ALPHA BANK

FINANCIAL STATEMENTS AS AT 31.12.2007

(In accordance with the International Financial Reporting Standards - I.F.R.S.)

ATHENS
FEBRUARY 26, 2008

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Independent Auditors' Report

(Translated from the original in Greek)

To the Shareholders of ALPHA BANK A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of ALPHA BANK A.E. (the "Bank") which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Greek Auditing Standards, which are harmonized with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view, of the financial position of the Bank as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Athens, 26 February 2008

KPMG Certified Auditors AE

Marios T. Kyriacou	Harry Sirounis
Certified Auditor Accountant	Certified Auditor Accountant
AM SOEL 11121	AM SOEL 19071

INCOME STATEMENT

		(Thousands of Euro)	
		From 1 January to	
	Note	**31.12.2007**	**31.12.2006**
Interest and similar income	2	3,106,845	2,442,729
Interest expense and similar charges	2	(1,879,187)	(1,301,845)
Net interest income		1,227,658	1,140,884
Fee and commission income		349,399	313,844
Commission expense		(27,480)	(21,399)
Net fee and commission income	3	321,919	292,445
Dividend income	4	45,462	52,907
Gains less losses on financial transactions	5	(42,833)	121,626
Other income	6	34,878	15,015
		37,507	189,548
Total income		**1,587,084**	**1,622,877**
Staff costs	7	(386,694)	(368,852)
General administrative expenses	8	(338,490)	(276,333)
Depreciation and amortization expenses	19,20,21	(51,186)	(40,467)
Other expenses		(2,486)	(1,686)
Total expenses		**(778,856)**	**(687,338)**
Impairment losses and provisions for credit risk	9	(194,587)	(219,505)
Profit before tax		**613,641**	**716,034**
Income tax	10.1	(150,251)	(139,839)
		463,390	**576,195**
Tax on reserves	10.2	(6,384)	(73,902)
Profit after tax		**457,006**	**502,293**
Earnings per share:	11		
Basic earnings per share (€)		1.13	1.28
Diluted earnings per share (€)		1.12	1.28

The attached notes (pages 12 to 77) form an integral part of these financial statements.

BALANCE SHEET

(Thousands of Euro)

	Note	31.12.2007	31.12.2006
ASSETS			
Cash and balances with Central Banks	12	1,650,327	1,477,675
Due from banks	13	7,349,675	6,184,088
Securities held for trading	14	264,788	346,207
Derivative financial assets	15	384,466	254,566
Loans and advances to customers	16	35,267,874	28,237,691
Investment securities			
- Available-for-sale	17	6,300,377	7,462,388
Investments in subsidiaries, associates and joint ventures	18	1,626,100	1,593,550
Investment property	19	42,370	42,006
Property, plant and equipment	20	603,831	544,636
Goodwill and other intangible assets	21	55,836	42,104
Deferred tax assets	22	158,160	261,363
Other assets	23	280,626	229,825
		53,984,430	46,676,099
Non-current assets held for sale	24	54,706	92,513
Total Assets		**54,039,136**	**46,768,612**
LIABILITIES			
Due to banks	25	5,637,562	7,222,117
Derivative financial liabilities	15	383,129	226,223
Due to customers	26	23,334,888	20,372,543
Debt securities in issue and other borrowed funds	27	20,521,976	15,148,320
Liabilities for current income tax and other taxes	28	127,863	110,102
Deferred tax liabilities	22	82,960	137,901
Employee defined benefit obligations	29	3,733	513,311
Other liabilities	30	1,159,012	584,358
Provisions	31	47,796	17,901
Total Liabilities		**51,298,919**	**44,332,776**
EQUITY			
Share capital	32	1,602,809	1,591,286
Share premium	33	184,033	127,961
Reserves	34	333,892	207,853
Retained earnings	35	619,483	523,201
Treasury shares	36	-	(14,465)
Total Equity		**2,740,217**	**2,435,836**
Total Liabilities and Equity		**54,039,136**	**46,768,612**

The attached notes (pages 12 to 77) form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(Thousands of Euro)

	Note	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 1.1-31.12.2006							
Net change in fair value of available-for-sale securities				(48,428)			(48,428)
Net change in fair value of available-for- sale securities transferred to income statement from sales				(4,804)			(4,804)
Exchange differences on translating foreign operations					(46)		(46)
Net income recognized directly in equity				(53,232)	(46)		(53,278)
Profit for the period, after income tax					502,293		502,293
Total				(53,232)	502,247		449,015
Purchase of treasury shares						(209,730)	(209,730)
Sale of treasury shares					92,604	383,393	475,997
Dividends distributed					(237,556)		(237,556)
Appropriation to reserves				37,780	(37,780)		-
Share capital increase by capitalization of reserves and change of nominal value of share to € 3.90	32	133,954			(133,954)		-
Recognition of employee share options				5,158			5,158
Exercise of employee share options	33		2,276	(2,276)			
Issue of new shares due to share options exercise	32	1,314					1,314
Other					201		201
Balance 31.12.2006		**1,591,286**	**127,961**	**207,853**	**523,201**	**(14,465)**	**2,435,836**

The attached notes (pages 12 to 77) form an integral part of these financial statements.

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
Balance 1.1.2007		**1,591,286**	**127,961**	**207,853**	**523,201**	**(14,465)**	**2,435,836**
Changes in equity for the period 1.1-31.12.2007							
Net change in fair value of available-for-sale securities				(48,196)			(48,196)
Net change in fair value of available-for-sale securities transferred to income statement from sales				126,825			126,825
Exchange differences on translating foreign operations					200		200
Net income recognized directly in equity				78,629	200		78,829
Profit for the period after income tax					457,006		457,006
Total				78,629	457,206		535,835
Purchase of treasury shares	36					(329,189)	(329,189)
Sale of treasury shares	36				(2,999)	343,654	340,655
Dividends distributed	35				(304,421)		(304,421)
Appropriation to reserves	34			53,400	(53,400)		
Recognition of employee share options				19,487			19,487
Exercise of employee share options	33,34		25,477	(25,477)			-
Issue of new shares due to share options exercise	32,33,42	11,523	30,595				42,118
Other					(104)		(104)
Balance 31.12.2007		**1,602,809**	**184,033**	**333,892**	**619,483**	**-**	**2,740,217**

The attached notes (pages 12 to 77) form an integral part of these financial statements.

CASH FLOW STATEMENT

	Note	From 1 January to 31.12.2007	31.12.2006
		(Thousands of Euro)	
Cash flows from operating activities			
Profit before tax		613,641	716,034
Adjustments for:			
Depreciation of property, plant and equipment	19,20	33,355	27,011
Amortization of intangible assets	21	17,831	13,456
Impairment losses from loans and provisions		205,733	225,950
Other adjustments		19,487	5,157
(Gains)/losses from investing activities		57,547	(160,987)
(Gains)/losses from financing activities		115,678	72,092
		1,063,272	898,713
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		(1,589,718)	(756,600)
Securities held for trading and derivative financial assets		(48,481)	(308,072)
Loans and advances to customers		(7,202,283)	(4,304,132)
Other assets		(1,611)	(87,399)
Net increase/(decrease) in liabilities relating to operating activities			
Due to banks		(1,584,555)	(1,380,192)
Derivative financial liabilities		156,905	85,591
Due to customers		7,984,035	5.579.149
Other liabilities		(11,747)	12,017
Net cash from operating activities before taxes		(1,234,183)	(260,925)
Income taxes and other taxes paid		(86,412)	(156,379)
Net cash flows from operating activities		**(1,320,595)**	**(417,304)**
Cash flows from investing activities			
Acquisitions of subsidiaries, associates and joint ventures		(28,325)	(12,468)
Proceeds from sale of subsidiaries, associates and joint ventures		1,137	17,678
Dividends received		45,461	52,907
Purchase of property, plant and equipment		(98,649)	(81,018)
Disposal of property, plant and equipment		27,897	(48,125)
Net (increase)/decrease in investment securities		1,133,696	10,492
Merger of Belgrade branch with Alpha Bank Srbija A.D.		-	61,823
Net cash flows from investing activities		**1,081,217**	**1,289**
Cash flows from financing activities			
Share capital increase from share options exercise		42,118	1,314
(Purchases)/sales of treasury shares		11,466	266,267
Dividends paid		(302,474)	(234,989)
Proceeds from the issue of debt securities and other borrowed funds	27	677,038	-
Repayment of debt securities and other borrowed funds		(440,749)	(93,153)
Net cash flows from financing activities		**(12,601)**	**(60,561)**
Effect of exchange rate fluctuations on cash and cash equivalents		500	1,028
Net increase / (decrease) in cash and cash equivalents		**(251,479)**	**(475,548)**
Cash and cash equivalents at beginning of the year	12	**4,608,407**	**5,083,955**
Cash and cash equivalents at end of the year	12	**4,356,928**	**4,608,407**

The attached notes (pages 12 to 77) form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

General Information

At present, the Bank operates under the brand name of ALPHA BANK A.E. and with the sign of ALPHA BANK. Its registered office is 40 Stadiou Street, Athens and it is listed as a societe anonyme, 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 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, 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 February 2007 (resignation of the non-executive member Mr. Takis Athanasopoulos, who was replaced by Mr. Evangelos Kaloussis) as at 31 December 2007 consist 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 *

Sophia G. Eleftheroudaki

Paul G. Karakostas*

Nicholaos I. Manessis **

NON-EXECUTIVE INDEPENDENT MEMBERS

Pavlos A. Apostolides **

Thanos M. Veremis

Evangelos I. Kaloussis */***(On 3 April 2007 elected from non-executive member to a non-executive independent member by the Shareholders' Meeting)

Ioannis K. Lyras **

SECRETARY

Hector P. Verykios

* Member of the Audit Committee
** Member of the Remuneration Committee
*** Member of the Risk Management Committee

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

Principal Auditors:	Marios T. Kyriacou
	Harry G. Sirounis
Substitute Auditor:	Nick Ch. Tsiboukas
of KPMG Certified Auditors A.E.	

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

As at 31 December 2007 Alpha Bank was ranked fifth, in terms of market capitalization. Since February 2004 the Bank has been included in the FTSE Eurofirst 300 Index, an index which consists of the 300 largest European companies. Additionally, the Bank is included in a series of other indices, such as (S&P Europe 350, FTSE Med 100, MSCI Europe, DJ Euro Stoxx and FTSE4 Good).

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

As at 31 December 2007 the Bank has 410,976,652 shares in issue.

The Bank's growth and consistent dividend policy has attracted local and foreign investors. This has increased the shares' liquidity which for the year ended 31 December 2007 amounted to an average of 1,307,691 shares per day.

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

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

1. Accounting policies applied

1.1 Basis of presentation

These financial statements relate to the fiscal year 1 January 2007 to 31 December 2007 and they have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002.

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

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

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

The estimates and judgments applied in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate.

The estimates and assumptions are reviewed on an ongoing basis to take into account current conditions, and the effect of any revisions are recognized in the period in which the estimate is revised.

The accounting policies, applied by the Bank in the financial statements as at 31 December 2007, are the same as those applied in the financial statements for the year ended 31 December 2006 after taking into account amendments to the standards, and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union which are effective for annual periods beginning on or after 1.1.2007:

- International Financial Reporting Standard (IFRS) 7 *«Financial Instruments: Disclosures» (Regulation 108/2006)*

IFRS 7 and the amendments to other Standards resulted in significant changes relating to the disclosure requirements of financial instruments, which are included in financial statements of 31.12.2007.

