i>	-	68	(68)	-
Disposals	(152)	-	(5)	(157)
<i>a) Cost</i>	(239)	-	(269)	(508)
<i>b) Accumulated depreciation</i>	87	-	264	351
Depreciation charge for the period	(3,010)	(30)	(3,716)	(6,756)
Net book value 31.3.2006	<u>492,037</u>	<u>290</u>	<u>35,864</u>	<u>528,191</u>
Balance 31.3.2006				
Cost	649,870	1,142	249,695	900,707
Accumulated depreciation	(157,833)	(852)	(213,831)	(372,516)

17. Goodwill and other intangible assets

Only software is included in this category.

Balance 1.1.2005	
Cost	83,954
Accumulated amortization	<u>(60,845)</u>
Net Book Value 1.1.2005	<u><u>23,109</u></u>
1.1.2005-31.3.2005	
Net book Value 1.1.2005	23,109
Additions	1,224
Amortization charge for the period	<u>(2,703)</u>
Net Book Value 31.3.2005	<u><u>21,630</u></u>
Balance 31.3.2005	
Cost	85,178
Accumulated amortization	(63,548)
1.4.2005-31.12.2005	
Net Book Value 1.4.2005	21,630
Additions	18,344
Additions from merger with Delta Singular A.E.	620
Accumulated depreciation from merger with Delta Singular A.E.	(381)
Amortization charge for the period	<u>(7,197)</u>
Net Book Value 31.12.2005	<u><u>33,016</u></u>
Balance 31.12.2005	
Cost	104,142
Accumulated amortization	<u>(71,126)</u>

1.1.2006-31.3.2006	
Net Book Value 1.1.2006	33,016
Additions	2,213
Foreign exchange differences	(2)
<i>a) Cost</i>	(2)
<i>b) Accumulated amortization</i>	-
Disposals	-
<i>a) Cost</i>	(14)
<i>b) Accumulated amortization</i>	14
Amortization charge for the period	(3,137)
Net Book Value 31.3.2006	<u>32,090</u>
Balance 31.3.2006	
Cost	106,339
Accumulated amortization	(74,249)

18. Deferred tax assets and liabilities

	From 1 January to	
	31.3.2006	31.12.2005
Deferred tax assets	205,244	177,936
Deferred tax liabilities	(49,769)	(19,517)
	<u>155,475</u>	<u>158,419</u>

	1.1.2005-31.3.2005					
	Balance 1.1.2005	Recognition in				Balance 31.3.2005
		Income statement		Equity		
Deferred Tax Assets		Assets	Liabilities	Assets	Liabilities	
Depreciation	36,297		(2,773)			33,524
Loans and advances	238	1,532				1,770
Valuation of derivative financial instruments	429	8,165	(22)	-	-	8,572
Other provisions	88	34	(17)	-	-	105
Appropriation of income and expense on derivatives	6,180	-	(481)	-	-	5,699
Employee defined benefit obligations	127,585	-	(828)	-	-	126,757
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(233)	-	(8,648)	-	-	(8,881)
Total	<u>170,584</u>	<u>9,731</u>	<u>(12,769)</u>	-	-	<u>167,546</u>

	1.4.2005-31.12.2005					
	Balance 1.4.2005	Recognition in				Balance 31.12.2005
		Income statement		Equity		
		Assets	Liabilities	Assets	Liabilities	
Deferred Tax Assets						
Depreciation	33,524	-	(8,954)	388	-	24,958
Loans and advances	1,770	110	(1,413)	1,640	-	2,107
Valuation of derivative financial instruments	8,572	-	(3,194)	-	-	5,378
Other provisions	105	7	(4)	-	(21)	87
Appropriation of income and expense on derivatives	5,699	166	(1,515)	-	-	4,350
Employee defined benefit obligations	126,757	118	(389)	-	-	126,486
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(8,881)	3,934	-	-	-	(4,947)
Total	167,546	4,335	(15,469)	2,028	(21)	158,419

	1.1.2006-31.3.2006					
	Balance 1.1.2006	Recognition in				Balance 31.3.2006
		Income statement		Equity		
		Assets	Liabilities	Assets	Liabilities	
Depreciation	24,958	30	(2,173)	-	-	22,815
Loans and advances	2,107	15,549	(7,034)	-	-	10,622
Valuation of derivative financial instruments	5,378	1,261	(8,934)	-	-	(2,295)
Other provisions	87	906	-	-	-	993
Appropriation of income and expense on derivatives	4,350	4,825	(4,855)	-	-	4,320
Employee defined benefit obligations	126,486	-	(95)	-	-	126,391
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,947)	4,737	(7,161)	-	-	(7,371)
Total	158,419	27,308	(30,252)	-	-	155,475