- Amendment to IAS 1 *«Presentation of Financial Statements – Capital Disclosure»*

This amendment requires additional disclosures for the management of the Bank's capital and quantitative disclosures included in the financial statements of 31.12.2007.

- Interpretation 7 *«Applying the restatement Approach Under IAS 29 Financial Reporting in Hyper Inflationary Economies (Regulation 708/2006)*

The adoption of this interpretation had no effect on the financial statements as the Bank has no operations in hyper inflationary economies.

- Interpretations 8 and 9 *«Scope of IFRS 2» and «Reassessment of embedded derivatives» (Regulation 1329/8.9.2006)*

The adoption of these interpretations had no impact on the Bank's financial statements.

- Interpretation 10 *«Interim Financial Reporting and Impairment» (Regulation 610/2007)*

With the adoption of this interpretation an entity can not reverse an impairment loss recognized in an interim period relating to goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The adoption of this interpretation did not have an impact on Bank's financial principles.

Apart from the above Standards and Interpretations, the European Union adopted the following standards and interpretations, which are effective for annual periods beginning after 1.1.2007 and have not been early adopted by the Bank.

- Interpretation 11 *"IFRS 2 – Group and Treasury Share Transactions"*
Effective for annual periods beginning on or after 1.3.2007 (Rule 611/1.6.2007)

The adoption of this interpretation will not have a substantial impact on the Bank's financial statements.

- International Financial Reporting Standard 8 «Operating segments» Effective for annual periods on or after 1.1.2009.(Rule 1358/21.11.2007)

This standard replaces IAS 14 «Segment reporting».

Its adoption by the European Union and by the Bank will have a impact on the Bank's disclosures relating to operating segments.

In addition, the International Accounting Standards Board (IASB) has issued the following standards and interpretations which have not yet been adopted by the European Union and have not been early implemented by the Bank.

- Amendment of International Accounting Standard 23 *«Borrowing costs »* Effective for annual periods on or after 1.1.2009

On 29 March 2007, the Board issued the revised IAS 23, which removed the option of immediately recognizing as an expense all borrowing costs that relate to assets that have a substantial period of time to be ready for use or sale. Such borrowing costs are capitalized as part of the cost of the asset.

Its adoption will not have a substantial impact on Bank's financial statements.

- Amendment of International Accounting Standard (IAS) 1 *«Presentation of financial statements»*. Effective for annual periods on or after 1.1.2009.

On 6 September 2007, the Board published the revised version of IAS 1. The most significant changes are the following:

i) Introduction of a statement of comprehensive income. This statement includes the profit or loss of the period and all non-owner changes in equity. Entities may present a separate income statement, but all non-owner changes in equity must be presented in an additional statement.

ii) The statement of changes in equity, will include transactions between the entity and the equity holders.

iii) In the instances where a new accounting standard is retrospectively implemented or items are restated, the comparative figures must include the opening and closing balance sheet of the prior year.

The adoption of this Standard by the European Union and the Bank will affect the presentation of financial statements.

- *Amendment of International Accounting Standard 27 «Consolidated and Separate Financial Statements» and International Financial Reporting Standard 3 «Business combinations» – Effective for business combinations where the acquisition date relates, to annual periods beginning on or after 1.7.2009.*

The main changes from the amended standards issued on 10 January 2008, are summarized as follows:

i) In circumstances where changes in ownership interests have as result an entity to obtain control or to lose control of another entity, the value of the investment prior to the change or the remaining value, should be measured at fair value with changes recognized in profit and loss account.

ii) Upon initial recognition non-controlling interest might be measured at fair value. In addition non-controlling interest should absorb the total losses incurred attributable to their interest.

iii) Any contingent consideration is recognized as a liability and measured at fair value.

iv) Costs incurred by the acquirer are not included in the cost of a business combination but are expensed.

Finally, changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

- Amendment of International Financial Reporting Standard 2 *"Share based payments" Effective for annual periods beginning on or after 1.1.2009.*

This amendment issued on 17 January 2008 clarifies that the vesting conditions are distinguished to:

i. Service conditions which are further distinguished to:

- vesting conditions that require to complete a specified period of service

- conditions that require performance targets

ii. Conditions that are not connected to service.

In addition, rules for measuring the grant date fair value of the share-based payments for each for the above categories are clarified, together with the accounting treatment in the cases that a failure to meet the conditions is arisen.

The adoption of this amendment by the European Union and the Bank, is not expected to have a significant impact on the financial statement.

- Amendment of International Accounting Standard 32 «Financial instruments: Presentation» - and International Accounting Standard 1 «Presentation of financial statements» Effective for annual periods beginning on 1.1.2009

With the implementation of the above amendment, issued on 14 February 2008, financial instruments that otherwise meet the definition of financial liability, but also contain the right for the holder to put them back to the issuer, under specific conditions, are classified as equity of the issuer. This amendment requires additional disclosures on the financial statements.

The Bank is examining whether there will be an impact from the adoption of the above amendment in the financial statements.

- Interpretation 12 «Service concession arrangements» Effective for annual periods on or after 1.1.2008

- Interpretation 13 «Customer loyalty programs» Effective for annual periods on or after 1.7.2008

- Interpretation 14 «IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction» Effective for annual periods on or after 1.1.2008

The Bank is examining whether there will be an impact from the adoption of the above Interpretations in the financial statements.

1.2 Segment reporting

The Bank after considering the present management and reporting structure, and that the majority of its income arise from activities in Greece decided that:

a. the primary reporting format are the following business segments:

- Retail
- Corporate Banking
- Asset Management/Insurance
- Investment Banking/Treasury
- South Eastern Europe
- Other

b. the following geographical segments are the secondary reporting format:

- Greece
- Other countries

Detailed information relating to business and geographical segments is presented in note 38.

1.3 Transactions in foreign currency and translation of foreign operations

a. Transactions in foreign currency

The financial statements are presented in Euro, which is the functional currency and the currency of the country of incorporation of the Bank. Items included in the financial statements of each of the foreign branches are measured at the functional currency of each branch which is the currency of the country of incorporation in which the branch operates or the currency used for the majority of transactions held.

Transactions in foreign currencies are translated to the functional currency at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for those non-monetary items denominated in foreign currencies that are stated at fair value. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in shareholders' equity depending on the classification of the non-monetary item.

b. Translation of foreign operations

The results and financial position of all foreign branches that have a functional currency that is different from the presentation currency of Bank's financial statements are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented are translated to Euro at the closing rate applicable on the balance sheet date.
The comparative figures presented are translated to Euro at the closing rate at the respective date of the comparative balance sheet.
(ii) Income and expense items for each income statement are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange differences from the above translation and those arising from other monetary items designated as a part of the net investment in the entity are recorded in equity. When a foreign entity is sold, the exchange differences are recognized in the income statement as part of the gain or loss on sale.

1.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consist of:

a. Cash on hand.
b. Non-restricted placements with Central Banks.
c. Short-term balances due from banks.

Short-term balances due from banks are amounts that mature within three months after the date of the financial statements.

1.5 Classification and measurement of financial assets

The Bank classifies its financial assets in the following categories:

- Loans and receivables.
- Held-to-maturity investments.
- Financial assets at fair value through profit or loss.
- Available-for-sale financial assets.

For each of the above classifications the following is applicable:

a) Loans and receivables

Included in this category are:

i. Loans to customers.
ii. Amounts paid for a portion or total acquisition of bonds issued by customers.
iii. All receivables from customers, banks etc.

Loans and receivables are carried at amortized cost.

b) Held-to-maturity

Held-to-maturity investments are financial assets that the Bank has the positive intention and ability to hold to maturity.

This category is carried at amortized cost. The Bank has not included any financial assets in this category.

c) Financial assets at fair value through profit or loss.

Financial assets included in this category are those:

i. That are acquired principally for the purpose of selling in the near term in order to exploit short term market fluctuations (trading portfolio). The Bank has included in this category fixed rate Government bonds and treasury bills, except for certain specific issues, for which different decisions have been taken, and a limited number of shares and corporate loans.
ii. The Bank, at initial recognition, designates these financial assets at fair value and recognize changes in the fair value in the income statement.

This classification is used when:

- Management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
- Eliminates an accounting mismatch that would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortized cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through the profit or loss).
- The financial instrument contains an embedded derivative that significantly modifies the cash flows or the separation of this derivative is not prohibited.

The Bank, at initial recognition, does not designate financial assets at fair value through profit or loss.

d) Available-for-sale

Available-for-sale financial assets are investments that have not been classified in any of the previous categories.

The Bank has included in this category:

i. Variable interest rate bonds
ii. Certain issues of fixed rate Government bonds, for which a specific decision has been taken, and fixed rate bonds of other issuers
iii. Shares
iv. Mutual fund units

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is derecognized or impaired at which time the cumulative gain or loss previously recognized in equity is transferred to profit or loss. The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. When a subsequent event cause the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through profit or loss. An impairment loss is reversed through the profit or loss if it can be related objectively to an event occurring after the impairment loss was recognized. However, the impairment losses for equity securities and mutual fund units are not reversed.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.6 are followed.

1.6 Derivative financial instruments and hedge accounting

Derivatives are financial instruments that upon inception have a minimal or zero value and subsequently change in accordance with a particular underlying instrument (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive, and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In the cases were certain derivatives embedded in other financial instruments, such as bonds, loans, deposits, borrowed funds etc are not carried at fair value through profit or loss then they are accounted for as separate derivatives when the derivative is not closely related to the host contract. These embedded derivatives are measured at fair value and are recognized as derivative assets or liabilities.
In the cases where derivatives embedded in financial instruments that have been designated at fair value through profit or loss, the changes in fair value of the derivatives are included in the fair value change of the combined instrument and recognized in gains less losses on financial transactions.

The Bank's activities involve the use of derivatives as a means of exercising asset-liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Bank uses derivatives for trading purposes to exploit short-term market fluctuations, within the Bank risk level set by the Asset-Liability Committee (ALCO). Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions.

When the Bank uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction, and that the effectiveness of the hedge is monitored on an ongoing basis and the above are repeated at each balance sheet date.

We emphasize the following:

a. Synthetic Swaps

The Bank, in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY with a simultaneous forward purchase of JPY to cover the foreign exchange exposure.

The result arising from the forward foreign exchange is recognized as interest expense, foreign exchange differences and other gains less losses on financial transactions.

b. FX Swaps

These types of swaps are entered into primarily to hedge the exposures arising from customer loans and deposits.

As there is no documentation to support hedge accounting they are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest, foreign exchange differences, in order to match with the interest element resulting from the deposits and loans, and other gains less losses on financial transactions.

Hedge accounting

Hedge accounting establishes the valuation rules to offset on the gain or loss in the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied.

Documentation of the hedge relationship upon inception and of the effectiveness of the hedge on a on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and it is repeated at each reporting date.

(a) Fair value hedge

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged.

Changes in the fair value of both the hedging instrument and the hedged item in respect of the specific risk being hedged are recognized in the income statement.

When the hedge relationship no longer exists, the hedged items are re-measured based on their classification and valuation principles as analyzed in notes 1.5 and 1.15.

Specifically any adjustment, up to the point that the hedge relationship ceases to be effective, to a hedged item for which the effective interest method is used, is amortized to interest income or expense based on a recalculated effective interest rate of the item, over its remaining life.

The Bank uses interest rate swaps (IRS's) to hedge risks relating to borrowings, bonds, loans and fixed rate term deposits. In addition the Bank uses foreign exchange derivatives to hedge foreign exchange risks arising from investments in subsidiaries.

(b) Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective portion is recognized in profit or loss. The accounting treatment of the hedged item does not change.

There were no instances that would require cash flow hedge accounting.

(c) Hedges of net investment in a foreign operation

The accounting for hedge of a net investment in a foreign operation is similar to cash flow hedge accounting. In cases where the hedge relationship no longer exists the cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time the disposal of the foreign operation takes place.

1.7 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost, plus any expenses directly attributable to the acquisition less impairment losses.

Dividends received relating to post-acquisition profits are recorded in the income statement, whereas dividend income from pre-acquisition profits are considered as a return of capital and recorded as a reduction of the cost of the investment.

Dividend income is recognized when the right to receive income is established, which is when the decision to this effect has been taken by the shareholders' general meeting.

1.8 Property, plant and equipment

This caption includes: land, buildings for use by the branches or for administrative purposes, additions and improvements of leased fixed assets and equipment.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Costs includes expenditures that are directly attributable to the acquisition of asset.

Subsequent expenditure is recognized in the carrying amount of the item when it increases future economic benefits.

Expenditure on repairs and maintenance is recognized in profit or loss as incurred.

Depreciation is recognized in profit or loss on a straight line basis over the estimated useful lives of property, plant and equipment.

The estimated useful lives are as follows:

-	Buildings:	33 years.
-	Additions to leased fixed assets and improvements:	duration of the lease.
-	Equipment and vehicles:	4 to 20 years.

Land is not depreciated.

Residual values of property and equipment and useful lives are reassessed and adjusted, if necessary, at the reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

1.9 Investment property

The Bank includes in this category buildings or a portion of buildings together with the respective portion of the land that is held to earn rental income.

Investment property is measured at cost, which includes all expenditures directly attributable to the acquisition, less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized in the carrying amount of the item when it increases future economic benefits.

Expenditure on repairs and maintenance is recognized in profit or loss as incurred.

The estimated useful lives, over which depreciation is calculated using the straight line method, are the same as those applied to property, plant and equipment.

1.10 Goodwill and other intangible assets

The Bank has included in this category:

a) Software, which is carried at cost less accumulated amortization. Amortization is charged over the estimated useful life, which the Bank has estimated between 3 to 4 years. Expenditure incurred to maintain the software programs is recognized in the income statement as incurred.

b) Brand names and banking rights which are carried at cost less accumulated amortization. Amortization is charged over the estimated useful life, which the Bank has estimated at 5 years.

Intangible assets are measured at cost less accumulated amortization, excluding those with indefinite useful life, which are not amortized.

All intangible assets are subject to an impairment test.

For intangible assets no residual value is estimated.

1.11 Leases

The Bank enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Bank is the lessor

i. Finance leases:

For finance leases where the Bank is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments, and the aggregate amount of lease payments, is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease loans are subject to the same impairment testing as applied to customer loans and advances as described in note 1.12.

ii. Operating leases:

When the Bank is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

b) When the Bank is the lessee

i. Finance leases:

For finance leases, where the Bank is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities. At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if this is not available the Bank's borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Bank is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

ii. Operating leases:

For operating leases, the Bank as a lessee does not recognize the leased asset but charges in general administrative expenses, the lease payments on an accrual basis.

1.12 Impairment losses on loans and advances

The Bank assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

a. Establishment of events that provide objective evidence that a loan is impaired (trigger events).

The loans and advances with payment of interest or principal overdue by more than 90 days represents the majority of the loans which were tested for impairment.

In addition an impairment test may be performed for accounts with delays less than 90 days, or accounts with no delay when:

i. procedures for forced recovery have been initiated;

ii. the Bank has information that indicates that the financial position of the borrower is deteriorating (reduced sales, gross margins, profit etc.) or other events (bankruptcy filing, extra-ordinary events such as floods, fire, etc at the installations of the borrower) which occurred after the date of initial recognition and which are considered to affect the ability of the borrower to adhere to the agreed repayment schedule.

Finally, an impairment test is performed on loans and advances granted to sectors of the economy or geographical regions which are experiencing problems that arose after the date of initial recognition of the loans.

b. The criteria for assessment on an individual or collective basis.

The outstanding balance is the basic factor in determining whether the assessment of impairment will be performed on an individual basis or on a collective basis.

More specifically the separation point for the Bank is the amount of € 1 million.

In determining the amount numerous factors were considered such as the composition of the loan portfolio, the specific circumstances of the market and experience obtained from the management of the portfolio.

c. *Establishment of groups of assets with similar risk characteristics*

In those instances whereby based on the amount outstanding the assessment of impairment was performed on a collective basis of assets with similar risk characteristics, with respect to credit risk, the collective groups were determined as follows:

i. the borrowers' industry (construction, tourism etc.) for commercial loans.
ii. the type of loan (consumer, credit cards, mortgage etc.) for retail loans.

Based on detailed internal data the above groups are either expanded or combined in the event that this is justified from the historical data.

d. *Methodology in determining future cash flows from impaired loans*

The Bank has accumulated a significant amount of historical data of the last five years, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

On the basis of this data the amount of the impairment is determined on both an individual and collective basis taking into account the time value of money.

The cash flows are discounted at the loans' original effective interest rate.

e. *Interest income recognition*

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

f. *Impairment recognition*

Impaired loans are usually written-off, with the exception of a small number of accounts with large outstandings were an allowance account is established.

g. *Recoveries*

If in a subsequent period after the recognition of the impairment loss, events occur which require impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in impairment losses and provisions to cover credit risk.

1.13 Deferred taxation

Deferred taxation is the tax that will be paid, or for which relief will be obtained in future periods resulting from the different period that certain items are recognized for financial reporting purpose and for taxation purposes.

Deferred tax is provided for temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply the temporary difference when it reverses, based on the tax rate (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

1.14 Non-current assets held for sale

Non-current assets held for sale consist of assets acquired through the enforcement of security over customer loans and advances, and liabilities that are expected to be recovered primarily through sale.

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting policy. Thereafter they are measured at the lower of their carrying amount and fair value less cost to sell.

Any losses arising from the above measurement is recorded in the profit or loss. The above losses which can be reversed in the future, are allocated to assets in the disposal group that are within the scope of the measurement requirements of the Standard. The impairment losses on a disposal group first are allocated to goodwill and then to remaining assets and liabilities on a pro-rata basis.

Property in this category are not depreciated, however, they are reviewed for impairment at each reporting date.

Gains or losses from the sale of these assets are recognized in the income statement.

1.15 Financial liabilities

The Bank for measurement purposes classifies financial liabilities in the following categories:

a) Financial liabilities measured at fair value through profit or loss

i) This category includes financial liabilities held for trading:

- when the financial liability is acquired or repurchased in the short term to take advantage of short-term market fluctuations;
- they are derivatives which are not used for hedging purposes.

ii) In addition in this category the Bank includes financial liabilities which are measured on initial recognition, at fair value through profit or loss in accordance to the principles set in note 1.5 (point c(ii)).

The Bank has included in the category of financial liabilities held for trading, derivatives which are not used for hedging purposes.

The derivatives and the liabilities arising from derivatives which are used for hedging purposes are presented in derivatives liabilities and valuation principles are set out in note 1.6.

At present no financial liabilities have been classified as fair value through profit or loss.

b) Financial liabilities carried at amortized cost.

The liabilities which are classified in this category are measured at amortized cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities in issue and other loan liabilities are classified in this category.

If financial liabilities included in this category are the hedged item in a hedge relationship the accounting principles applied are those set out in note 1.6.

1.16 Employee benefits

The Bank has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the Bank.

A defined contribution plan is where the Bank pays fixed contributions into a separate entity. The Bank has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs.

The amount resulted from the use of the above method may be negative namely asset. The recognized asset is limited to the net total of:

a) of any unrecognized actuarial losses and past services costs and

b) the present value of any future refunds of Bank's plan or reductions in future contributions to Bank's plan.

The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

The present value of the defined benefit is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Cumulative actuarial gains and losses arising from experience adjustments and changes, and actuarial assumption variations to the extent that they exceed 10 per cent of the greater of the accrued obligation or the fair value of plan assets are amortized over the period equal to the average remaining working lives of the employees.

Past-service costs are recognized immediately in income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In the second case, the past service costs are amortized on a straight line basis over the vesting period.

For defined contribution plans, the Bank pays contributions to publicly or privately administered pension insurance plans, to insurance companies and other funds on a mandatory or voluntary basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.17 Share options granted to employees

The Bank rewards the performance of its executives and managers by granting share options. The number of granted share options, the price and the exercise date are decided from the Board of Directors in accordance to Shareholders' Meeting approvals.

The fair value calculated at grant date, is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options upon the exercise date increases the share capital of the Bank and the reserve in equity from previously recognized fair value of the exercised options is transferred to share premium.

1.18 Provisions

A provision is recognized if as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows. The discount rate applied reflects current market assessments of the time value of money required to settle the obligation. Cash payments are recorded to provisions to the extent that they relate to the specific provision. At each reporting period provisions are re-assessed.

Provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The expense recognized in the profit or loss relating to the provision may be presented net of the amount of the reimbursement.

1.19 Sale and repurchase agreements

The Bank enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized as investments.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the balance sheet and are measured in accordance with accounting policy of the category that they have been classified and are presented as investments.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed under securities borrowing agreements are not recognized except when they have been sold to third parties whereby the gain on the sale is recognized in the income statement and the liability to deliver the security is recognized at fair value.

1.20 Equity

Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium

The difference between the nominal value of the shares issued and their market value, in cases of the exchange of shares as consideration for the acquisition of a business by the Bank is recorded as share premium.

This also includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, is recognized directly in retained earnings.

Retained Earnings

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the shareholders in general meeting.

1.21 Interest income and expense

Interest income and expense is recognized in the income statement for all instruments measured at amortized cost.

The recognition of interest income and expense is performed on the accrual basis using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or the next repricing date, in order the present value of the future cash flows to be equal to the carrying amount of the financial instrument including fees or transaction costs.

Interest on financial assets that are impaired is determined on the balance after the impairment provision using the effective interest rate.

Interest income and expense is also calculated for interest bearing financial instruments that are measured at fair value.

1.22 Fee and commission income

Fee and commission income are recognized on a accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument which measured at amortized cost, such as loans and advances, are capitalized and recognized in the income statement using the effective interest method.