19. Non-current assets held for sale

a) Property, plant and equipment

	Land and buildings	Office equipment	Total
Balance 1.1.2005			
Cost	32,002	617	32,619
<hr/>			
1.1.2005-31.3.2005			
Cost 1.1.2005	32,002	617	32,619
Additions	324	-	324
Disposals	(724)	-	(724)
Cost 31.3.2005	31,602	617	32,219
Balance 31.3.2005			
Cost	31,602	617	32,219
<hr/>			
1.4.2005-31.12.2005			
Cost 1.4.2005	31,602	617	32,219
Additions	8,682	20	8,702
Additions from merger with Delta Singular A.E.	21,175	-	21,175
Disposals	(5,310)	(52)	(5,362)
Reclassification to property, plant and equipment	(1,703)	-	(1,703)
Reclassification from investment property	33,463	-	33,463
Cost 31.12.2005	87,909	585	88,494
Balance 31.12.2005			
Cost	87,909	585	88,494
<hr/>			
1.1.2006-31.3.2006			
Cost 1.1.2006	87,909	585	88,494
Additions	1,431	4	1,435
Disposals	(268)	-	(268)
Cost 31.3.2006	89,072	589	89,661

b) Participations

Balance 31.12.2005	1,755
<hr/>	
1.1.2006-31.3.2006	
Balance 1.1.2006	1,755
Disposals	(1,755)
Balance 31.3.2006	-
	<hr/> <hr/>

Disposals of € 1,755 concern the sale of Alpha Insurance Romania S.A. (Note 26, paragraph b).

Liabilities

20. Due to customers

	31.3.2006	31.12.2005
Current accounts	5,291,903	5,481,435
Saving accounts	9,434,873	9,652,069
Term deposits:		
- Synthetic swaps	293,630	357,627
- Other	3,242,752	2,887,928
Sale and repurchase agreements (Repos)	661,877	738,018
	<u>18,925,035</u>	<u>19,117,077</u>
Cheques payable	154,037	184,569
Total	<u>19,079,072</u>	<u>19,301,646</u>

21. Debt securities in issue and other borrowed funds

The Bank to effectively fund its activities has significantly broaden its funding sources and 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 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

	31.3.2006	31.12.2005
Euro due 2006	2,020,245	2,519,937
Euro due 2007 with 1 st call option in 2006	6,956	7,126
Euro due 2007	901,698	901,444
HKD 100 million due 2007	10,745	11,027
Euro due 2008	507,005	507,260
US \$ 10 million due 2008 with 1 st call option in 2006	7,864	8,052
Euro due 2009	1,110,901	710,405
Euro due 2009 with 1 st call option in 2007	40,014	-
CZK 1,500 million due 2009	52,463	51,511
US \$ 11 million due 2009 with 1 st call option in 2006	8,758	8,960
US \$ 5 million due 2009 with 1 st call option in 2006	3,870	4,027
HKD 50 million due 2009	5,368	5,497
Euro due 2010	1,125,490	924,947
Euro due 2010 with 1 st call option in 2006	36,319	56,600
Euro due 2010 with 1 st call option in 2007	2,502,390	2,502,060
US \$ 7 million due 2010 with 1 st call option in 2006	4,898	5,366
US \$ 50 million due 2010 with 1 st call option in 2007	41,448	42,521
Euro due 2011	24,615	15,439
CZK 700 million due 2011	24,491	-
Euro due 2011 with 1 st call option in 2006	22,383	22,843
Euro due 2011 with 1 st call option in 2008	1,000,700	-
Euro due 2012	315,856	316,104
Euro due 2012 with 1 st call option in 2006	37,050	9,353
Euro due 2013	318,932	19,341
Euro due 2015	12,212	12,360
Euro due 2021	82,878	-
Total	10,225,549	8,662,180

The majority of senior debt securities bears a Euribor floating rate, with a margin between -10 and +35 basis points, which is connected with bond's start date and maturity date.