1.23 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

Income Statement

2. Net interest income

	From 1 January to	
Interest and similar income	**31.12.2007**	**31.12.2006**
Due from banks	367,698	124,882
Due from customers	2,194,124	1,746,774
Available-for-sale securities	220,564	251,020
Securities held for trading	10,377	14,581
Derivative financial instruments	313,538	304,833
Other	544	639
Total	**3,106,845**	**2,442,729**
Interest expense and similar charges		
Due to banks	(199,028)	(215,847)
Due to customers	(424,464)	(258,793)
Debt securities in issue and other borrowed funds	(855,391)	(442,580)
Derivative financial instruments	(310,620)	(300,504)
Other	(89,684)	(84,121)
Total	**(1,879,187)**	**(1,301,845)**
Net interest income	**1,227,658**	**1,140,884**

3. Net fee and commission income

	From 1 January to	
	31.12.2007	**31.12.2006**
Loans	60,149	55,707
Letters of guarantee	30,899	33,686
Imports-Exports	16,033	17,673
Credit Cards	49,900	44,861
Fund transfers	58,337	59,438
Mutual funds	47,141	43,205
Advisory fees and securities transactions fees	6,232	6,572
Other	53,228	31,303
Total	**321,919**	**292,445**

4. Dividend income

	From 1 January to	
	31.12.2007	**31.12.2006**
Subsidiaries and associates	43,924	51,076
Available-for-sale securities	1,538	1,831
Total	**45,462**	**52,907**

5. Gains less losses on financial transactions

	From 1 January to	
	31.12.2007	31.12.2006
Foreign exchange differences	43,634	16,964
Securities held for trading		
- Bonds	(1,290)	(13,251)
- Shares	3,030	4,430
Available-for-sale securities		
- Bonds	(135,907)	(13,645)
- Shares	9,283	32,456
- Mutual funds	9,172	-
Investments	(1,408)	86,991
Derivative financial instruments	22,006	44,542
Valuation of assets due to fair value hedges	(32,154)	(49,001)
Valuation of liabilities due to fair value hedges	39,208	11,407
Other financial instruments	1,593	733
Total	**(42,833)**	**121,626**

6. Other income

	From 1 January to	
	31.12.2007	31.12.2006
Rental income	3,397	2,999
Sale of property, plant and equipment	16,770	3,387
Insurance indemnities	238	408
Secondment of personnel to group companies	2,445	2,226
Preparation of business plans and financial studies	6,237	4,341
Other	5,791	1,654
Total	**34,878**	**15,015**

7. Staff costs

	From 1 January to	
	31.12.2007	31.12.2006
Wages and salaries	277,483	232,352
Social Security contributions	66,205	68,812
Defined benefit plan expense (note 29)	11,198	46,000
Other	31,808	21,688
Total	**386,694**	**368,852**

As at 31.12.2007 staff costs include € 19,487 (31.12.2006: € 5,158) that relate to the cost of share options granted to employees as determined on the grant date.

The total employees of the Bank as at 31.12.2007 were 7,693 (31.12.2006: 7,184) of which 6,960 (31.12.2006: 6,782) are employed in Greece and 733 (31.12.2006: 402) are employed abroad.

<u>Defined contribution plans</u>

All the employees of the Bank receive their main pension from the Social Insurance Fund (IKA).

a) The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is TAPILTAT, a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if the fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and it is accounted for as such.

b) All employees of the Bank receive medical benefits from the Employee Medical Insurance Fund of Credit Bank, of Geniki Bank, of American Express and others. This plan has been accounted for as a defined contribution plan.

<u>Defined benefit plans</u>

An analysis of liabilities arising from defined benefit plans are set out in note 29.

8. General administrative expenses

	From 1 January to	
	31.12.2007	31.12.2006
Rent of buildings	27,407	23,552
Rent and maintenance of EDP equipment	17,295	16,740
EDP expenses	36,988	36,059
Marketing and advertisement expenses	35,434	27,365
Telecommunications and postage	23,963	20,704
Third party fees	23,105	19,394
Consultants fees	7,371	9,970
Contribution to Deposit Guarantee Fund	11,193	10,405
Insurance	6,740	7,408
Consumables	6,841	4,951
Electricity	5,480	4,971
Taxes (VAT, real estate etc)	35,487	31,065
Repairs of buildings and equipment	4,245	4,139
Cleaning fees	2,612	2,258
Security	7,075	4,702
Transportation	3,741	3,552
Agency fees	4,637	6,382
Donations to forest fire-victims	24,600	-
Other	54,276	42,716
Total	**338,490**	**276,333**

9. Impairment losses and provisions for credit risk

	From 1 January to	
	31.12.2007	31.12.2006
Impairment losses on loans and advances to customers	172,264	209,171
Provisions to cover credit risk relating to off balance sheet items	30,983	14,946
Recoveries	(8,660)	(4,612)
Total	**194,587**	**219,505**

10.1. Income tax

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

In addition, in accordance with article 9 of Law 2992/2002, as amended by Law 3259/2004, the tax rate for entities that have concluded mergers by 31.12.2005 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 is 5% for each year.

Based on the above, the 2006 profit of the Bank was taxed at the rate of 24% due to the merger with Delta Singular A.E.P., a listed company completed on 8.4.2005. The Bank was not related with Delta Singular A.E.P. before 1.1.1997.

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

The income tax expense is analyzed as follows:

	From 1 January to	
	31.12.2007	31.12.2006
Current tax	101,989	94,318
Additional taxes arising from tax audits	-	10,563
Deferred tax	48,262	34,958
Total	**150,251**	**139,839**

The increased income tax in 2007 is due to the increase in the tax rate from 24% to 25% (due to the abolition of the benefits of law 2992/2002, as described above) and the lower non taxable income.

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

	31.12.2007	31.12.2006
Depreciation and fixed asset write-offs	7,141	9,262
Valuation of loans	(6,829)	(12,758)
Suspension of interest accruals	29,175	23,923
Loans impairment	12,012	(3,785)
Employee defined benefit obligations	15,310	460
Valuation of derivatives	(5,496)	11,569
Effective interest rate	4,534	1,201
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	9,887	2,838
Valuation of investments	(2,976)	-
Valuation of bonds	1,838	-
Other temporary differences	(16,334)	2,248
Total	**48,262**	**34,958**

Reconciliation of effective and current tax rate:

	31.12.2007		31.12.2006	
Profit before tax		613,641		716,034
Income tax (current tax rate)	25%	153,410	24%	171,848
Increase/(decrease) due to:				
Additional tax on rental income of fixed assets	0.03%	183	0.04%	253
Non taxable income	(1.89%)	(11,572)	(6.68%)	(47,829)
Non deductible expenses	1.12%	6,894	0.78%	5,577
Part of profit relating to non taxable income		-	(0.87%)	(6,260)
Part of profit relating to distributable income		-	0.76%	5,439
Effect of tax rates used for current and deferred tax		-	0.19%	1,398
Other temporary differences	0.22%	1,336	(0.16%)	(1,150)
Additional taxes from tax audit		-	1.48%	10,563
Income tax (effective tax rate)	**24.48%**	**150,251**	**19.54%**	**139,839**

10.2. Tax on reserves

a) In accordance with Greek tax law, entities may form tax free reserves from either profits that are not subject to tax (for example gains from the sale of securities) or from income subject to taxation at the source and where the payment of the tax extinguishes the legal entity's tax liability, but not of its shareholders (for example interest from Greek Government bonds, profits from the sale of non-listed shares). The tax free reserves were subject to taxation if distributed or capitalized at the tax rate applicable at the time of distribution or capitalization.

In accordance with article 10 of Law 3513/2006 these reserves, formed until 31.12.2005 by banks established in Greece and by branches of foreign banks operating in Greece, were subject to taxation. The tax rate was 15% on profits that were not subject to tax and 10% on profits that were previously subject to tax at the source.

In 2006 the total tax on these reserves for the Bank amounted to € 73,902. The payment of the above tax extinguishes the Bank's liability as well as that of its shareholders. Therefore these reserves can be distributed or capitalized without any further payment of tax.

b) In accordance with article 26 of Law 3634/2008, the profits of banks, for tax which has been deferred until the profits are distributed and which are recorded to a specific reserve, are subject to taxation at the current tax rate (25%). The above law is applicable for profits generated from fiscal year 2007 and thereafter.

The tax for such reserves for the Bank amounts to € 6,384 and will be paid on September 2008 with a specific return. The payment of the above tax extinguishes the Bank's liability as well as that of its shareholders and these reserves can be distributed or capitalized without any further tax payment.

11. Earnings per share

a. 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 own shares held, during the period.

	From 1 January to	
	31.12.2007	**31.12.2006**
Profit attributable to shareholders	457,006	502,293
Weighted average number of outstanding ordinary shares	405,512,713	393,188,211
Basic earnings per share (in €)	1.13	1.28

b. 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 which were exercised during 2007.

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

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

	From 1 January to	
	31.12.2007	**31.12.2006**
Profit attributable to shareholders	457,006	502,293
Weighted average number of outstanding ordinary shares	405,512,713	393,188,211
Adjustment for share options	727,195	731,705
Weighted average number of outstanding ordinary shares for diluted earnings per share	406,239,908	393,919,916
Diluted earnings per share (in €)	1.12	1.28

Assets

12. Cash and balances with Central Banks

	31.12.2007	31.12.2006
Cash	324,234	317,964
Cheques receivable	52,546	62,572
Balances with Central Banks	1,273,547	1,097,139
Total	**1,650,327**	**1,477,675**
Less: Deposits pledged with Central Banks	(564,505)	(608,453)
Total	**1,085,822**	**869,222**

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 2% of customer deposits.

These deposits bear interest at the refinancing rate as set by the European Central Bank which as at 31.12.2007 was 4.18% (31.12.2006:3.58%).

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

	31.12.2007	31.12.2006
Cash and balances with Central Banks	1,085,822	869,222
Sale and repurchase agreements (Reverse Repos)	-	395,604
Short-term placements with other banks	3,271,106	3,343,581
Total	**4,356,928**	**4,608,407**

13. Due from banks

	31.12.2007	31.12.2006
Placements with other banks	6,679,979	4,875,032
Sale and repurchase agreements (Reverse Repos)	-	395,604
Loans to financial institutions	669,696	913,452
Total	**7,349,675**	**6,184,088**

14. Securities held for trading

	31.12.2007	31.12.2006
Government bonds	236,340	182,557
Other debt securities		
- Listed	28,178	80,510
- Non-listed	270	53,414
Shares		
- Listed	-	29,726
Total	**264,788**	**346,207**

15. Derivatives financial instruments (assets and liabilities)

	31 December 2007		
	Contract nominal amount	Fair value Assets	Fair value Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	1,149,379	12,635	9,563
Currency swaps	3,148,553	40,986	43,648
Cross currency swaps	555,968	63,655	40,104
Currency options	175,822	3,438	3,261
Currency options embedded in customer products	631	1	-
Total non-listed	**5,030,353**	**120,715**	**96,576**
b. Interest rate derivatives			
Interest rate swaps	8,262,962	161,194	136,648
Interest rate options (caps)	616,963	2,233	1,388
Total non-listed	**8,879,925**	**163,427**	**138,036**
Futures	354,305	99	28
Options	6,300	32	-
Total listed	**360,605**	**131**	**28**
c. Commodity derivatives			
Commodity swaps	14,410	138	124
Total non-listed	**14,410**	**138**	**124**
d. Index derivatives			
Futures	202	-	1
Options	383	4	-
Total listed	**585**	**4**	**1**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	95,849	7,935	-
Cross currency swaps	181,895	-	46,258
Total non-listed	**277,744**	**7,935**	**46,258**
b. Interest rate derivatives			
Interest rate swaps	4,083,070	92,116	102,106
Total non-listed	**4,083,070**	**92,116**	**102,106**
Grand Total	**18,646,692**	**384,466**	**383,129**

	31 December 2006		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	772,506	7,169	5,410
Currency swaps	1,651,405	17,636	10,102
Cross currency swaps	533,026	67,005	61,398
Currency options	254,115	1,722	1,202
Currency options embedded in customer products	1,745	6	-
Total non-listed	**3,212,797**	**93,538**	**78,112**
b. Interest rate derivatives			
Interest rate swaps	9,699,100	113,333	85,735
Interest rate options (caps)	220,399	1,322	711
Total non-listed	**9,919,499**	**114,655**	**86,446**
Futures	450,704	1	317
Options	100,000	4	-
Total listed	**550,704**	**5**	**317**
c. Stock derivatives			
Equity swaps	25,427	847	-
Total non-listed	**25,427**	**847**	**-**
d. Index derivatives			
Futures	4,930	-	44
Total listed	**4,930**	**-**	**44**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	72,917	-	2,603
Cross currency swaps	191,168	-	39,541
Total non-listed	**264,085**	**-**	**42,144**
b. Interest rate derivatives			
Interest rate swaps	1,660,127	45,521	19,160
Total non-listed	**1,660,127**	**45,521**	**19,160**
Grand Total	**15,637,569**	**254,566**	**226,223**

16. Loans and advances to customers

	31.12.2007	31.12.2006
Individuals:		
- Mortgages	9,741,095	8,176,640
- Consumer	2,922,529	2,169,009
- Credit cards	1,046,941	905,689
- Other	100,031	130,605
Total	13,810,596	11,381,943
Companies:		
Corporate loans	21,900,097	17,443,652
Other receivables	166,342	151,423
	35,877,035	28,977,018
Less:		
Allowance for impairment losses *	(609,161)	(739,327)
Total	**35,267,874**	**28,237,691**

Allowance for impairment losses

Balance 1.1.2006	**822,977**
Foreign exchange differences	(178)
Impairment losses for the period (note 9)	209,171
Change in present value of impairment reserve	71,650
Decrease due to merger of Belgrade Branch with Alpha Bank Srbija A.D.	(3,180)
Loans written-off during the period	(361,113)
Balance 31.12.2006	**739,327**
Foreign exchange differences	(163)
Impairment losses for the period (note 9)	172,264
Change in present value of impairment reserve	38,700
Loans written-off during the period	(340,967)
Balance 31.12.2007	**609,161**

* In addition to the allowance for impairment losses, an additional provision of € 45,929 (31.12.2006: € 14,946) has been recorded to cover credit risk relating to off-balance sheet items (note 31). The total provision recorded to cover credit risk amounts to € 655,090 (31.12.2006: € 754,273).

17. Investment securities – Available-for-sale

Available-for-sale	**31.12.2007**	**31.12.2006**
Government bonds	1,856,217	6,016,005
Other debt securities:	—	
- Listed	4,310,379	1,320,834
- Non-listed	34,269	25,072
Shares:		
- Listed	62,672	46,286
- Non-listed	6,172	11,063
Other variable yield securities	30,668	43,128
Total	**6,300,377**	**7,462,388**

18. Investments in subsidiaries, associates and joint ventures

	1.1-31.12.2007	1.1-31.12.2006
Subsidiaries		
Opening balance	1,587,804	1,471,394
Additions(1)	52,634	198,178
Disposals	(1,117)	(83,876)
Valuation of subsidiaries due to fair value hedge (2)	(14,012)	2,108
Closing balance	1,625,309	1,587,804
Associates		
Opening balance	5,624	10,463
Additions	20	144
Disposals(3)	(5,570)	(4,983)
Closing balance	74	5,624
Joint Ventures		
Opening balance	122	122
Additions(4)	615	-
Disposals	(20)	-
Closing balance	717	122
Grand Total	**1,626,100**	**1,593,550**

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

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

(1) They mainly concern acquisitions of shares of the following entities:
- € 3,040 of Ionian Hotel Enterprises A.E
- € 18,401 of Alpha Astika Akinita A.E.
- € 18,876 of Ionian Equity Participations
- € 6,068 of Alphalife A.E.
- € 846 of Alpha Leasing A.E.
- € 1,048 of Alpha Finance US Corporation
- € 3,371 of Alpha Finance A.E.P.E.Y

(2) The Bank through currency swaps and interbank loans hedges the foreign exchange risks arising from investments in Alpha Bank London Ltd and Alpha Bank Romania S.A. respectively.

(3) The amount represents a contribution of assets of ALC Novelle Investments Ltd to the subsidiary Ionian Equity Participation Ltd.

(4) They mainly concern purchases of shares of the following entities:
- € 14 of Anadolu Alpha Gayrimenkul Ticaret A.S.
- € 541 of A.P.E. Commercial Property

Summary Financial information
Subsidiaries, associates and joint ventures

		Balance 31.12.2007					
		Assets	Equity	Liabilities	Turnover 1.1-31.12.2007	Profit/(loss) before taxes	Ownership interest %
Subsidiaries							
BANKS							
1. Alpha Bank London Ltd	United Kingdom	637,094	90,896	546,198	44,355	8,350	100
2. Alpha Bank Cyprus Ltd	Cyprus	5,419,888	316,079	5,103,809	273,320	81,545	100
3. Alpha Bank Romania S.A.	Romania	3,556,098	233,256	3,322,842	274,433	34,030	99.44
4. Alpha Bank AD Skopje	Fyrom	114,621	27,037	87,584	499,164	1,474	100
5. Alpha Bank Srbija A.D.	Serbia-Montenegro	644,191	129,552	514,639	221,965	2,926	100
LEASING/ FACTORING COMPANIES							
1. Alpha Leasing A.E.	Greece	1,178,874	282,449	896,425	70,038	20,783	100
2. Alpha Leasing Romania S.A.	Romania	127,502	12,264	115,238	18,909	1,427	62.94
3. ABC Factors AE	Greece	500,702	68,170	432,532	34,438	10,851	100
INVESTMENT BANKING							
1. Alpha Finance A.X.E.P.E.Y.	Greece	108,363	62,953	45,410	58,310	27,691	99.62
2. Alpha Finance US Corporation	USA	1,633	1,474	159	1,264	-	100
3. Alpha Finance Romania S.A.	Romania	3,309	1,514	1,795	737	(656)	45.68
4. Alpha Ventures A.E.	Greece	32,817	32,088	729	2,940	3,089	99.42
5. Alpha Group Investments LTD	Cyprus	262,453	262,123	330	-	-	100
6. Ionian Equity Participations LTD	Cyprus	18,872	18,865	7	-	-	100
ASSET MANAGEMENT							
1. Alpha Asset Management A.E.D.A.K.	Greece	58.355	44.364	13.991	62.426	18.920	85.21
2. Alpha Private Investment Services A.E.P.E.Y.	Greece	12,460	11,360	1,100	11,204	3,543	99
INSURANCE							
1. Alpha Insurance Agents A.E.	Greece	7,407	6,700	707	7,736	7,712	100
2. Alpha Insurance Ltd	Cyprus	53,717	8,128	45,589	2,659	1,827	17.95
3. Alphalife A.A.E.Z.	Greece	6,000	6,000	-	-	-	99.9
OTHER COMPANIES							
1. Alpha Astika Akinita A.E.	Greece	113,801	109,364	4,437	15,779	6,813	84.1
2. Alpha Group Jersey Ltd	Jersey	1,064,685	485	1,064,200	59,854	-	100
3. Ionian Hotel Enterprises A.E.	Greece	239,467	107,989	131,478	45,616	5,227	94.81
4. Ionian Holding A.E.	Greece	361,530	359,623	1,907	13,608	13,526	100
5. Oceanos A.T.O.E.E.	Greece	20,992	18,759	2,233	1,550	987	100
6. Alpha Credit Group Plc	United Kingdom	20,633,988	16,190	20,617,798	852,723	22,653	100
7. Messana Holdings S.A	Luxemburg	66	60	6	10	-	99
8. Evremethea A.E.	Greece	424	(622)	1,046	395	(867)	100
9. Kafe Alpha A.E.	Greece	193	122	71	191	27	99
10. Ionian Supporting Services A.E.	Greece	8,579	(1,271)	9,850	-	(1,831)	99
Associates							
1. Evisak A.E.	Greece		3,241				27
2. AEDEP Thessalias and Stereas Ellados	Greece	-	147	-	-	-	50
Joint Ventures							
1. Cardlink A.E.	Greece	526	336	190	961	54	50
2. APE Fixed Assets A.E.	Greece	41,067	(2,142)	43,209	-	(2,115)	60.1
3. APE Commercial Property A.E.	Greece	30,914	(1,642)	32,556	-	(1,780)	60.1
4. APE Investment Property S.A.	Greece	125,049	48	125,001	-	(12)	67.42
5. Anadolu Alpha Gayrimenkul Ticaret A.S.	Turkey	-	-	-	-	-	50

19. Investment property

	Land and Building
Balance 1.1.2006	
Cost	49,618
Accumulated depreciation	(6,373)
Net book value 1.1.2006	43,245
1.1.2006-31.12.2006	
Net book value 1.1.2006	43,245
Additions	47
Disposals	(884)
a) Cost	(1,216)
b) Accumulated depreciation	332
Depreciation charge for the period	(402)
Net book value 31.12.2006	42,006
Balance 31.12.2006	
Cost	48,449
Accumulated depreciation	(6,443)
1.1.2007-31.12.2007	
Net book value 1.1.2007	42,006
Additions	770
Depreciation charge for the period	(406)
Net book value 31.12.2007	42,370
Balance 31.12.2007	
Cost	49,219
Accumulated depreciation	(6,849)

The fair value of investment property, as determined by Alpha Astika Akinita A.E. as at 31.12.2006, was not substantially different from the respective carrying amount. The fair value has not materially changed during 2007.

20. Property, plant and equipment

	Land and Building	Leased equipment	Equipment	Total
Balance 1.1.2006				
Cost	647,739	1,210	246,692	895,641
Accumulated depreciation	(154,914)	(890)	(210,326)	(366,130)
Net book value 1.1.2006	492,825	320	36,366	529,511
1.1.2006 -31.12.2006				
Net book value 1.1.2006	492,825	320	36,366	529,511
Additions	24,613		25,100	49,713
Foreign exchange differences	(21)		(5)	(26)
a) Cost	(30)		(17)	(47)
b) Accumulated depreciation	9		12	21
Disposals(1)	(7,450)		(571)	(8,021)
a) Cost	(8,371)		(2,543)	(10,914)
b) Accumulated depreciation	921		1,972	2,893
Reclassifications				
a) Cost		(68)	68	-
b) Accumulated depreciation		68	(68)	-
Depreciation charge for the period(2)	(12,634)	(120)	(13,787)	(26,541)
Net book value 31.12.2006	497,333	200	47,103	544,636
Balance 31.12.2006				
Cost	663,951	1,142	269,300	934,393
Accumulated depreciation	(166,618)	(942)	(222,197)	(389,757)
1.1.2007-31.12.2007				
Net book value 1.1.2007	497,333	200	47,103	544,636
Additions	32,462		21,926	54,388
Foreign exchange differences	42		12	54
a) Cost	62		40	102
b) Accumulated depreciation	(20)		(28)	(48)
Disposals	(4,592)		(111)	(4,703)
a) Cost	(7,517)		(1,551)	(9,068)
b) Accumulated depreciation	2,925		1,440	4,365
Reclassification from "Non-current assets held-for-sale"(3)	42,405			42,405
a) Cost	43,298			43,298
b) Accumulated depreciation	(893)			(893)
Depreciation charge for the period	(15,640)	(120)	(17,189)	(32,949)
Net book value 31.12.2007	552,010	80	51,741	603,831
Balance 31.12.2007		—		
Cost	732,256	1,142	289,715	1,023,113
Accumulated Depreciation	(180,246)	(1,062)	(237,974)	(419,282)

Notes: (1) Disposals include an amount of € 6,134 relating to property, plant and equipment of the Belgrade Branch which merged in May 2006 with Alpha Bank Srbija A.D.