Subordinated debt

Euro due 2012 with 1 st call option in 2007	325,542	325,817
Euro due 2013 with 1 st call option in 2008	351,463	351,570
Euro due 2014 with 1 st call option in 2009	201,223	201,115
JPY 30 billion with 1 st call option in 2015	194,466	203,706
Total	1,072,694	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 option to redeem in 2015, carrying a fixed rate of 2.94%.

Hybrid securities

Euro perpetual with 1 st call option in 2012	301,177	301,224
Euro perpetual with 1 st call option in 2015	592,365	620,149
Total	893,542	921,373
Grand total	12,191,785	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 CMS and 2 years CMS with a floor of 3.25% and a cap of 10%.

Additional Information

22. 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. 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:

	31.3.2006	31.12.2005
Less than one year	20,984	20,675
Between one and five years	62,821	60,747
More than five years	35,671	34,941
Total	<u>119,476</u>	<u>116,363</u>

The lease expense for the first quarter of 2006 relating to buildings amounts to € 5,526 (2005: € 5,126) and are included in the 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:

	31.3.2006	31.12.2005
Less than one year	2,840	2,718
Between one and five years	9,557	9,356
More than five years	5,288	5,202
Total	<u>17,685</u>	<u>17,276</u>

The lease revenue for the first quarter of 2006 amounts to € 727 (2005: € 584), which are included in Other income.

d) *Off balance sheet liabilities*

	31.3.2006	31.12.2005
Letters of guarantee	3,812,949	3,627,622
Letters of credit	181,999	212,879
Credit commitments	12,023,254	11,794,929
Guarantees issued for bonds by subsidiaries	12,270,367	10,640,897
Total	<u>28,288,569</u>	<u>26,276,327</u>

e) *Assets pledged*

	31.3.2006	31.12.2005
Securities linked to Reverse Repos	-	420,000
Investment securities	585,000	165,000
Total	<u>585,000</u>	<u>585,000</u>

From the investment securities portfolio € 80,000 are pledged for capital withdrawal and € 5,000 are pledged as collateral to clearing house of derivative transactions "ETESEP" A.E. as margin account insurance. The remaining 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).

23. Segment reporting

Analysis by sector

(Millions of Euro)

	31.3.2006						
	Bank	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	276.6	194.1	54.6	0.6	23.2	4.1	-
Commission	65.4	27.3	20.0	12.5	4.8	0.8	-
Other income	31.4	2.1	0.4	0.5	5.2	0.2	23.0
Total income	<u>373.4</u>	<u>223.5</u>	<u>75.0</u>	<u>13.6</u>	<u>33.2</u>	<u>5.1</u>	<u>23.0</u>
Expenses	(159.8)	(114.4)	(22.3)	(6.8)	(4.3)	(2.8)	(9.2)
Impairment	(57.3)	(33.6)	(23.7)	-	-	-	-
Profit before tax	<u>156.3</u>	<u>75.5</u>	<u>29.0</u>	<u>6.8</u>	<u>28.9</u>	<u>2.3</u>	<u>13.8</u>

	31.3.2005						
	Bank	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	228.6	164.5	51.7	0.4	8.8	3.2	-
Commission	55.4	25.9	21.1	7.3	1.9	0.4	(1.2)
Other income	66.4	3.6	0.5	1.3	11.2	0.6	49.2
Total income	<u>350.4</u>	<u>194.0</u>	<u>73.3</u>	<u>9.0</u>	<u>21.9</u>	<u>4.2</u>	<u>48.0</u>
Expenses	(150.7)	(110.3)	(20.4)	(5.6)	(3.4)	(3.0)	(8.0)
Impairment	(56.7)	(27.0)	(29.7)	-	-	-	-
Profit before tax	<u>143.0</u>	<u>56.7</u>	<u>23.2</u>	<u>3.4</u>	<u>18.5</u>	<u>1.2</u>	<u>40.0</u>

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, letter of guarantees), debit and credit cards to the above customers.

ii. Corporate banking

Includes all medium-sized and large companies, corporations with international activities, shipping corporations and corporations managed by the Corporate Banking Division (Corporate).

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 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.