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

(3) Property, plant and equipment amounting to € 42.4 million was reclassified from "Non-current assets held for sale" due to Bank's decision for own use. The depreciation for the respective period that the specific Property, plant and equipment was classified as "Non-current assets held for sale" amounts to € 2.2 million and it was charged to the profit and loss account in 2007.

As at 31.12.2006 the Bank examined the fixed assets for indication of impairment, and there was no recognition of impairment losses. Since then no significant events have occurred to indicated that the fixed assets carrying amount is lower than the recoverable amount.

21. Goodwill and other intangible assets

	Software	Banking rights	Total
Balance 1.1.2006			
Cost	104,142	-	104,142
Accumulated amortization	(71,126)	-	(71,126)
Net book value 1.1.2006	33,016	-	33,016
1.1.2006-31.12.2006			
Net book value 1.1.2006	33,016	-	33,016
Additions	22,646	-	22,646
Foreign exchange differences	(3)	-	(3)
a) Cost	(4)	-	(4)
b) Accumulated amortization	1	-	1
Disposals	(99)	-	(99)
a) Cost	(113)	-	(113)
b) Accumulated amortization	14	-	14
Amortization charge for the period	(13,456)	-	(13,456)
Net book value 31.12.2006	42,104	-	42,104
Balance 31.12.2006			
Cost	126,671	-	126,671
Accumulated amortization	(84,567)	-	(84,567)
1.1.2007-31.12.2007			
Net book value 1.1.2007	42,104	-	42,104
Additions[(1)]	30,385	1,785	32,170
Foreign exchange differences	11	-	11
a) Cost	11	-	11
b) Accumulated amortization	-	-	-
Disposals	(618)	-	(618)
a) Cost	(618)	-	(618)
b) Accumulated amortization	-	-	-
Amortization charge for the period	(17,801)	(30)	(17,831)
Net book value 31.12.2007	54,081	1,755	55,836
Balance 31.12.2007			
Cost	156,449	1,785	158,234
Accumulated amortization	(102,368)	(30)	(102,398)

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

22. Deferred tax assets and liabilities

	31.12.2007	31.12.2006
Deferred tax assets	158,160	261,363
Deferred tax liabilities	(82,960)	(137,901)
Total	**75,200**	**123,462**

Deferred tax assets and liabilities arise from:

		1.1.2007 -31.12.2007		
		Recognized in		
	Balance 1.1.2007	Income statement	Equity	Balance 31.12.2007
Depreciation	15,696	(7,141)		8,555
Valuation of loans	11,706	6,829		18,535
Suspension of interest accruals	(24,284)	(29,175)		(53,459)
Impairment of loans	7,305	(12,012)		(4,707)
Valuation of derivative financial instruments	(6,191)	5,496		(695)
Other provisions	590	16,788		17,378
Other receivables	(2,750)	(454)		(3,204)
Effective interest rate	3,149	(4,534)		(1,385)
Employee defined benefit obligations	126,026	(15,310)		110,716
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(7,785)	(9,887)		(17,672)
Valuation of investments		2,976		2,976
Valuation of bonds		(1,838)		(1,838)
Total	**123,462**	**(48,262)**	**-**	**75,200**

		1.1.2006 -31.12.2006		
		Recognized in		
	Balance 1.1.2006	Income statement	Equity	Balance 31.12.2006
Depreciation	24,958	(9,262)		15,696
Valuation of loans	(1,052)	12,758		11,706
Suspension of interest accruals	(361)	(23,923)		(24,284)
Impairment of loans	3,520	3,785		7,305
Valuation of derivative financial instruments	5,378	(11,569)		(6,191)
Other provisions	87	503		590
Other receivables		(2,750)	—	(2,750)
Effective interest rate	4,350	(1,201)		3,149
Employee defined benefit obligations	126,486	(460)		126,026
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,947)	(2,838)		(7,785)
Total	**158,419**	**(34,957)**	**-**	**123,462**

23. Other assets

	31.12.2007	31.12.2006
Prepaid expenses	11,669	8,912
Accrued income	3,845	3,436
Tax advances and withholding taxes	161,558	159,506
Employee advances	7,431	7,601
Receivables from employee defined benefit plan (note 29)	49,189	-
Other	46,934	50,370
Total	**280,626**	**229,825**

24. Non-current assets held for sale

As at 31.12.2007 "Non-current assets held for sale" include land, buildings and office equipment amounting to € 54,706 (31.12.2006: € 92,513).

The variation from the previous year is due to the fact that during 2007 "Non-current assets held for sale" amounting to € 42.4 million has been reclassified to "Property, plant and equipment" based on Bank's decision to use those assets for administrative purposes.

Liabilities

25. Due to Banks

	31.12.2007	31.12.2006
Current accounts	40,090	90,143
Term deposits	3,404,942	1,620,726
Sale and repurchase agreements (Repos)	1,923,548	5,234,820
Borrowings	268,982	276,428
Total	**5,637,562**	**7,222,117**

26. Due to Customers

	31.12.2007	31.12.2006
Current accounts	5,734,927	5,655,696
Savings accounts	9,122,487	9,588,327
Term deposits:		
- Synthetic swaps	724,038	414,796
- Other	7,469,973	4,150,358
Sale and repurchase agreements (Repos)	113,174	376,118
	23,164,599	20,185,295
Cheques payable	170,289	187,248
Total	**23,334,888**	**20,372,543**

27. Debt securities in issue and other borrowed funds

Senior debt securities	
Balance 1.1.2007	**13,165,944**
Changes for the period from 1.1 to 31.12.2007	
New issues (1)	8,222,292
Maturities/Redemptions	(3,185,839)
Fair value change due to hedging	(43,290)
Change in accrued interest	56,709
Foreign exchange differences	(28,183)
Balance 31.12.2007	**18,187,633**
Subordinated debt	
Balance 1.1.2007	**1,061,008**
Changes for the period from 1.1 to 31.12.2007	
New issues(2)	677,038
Maturities/Redemptions(3)	(325,000)
Fair value change due to hedging	3,745
Changes of accrued interest	6,406
Foreign exchange differences	(10,766)
Balance 31.12.2007	**1,412,431**
Hybrid securities	
Balance 1.1.2007	**921,368**
Changes for the period from 1.1 to 31.12.2007	
Changes of accrued interest	544
Balance 31.12.2007	**921,912**
Grand Total	**20,521,976**

(1) The majority of the new senior debt securities (€ 7,109 million) pay a Euribor floating rate, with a spread between -10 basis point and +25 basis points, depending on the duration of issue. On 16.11.2007 a loan of $ 300 million was issued which pays three month Libor plus 10 basis points.

(2) On 1 February 2007, a loan of € 350 million was issued, which pays three month Euribor plus 40 basis points for the first 5 years. If the Bank does not redeem the loan, the spread for the following five years increases to 170 basis points.

On 8 March 2007, a loan of € 200 million, which pays three month Euribor plus 35 basis points for the first 5 years was issued. If the Bank does not redeem the loan, then for the following 5 years the spread increases to 165 basis points.

On 27 July 2007 a perpetual upper Tier II security of € 130 million nominal value, which pays three month Euribor plus 50 basis points for the first 5 years, was issued. If the Bank does not redeem the security, the spread for the next five years, increases to 150 basis points.

(3) On 8 March 2007, five years after issuance, the Bank redeemed a 10 year subordinated debt amounting to € 300 million.

On 8 May 2007 five years after issuance, the Bank redeemed 10 year subordinated debt amounting to € 25 million.

28. Liabilities for current income tax and other taxes

	31.12.2007	31.12.2006
Current income tax	104,266	95,653
Other taxes	23,597	14,449
Total	**127,863**	**110,102**

29. Employee defined benefit obligations

The total amounts recognized in the financial statements for employee defined benefit obligations are presented in the table below:

	Balance sheet 31.12.2007 Liability/(Asset)	Income statement 1.1.-31.12.2007 Expense/(Income)	Balance sheet 31.12.2006 Liability/(Asset)	Income statement 1.1.-31.12.2006 Expense/(Income)
TAP – supplementary pension	-	(1,199)	569,807	42,710
TAP – Lump sum benefit	(49,189)	4,203	(52,035)	2,799
Total	**(49,189)**	**3,004**	**517,772**	**45,509**
TAPILT	**3,733**	**8,194**	**(4,461)**	**491**
Total		**11,198**	**513,311**	**46,000**

Balance sheet and income statements amounts are analyzed as follows:

a) Supplementary Pension Fund (TAP) of former Alpha Credit Bank Employees

The supplementary pension fund (TAP) of former Alpha Credit Bank was responsible for the supplementary pension and lump sum retirement benefits of retired employees of former Alpha Credit Bank.

In accordance with article 10 of Law 3620/2007 the members of TAP joined, from 1.1.2008 the Common Insurance Fund of Bank Employees (E.T.A.T.) for their supplementary pension benefits.

TAP retains its obligation relating to the lump-sum benefit, which is guaranteed by the Bank.

The amounts are analyzed as follows:

i) Supplementary pension

The total cost of joining E.T.A.T. amounts to € 543 million. This cost was determined on the basis of an economic study stipulated by Law 3371/2005. This amount will be paid in 10 equal annual installments of € 67,281 each, starting from January 2008.

Since the economic study reference date was 31.12.2006 the total cost of € 543 million includes the pension costs of 2007. In addition the installments are interest bearing from 1.1.2007 at the rate 4.1%, which is equal to the yield of 10- year EURO ZONE bonds on the date of the study (29.1.2007), in accordance with the requirements of the Ministry of Finance relating to the preparation of economic studies in accordance with Law 3371/2005.

As a result of the above the financial effects of the settlement start on 1.1.2007 whereas the Bank's personnel mandatorily joins E.T.A.T. on 1.1.2008. Consequently the effect from the settlement of the liability for the supplementary pension has been calculated according to 1.1.2007 data.

Amounts included in balance sheet are as follows:

	31.12.2007	**31.12.2006**
Present value of defined benefit obligations	-	612,339
Fair value of plan assets	-	-
	-	**612,339**
Unrecognized actuarial losses	-	(42,532)
Liability in balance sheet	**-**	**569,807**

Amounts included in profit and loss are as follows:

	31.12.2007	**31.12.2006**
Current service cost	-	9,116
Interest cost	-	33,594
Total (included in staff costs)	**-**	**42,710**

The movement in the present value of the liability during 2006 is as follows:

	2006
Opening balance	**601,022**
Current service cost	9,116
Interest cost	33,594
Employees' contributions	2,939
Benefits paid	(34,332)
Closing balance	**612,339**

The movement in fair value of plan assets during 2006 is as follows:

	2006
Opening balance	**-**
Bank contribution	31,393
Employee contributions	2,939
Benefits paid	(34,332)
Closing balance	-

The movement in liability arises as follows:

Balance 1.1.2006	**558,490**
Accrued expense	42,710
Contributions paid	(31,393)
Balance 31.12.2006	**569,807**
Balance 1.1.2007	**569,807**
Balance as at 1.1.2007 which is recognized in accordance with Law 3620/07 in the caption Other Liabilities/Liabilities to ETAT	(543,000)
Settlement result	(26,807)
Balance 31.12.2007	-

The principal actuarial assumptions used for 2006 are the following:

	31.12.2006
Discount rate	5.5%
Future salary increases	3.5%
Future pension increases	2.5%

The result of supplementary pension in 2007 is analyzed as follows:

	Income statement 1.1.-31.12.2007 Expense / (income)
Settlement	(26,807)
First installment interest (Law 3620/2007)	22,263
Bank's contribution	3,345
Total (included in staff costs)	**(1,199)**

ii) Lump-sum benefits

Amounts included in balance sheet are as follows:

	31.12.2007	**31.12.2006**
Present value of defined benefit obligations	127,035	121,463
Fair value of plan assets	(162,031)	(165,051)
Deficit / (Surplus)	**(34,996)**	**(43,588)**
Unrecognized actuarial losses	(14,193)	(8,447)
Asset in balance sheet	**(49,189)**	**(52,035)**

The receivable as at 31.12.2006 was offset with the other defined benefit liabilities.

Amounts included in profit and loss are as follows:

	From 1 January to	
	31.12.2007	**31.12.2006**
Current service cost	5,484	4,528
Interest cost	5,342	5,387
Expected return on plan assets	(6,623)	(7,116)
Total (included in staff costs)	**4,203**	**2,799**

The movement in present value of accrued liability arises as follows:

	2007	**2006**
Opening balance	**121,463**	**116,426**
Current service cost	5,484	4,528
Interest cost	5,342	5,387
Employee contributions	1,032	1,110
Benefits paid	(8,466)	(5,913)
Benefits paid directly by the Bank	(1,357)	-
Expenses	(68)	(75)
Actuarial losses	3,605	-
Closing balance	**127,035**	**121,463**

The movement in fair value of plan assets arises as follows:

	2007	**2006**
Opening balance	**165,051**	**149,392**
Expected return	6,623	7,116
Bank contribution	-	15,093
Employee contributions	1,032	1,110
Benefits paid	(8,466)	(5,913)
Expenses	(68)	(75)
Actuarial losses	(2,141)	(1,672)
Closing balance	**162,031**	**165,051**

The Plan's assets include deposits with Alpha Bank € 35.1 million, receivables from ETAT € 31.1 million, securities of Alpha Credit Group plc bonds € 80.5 million and of Alpha Bank shares € 11.7 million.

The movement of the receivable is as follows:

Balance 1.1.2006	**(39,741)**
Accrued expense	2,799
Contributions paid	(15,093)
Balance 31.12.2006	**(52,035)**
Balance 1.1.2007	**(52,035)**
Accrued expense	4,203
Contributions paid	-
Benefits paid directly by the Bank	(1,357)
Balance 31.12.2007	**(49,189)**

The principal actuarial assumptions used are the following:

	31.12.2007	31.12.2006
Discount rate	5.5%	5.5%
Expected return on plan assets	5.0%	5.5%
Future salary increases	3.5%	3.5%

b) Ionian and Popular Bank Insurance Fund (TAPILT – welfare sector)

Ionian and Popular Bank Insurance Fund (TAPILT – Welfare Sector) is responsible for the lump sum benefits of retired employees of former Ionian Bank.

The Bank has guaranteed all benefits paid by the Fund until the last employee retires in accordance with the conditions set out on 6.5.2003.

Amounts included in balance sheet are as follows:

	31.12.2007	31.12.2006
Present value of defined benefit obligations	74,737	63,458
Fair value of plan assets	(64,006)	(61,202)
	10,731	**2,256**
Unrecognized actuarial losses	(6,998)	(6,717)
Liability (receivable) in balance sheet	**3,733**	**(4,461)**

The receivable as at 31.12.2006 has been offset with other defined benefit liabilities.

Amounts included in profit and loss are as follows:

	From 1 January to	
	31.12.2007	31.12.2006
Current service cost	255	449
Interest cost	2,744	2,752
Expected return on plan assets	(2,508)	(2,766)
Actuarial losses recognized in this fiscal year	28	56
Past service cost	7,675	-
Total (included in staff costs)	**8,194**	**491**

The movement in present value of the liability is as follows:

	2007	2006
Opening balance	**63,458**	**59,743**
Current service cost	255	449
Interest cost	2,744	2,752
Employee contributions	3,061	2,442
Benefits paid	(3,096)	(1,602)
Expenses	(85)	(326)
Past service cost	7,675	-
Actuarial losses	725	-
Closing balance	**74,737**	**63,458**

The movement in fair value of plan assets is as follows:

	2007	2006
Opening balance	**61,202**	**58,068**
Expected return	2,508	2,766
Employee contributions	3,061	2,442
Benefits paid	(3,096)	(1,602)
Expenses	(85)	(326)
Actuarial losses	416	(146)
Closing balance	**64,006**	**61,202**

Plan assets are as follows:

Fixed assets	983
Shares	5,282
Mutual funds	208
Deposits	56,843
Other non interest-bearing assets	690
Total	**64,006**

The plan assets include Alpha Bank shares of € 4 million and deposits to Alpha Bank of € 0.3 million.

The movement of liability is as follows:

Balance 1.1.2006	**(4,952)**
Accrued expense	491
Contributions paid	-
Balance 31.12.2006	**(4,461)**
Balance 1.1.2007	**(4,461)**
Accrued expense	8,194
Contributions paid	-
Balance 31.12.2007	**3,733**

The principal actuarial assumptions used are the following:

	31.12.2007	31.12.2006
Discount rate	5.5%	5%
Expected return on plan assets	5%	5%
Future salary increases	3.5%	3.5%

30. Other liabilities

	31.12.2007	31.12.2006
Suppliers	38,234	74,615
Deferred income	3,752	30,495
Accrued expenses	41,183	26,846
Liabilities to third parties	237,444	209,948
Liabilities to E.T.A.T.*	565,263	-
Liabilities from credit cards	226,982	207,517
Other	46,154	34,937
Total	**1,159,012**	**584,358**

* In accordance with article 10 of Law 3620/2007 and the fact that employees and pensioners of T.A.P. joined E.T.A.T. from 1.1.2008 (note 29), the charge to the Bank is € 543 million payable in 10 equally annual installments. This account includes the above amount and the interest charged for 2007.

31. Provisions

Balance 1.1.2006	**1,628**
Changes for the period from 1.1 - 31.12.2006	
Provisions to cover credit risk relating to off-balance sheet items (note 9)	14,946
Other provisions charged to profit and loss	1,469
Provisions used during the period	(142)
Balance 31.12.2006	**17,901**
Changes for the period from 1.1 - 31.12.2007	
Provisions to cover credit risk relating to off balance sheet items (note 9)	30,983
Reversal of provisions	(1,078)
Provisions used during the period	(10)
Balance 31.12.2007	**47,796**

Equity

32. Share capital

	Number of shares	Paid-in share capital
Opening balance (1 January 2006)	291,203,608	1,456,018
Capitalization of retained earnings and issue of 4 bonus shares for every 10 old shares and decrease of share nominal value from € 5 to € 3.90	116,481,444	133,954
Exercise of share options	336,950	1,314
Balance 31 December 2006	**408,022,002**	**1,591,286**
Exercise of share options	2,954,650	11,523
Balance 31 December 2007	**410,976,652**	**1,602,809**

As at 31 December 2007 the total number of ordinary shares is 410,976,652 (31.12.2006: 408,022,002) with a nominal value of € 3.90 each.

Each share has a single voting right in Bank's shareholders meetings.

Further details for Bank's share options granted to employees are presented in note 42.

33. Share premium

Opening Balance (1 January 2006)	125,685
Difference of exercised share options	2,276
Balance 31 December 2006	**127,961**
Difference of exercised share options	56,072
Balance 31 December 2007	**184,033**

During 2007 2,954,650 share options were exercised, out of which 1,830,945 share options were exercised at a price of € 20.61 and as a result of the difference between the nominal value of the shares and the exercise price, a share premium of € 30,595 was recognized. The additional increase of € 25,477 arises at the exercise date during 2007 from the reclassification of valuation reserve of share options.

34. Reserves

Reserves are analyzed as follows:

	31.12.2007	31.12.2006
Statutory reserve	336,180	282,780
Available-for-sale reserve	(2,288)	(80,917)
Special reserve from share option valuation	-	5,990
Total	**333,892**	**207,853**

According to the Bank's articles of association (article 24), the Bank is required to transfer 10% of its annual net profit to the statutory reserve, until the reserve reaches the amount of 50% of the share capital. This reserve can only be used to offset losses according to article 44 of Law 2190/1920.

The special reserve from share option valuation was reclassified to share premium due to the exercise of share options

35. Retained earnings

a. Included in retained earnings are reserves formed from gains arising on the sale of listed shares and other non-taxable income or special taxable income that is not subject to tax and will not be distributed.

The reserves which were formed by 31 December 2005, have been taxed.

The reserves which were formed during 2007 and thereafter are subject to tax at the rate applicable to the Bank (Law 3634/2008).

The reserves which have been subject to tax may be distributed or capitalized without any further tax liability.

b. According to the article 3 paragraph 10 of Law 148/1967 entities are obliged to distribute each year dividends, unless decided otherwise by the Shareholders in General meeting a minimum amount equal to 35% of the annual profits after the deduction of the statutory reserve appropriation and the gain from the sale of shares. The net profit arising from the valuation of financial instruments to fair value after deducting losses for the same reason is not included in the calculation of the dividend as defined by the relevant legislation.

Dividends are distributed free of tax to the shareholders since are taxable through entity's income tax return.

The ordinary General Shareholders' Meeting held on 3 April 2007, approved the distribution of a dividend for 2006 of € 0.75 per share. As at 31.12.2007, the total amount of € 304,421 has been deducted from retained earnings.

For the year ended 31 December 2007 the Board of Directors will propose to the shareholders the distribution of a dividend of € 0.90 per share, compared to € 0.75 of 2006.

36. Treasury shares

The Bank based on the decisions of the Ordinary General Shareholders' Meetings held in prior years, acquired up to 31 December 2006 801,719 treasury shares at a cost of € 14,465 which represented 0.20% of the share capital.

During 2007 the Bank gradually purchased 13,674,907 treasury shares at a cost of € 329,189 thousand (€ 24.07 per share).