24. 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) 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)	
	31.3.2006	31.12.2005
Risk-weighted assets from credit risk	26,683	25,659
Risk-weighted assets from market risk	556	569
Total Risk-weighted assets	<u>27,239</u>	<u>26,228</u>
Upper Tier I capital	1,927	1,881
Tier I capital	1,895	1,848
Total Tier I + Tier II capital	3,589	3,485
Upper Tier I ratio	7.1%	7.2%
Tier I ratio	7.0%	7.0%
Capital adequacy ratio Tier I + Tier II	13.2%	13.3%

25. 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 with members of the Board of Directors and their close family members are as follows:

	31.3.2006	31.12.2005
Loans	2,815	3,118
Deposits	10,761	10,960
Letters of guarantee	146	145

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

I. Subsidiaries

Assets		
Due from banks	1,257,243	1,026,244
Securities held for trading	21,616	40,695
Derivative financial assets	358	477
Loans and advances to customers	908,258	942,800
Available for sale securities	452,202	441,499
Total	2,639,677	2,451,715

Liabilities		
Due to banks	936,066	735,660
Due to customers	476,419	432,265
Derivatives financial liabilities	194	283
Debt securities in issue and other borrowed funds	12,191,785	10,665,761
Other liabilities	3,725	2,734
Total	13,608,189	11,836,703

Income		
	31.3.2006	31.3.2005
Interest and similar income	17,178	12,583
Dividend income	10,784	54,418
Fee and commission income	12,295	6,931
Other income	595	659
Total	40,852	74,591

Expenses		
Interest expenses and similar charges	93,141	58,407
Commission expense	333	1,282
General administrative expenses	3,537	4,086
Total	97,011	63,775

Letters of guarantee and other guarantee 111,096 -

II. Associates

	31.3.2006	31.12.2005
Assets		
Loans and advances to customers	1,233	1,390
Total	1,233	1,390

Liabilities	31.3.2006	31.12.2005
Due to customers	924	639
Total	<u>924</u>	<u>639</u>
Letters of guarantee	1,772	1,353
Income	31.3.2006	31.3.2005
Interest and similar income	26	49
Fee and commission income	7	-
Total	<u>33</u>	<u>49</u>
Expenses		
Interest and similar charges	2	448
General administrative expenses	125	220
Total	<u>127</u>	<u>668</u>

- c. The fees paid to the members of the Board of directors charged in the first quarter of 2006 profit and loss account amount to € 950 (31.3.2005: € 274). The increase is due to the fact that modifications have been made in Board of Directors as at 23 February 2005.

26. Disposals of subsidiaries and associates

- a) On 1 February 2006 the Bank transferred 2,178,000 shares of the subsidiary Alpha Private EPEY 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 reorganization of private banking and did not have any affect on the Bank's results.
- b) 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 sales agreement was signed on 11 October 2005. The investment in Alpha Insurance Romania S.A. amounted to € 1.7 million was presented as at 31 December 2005 in "non-current assets held for sale". No gain or loss resulted from this transaction.
- c) 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.

27. Events after the balance sheet date

- a) The General Shareholders meeting held on 18 April 2006 approved the following:
- the distribution of total dividend for the year 2005 of € 237,556 or € 0.84 per share.
 - the decrease of the nominal value of each share from € 5.00 to € 3.90, the capital increase due to the capitalization of prior years profits which have been already taxed of amount € 133,954, with the issue of 116,481,444 new shares with nominal value of € 3.90, which will be distributed to shareholders for free at a ratio of 4 new shares for 10.
- After the above increase, which was approved by the Ministry's of Development decision No K2 – 6543/3.5.2006, the share capital of the Bank amounts to € 1,589,972 divided into 407,685,052 shares.
- plan to acquire treasury shares of the Bank for the period from April 2006 up to April 2007 of a total amount up to 3% of the issued share capital.

- b) According to the Board of Directors Meeting held on 17 February 2006 of subsidiary Ionian Hotel Enterprises A.E. it was decided to explore the possibility of selling the Rhodes Hilton Hotel.
- c) On 30 August 2005 the Board of Directors of Alpha Ventures and Alpha Equity Fund decided to start the process of merging the two companies, by absorption of the second by the first, with a balance sheet date of 31 August 2005. Both companies are wholly owned subsidiaries by the Bank. The merger is expected to be completed during 2006.
- d) On 30 December 2005 the Board of Directors of Alpha Mutual Funds AEDAK and Alpha Asset Management decided to start the process of merging the two companies, by absorption of the second by the first, with a balance sheet date of 31 December 2005. Both companies are wholly owned subsidiaries of the Bank. The merger is expected to be completed during 2006.