On 1 August 2007 the bank successfully completed the placement of 3,505,992 treasury shares, at a cost € 77,689 (€ 22.16 per share) representing 0.86% of its issued share capital. On 20 December 2007, the bank completed an additional placement of 10,970,634 treasury shares, representing 2.67% of its issued share capital at a cost of € 265,965 (€ 24.24 per share).

The net of proceeds of the sale amounted to € 340,655 and the losses from the sale of treasury shares amounted to € 2,999 which were recognized directly to retained earnings.

As at 31 December 2007 the Bank did not hold any treasury shares.

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

	Number of shares	Cost
Balance 1.1.2007	801,719	14,465
Purchases 1.1-31.12.2007	13,674,907	329,189
Sales 1.1-31.12.2007	(14,476,626)	(343,654)
Balance 31.12.2007	-	-

Additional Information

37. Contingent liabilities and commitments

a) Legal issues

The Bank in the ordinary course of business is a defendant in claims from customers and other legal proceedings. No provision has been recorded because after consultation with legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Bank.

b) Tax Issues

The Bank's books and records have been audited by the tax authorities up to and including the year ended 31 December 2005. Additional taxes and penalties may be imposed for the unaudited years.

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:

	31.12.2007	**31.12.2006**
Less than one year	25,410	22,601
Between one and five years	70,904	68,187
More than five years	57,918	41,503
Total	**154,232**	**132,291**

The lease expense for the fiscal year 2007 relating to rental of buildings amounts to € 27,407 (2006: € 23,552) and are included in "General administrative expenses".

- *The Bank as a lessor*

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

The minimum future revenues are:

	31.12.2007	**31.12.2006**
Less than one year	3,720	2,945
Between one and five years	10,307	8,988
More than five years	7,218	4,805
Total	**21,245**	**16,738**

The lease revenues for the year 2007 amount to € 3,397 (2006: € 2,999), and are included in "Other income".

d) Off balance sheet liabilities

	31.12.2007	31.12.2006
Letters of guarantee	5,453,629	4,325,763
Letters of credit	82,857	223,582
Undrawn credit facilities	16,386,205	13,709,879
Guarantees relating to bonds issued by subsidiaries of the Bank	20,485,817	15,143,455
Total	**42,408,508**	**33,402,679**

e) Assets pledged

	31.12.2007	31.12.2006
Loans to customers	800,490	-
Investment securities	160,000	585,000
Total	**960,490**	**585,000**

The Bank has collaterized customer loans to the Bank of Greece in accordance with the Monetary Policy Council Act no 54/27.2.2004 as in force, and following its amendment by Monetary Policy Council Act 61/6.12.2006 the Bank of Greece accepts from 1.1.2007 non-marketable assets as collateral for monetary policy purposes and intraday credit which should meet the terms and conditions of the above act.

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

38. Segment reporting

a. *Analysis by sector* (Millions of Euro)

1.1 - 31.12.2007

	Total	Retail	Corporate Banking	Asset Management/ insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Interest	1,227.7	921.0	246.8	3.6	31.5	24.8	-
Commission	321.9	162.7	89.7	51.8	11.9	5.8	-
Other income	37.5	18.1	5.0	2.4	26.8	0.9	(15.7)
Total income	**1,587.1**	**1,101.8**	**341.5**	**57.8**	**70.2**	**31.5**	**(15.7)**
Expenses	(778.9)	(551.8)	(99.3)	(31.3)	(22.6)	(22.5)	(51.4)
Impairment	(194.6)	(115.7)	(78.9)	-	-	-	-
Profit before tax	**613.6**	**434.3**	**163.3**	**26.5**	**47.6**	**9.0**	**(67.1)**
Assets	54,039.1	19,696.4	16,858.3	181.5	14,327.2	1,051.2	1,924.5
Liabilities	51,298.9	29,916.7	2,078.8	1,199.8	14,805.3	697.5	2,600.8
Capital expenditure	98.6	72.7	17.0	1.3	1.2	6.4	-
Depreciation and amortization	51.2	37.6	9.1	0.8	0.6	3.1	-

1.1 - 31.12.2006

	Total	Retail	Corporate Banking	Asset Management/ insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Interest	1,140.9	847.4	229.9	2.9	44.7	16.0	-
Commission	292.4	143.4	83.3	47.0	15.7	3.0	-
Other income	189.5	11.2	2.7	0.9	22.5	0.9	151.3
Total income	**1,622.8**	**1,002.0**	**315.9**	**50.8**	**82.9**	**19.9**	**151.3**
Expenses	(687.3)	(507.8)	(90.7)	(27.9)	(18.8)	(11.5)	(30.6)
Impairment	(219.5)	(166.0)	(53.5)	-	-	-	-
Profit before tax	**716.0**	**328.2**	**171.7**	**22.9**	**64.1**	**8.4**	**120.7**
Assets	46,768.6	15,325.5	14,678.5	157.5	14,272.5	406.1	1,928.5
Liabilities	44,332.8	24,699.8	2,276.0	772.2	13,915.9	406.6	2,262.3
Capital expenditure	81.0	62.7	11.2	3.4	2.3	1.4	-
Depreciation and Amortization	40.4	30.0	6.6	0.9	0.4	2.5	-

i. Retail banking
Includes all individuals (retail banking customers) of the Bank, professionals, and small companies. The Bank offers through its extended 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) and debit and credit cards to the above customers.

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

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

iv. Investment Banking/ Treasury
Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. Includes also the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.). It is noted that for comparative purposes, an amount of € 36.6 million that relates to income on financial transactions of 2006, was reclassified to the respective segment from "Other".

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

vi. Other
This segment consists of the Bank's income and expenses that are not related to operating activities and administrative expenses which are distributed to Group companies.

b. *Analysis by geographical sector*

(millions of Euro)

	1.1-31.12.2007		
	Total	**Greece**	**Other countries**
Interest	1,227.7	1,201.1	26.6
Commission	321.9	315.7	6.2
Other income and income on financial transactions	37.5	36.0	1.5
Total income	**1,587.1**	**1,552.8**	**34.3**
Expenses	(778.9)	(753.7)	(25.2)
Impairment	(194.6)	(194.6)	-
Profit before tax	**613.6**	**604.5**	**9.1**
Assets	54,039.1	52,607.2	1,431.9

	1.1-31.12.2006		
	Total	**Greece**	**Other countries**
Interest	1,140.9	1,122.7	18.2
Commission	292.4	283.0	9.4
Other income and income on financial transactions	189.5	188.5	1.0
Total income	**1,622.8**	**1,594.2**	**28.6**
Expenses	(687.3)	(673.9)	(13.4)
Impairment	(219.5)	(219.5)	-
Profit before tax	**716.0**	**700.8**	**15.2**
Assets	46,768.6	44,126.4	2,642.2

39. Financial risk management

The Bank has long established a systematic and disciplined framework for the reliable measurement of risk. Considering the stability and continuity of its operations, the Bank's management places a high priority on implementing and continuously improving this framework, in order to minimize any potential adverse effects on the Bank's financial results.

The Board of Directors of the Bank has the overall responsibility for the application of the Risk Management framework. The Risk Management Committee has been established and meets on a quarterly basis, reporting to the Board of Directors on its activities. The Risk Management Committee is responsible for the implementation of and compliance with the risk management policies. The Bank re-evaluates the effectiveness of its risk management framework on a regular basis in order to ensure compliance with international best practices and the regulatory framework.

In the Bank the Risk management departments are operating under the authority of the Group's risk management director and are entitled with the responsibility for the implementation of the risk management framework, according to the directions of the Risk Management Committee.

39.1 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is considered the most significant risk for the Bank, and its continuous monitoring is management's first priority.

The Bank in order to effectively manage credit risk has developed specific methodologies and systems to measure credit risk. These systems and methodologies are continuously evolving so as to provide to the maximum extent possible current and productive support in the decisions making process of the business units in order to avoid possible adverse consequences on the result of the Bank.

The main point for the measurement of credit risk is the credit risk grading system. Current systems use both quantitative and qualitative criteria of measurement and also criteria of transactional behavior in order to report customer probabilities of loss given defaults. Respective models are continuously improved in order for the total loan portfolio to be included in the new system of internal grading imposed by capital adequacy. The credit grading system consists of nine basic grades. Additionally, the Bank uses ratings provided by International Rating Agencies. At the same time, statistical models are being developed in order to calculate loss given default and the exposure at default.

Credit risk rating also determine both credit limits and collaterals and it is systematically reassessed on a six or twelve month basis. The reassessment is based on the customer's credit worthiness and on any new information and events that may have a significant impact on the level of credit risk.

Credit risk grading systems are being constantly tested qualitatively in order to assure at every turn their ability. At the same time the Bank performs stress testing exercises concerning credit risk on a regular basis. Based on respective stress testing an estimation is provided of the size of financial losses that could occur under extreme transactional behavior of the clients. Additionally, on regular basis large exposures are monitored and management and the Board of Directors are informed

The Bank assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically the above mentioned procedures include the following steps:

a. Establishment of events that provide objective evidence that a loan is impaired (trigger events).
b. The criteria for assessment on an individual or collective basis.
c. Establishment of groups of assets with similar risk characteristics.
d. Methodology in determining future cash flows from impaired loans.
e. Interest income recognition.
f. Recoveries.

In note 1.12 "Impairment losses on loans and advances" the accounting principles applied for loan impairment are described in detail.

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2007			31.12.2006		
	Exposure before impairment	**Impairment**	**Net exposure to credit risk**	**Exposure before impairment**	**Impairment**	**Net exposure to credit risk**
a. Credit risk exposure relating to on-balance sheet items:						
Due from Banks	7,349,675		7,349,675	6,184,088		6,184,088
Loans and advances to customers:						
Individuals:						
- Mortgages	9,741,095	51,641	9,689,454	8,176,640	44,533	8,132,107
- Consumer	2,922,529	72,940	2,849,589	2,169,009	72,180	2,096,829
- Credit cards	1,046,941	53,039	993,902	905,689	27,060	878,629
- Other loans	100,031		100,031	130,605		130,605
	13,810,596	177,620	13,632,976	11,381,943	143,773	11,238,170
Companies:						
- Corporate loans	21,900,097	426,321	21,473,776	17,443,652	590,334	16,853,318
Other receivables	166,342	5,220	161,122	151,423	5,220	146,203
	22,066,439	431,541	21,634,898	17,595,075	595,554	16,999,521
Total	35,877,035	609,161	35,267,874	28,977,018	739,327	28,237,691
Securities held for trading:						
- Government bonds	236,340		236,340	182,557		182,557
- Other debt securities	28,448		28,448	133,924		133,924
- Derivative financial instruments	384,466		384,466	254,566		254,566
Total	649,254		649,254	571,047		571,047
Investment securities:						
- Available-for-sale (government bonds)	1,856,217		1,856,217	6,016,005		6,016,005
- Available-for-sale (other)	4,344,648		4,344,648	1,345,906		1,345,906
- Available-for-sale (other variable yield securities)	30,668		30,668	43,128		43,128
Total	6,231,533		6,231,533	7,405,039		7,405,039
Total amount of on balance sheet items exposed to credit risk (a)	**50,107,497**	**609,161**	**49,498,336**	**43,137,192**	**739,327**	**42,397,865**
Other on-balance sheet items not exposed to credit risk	4,540,800		4,540,800	4,370,747		4,370,747
Total Assets	**54,648,297**	**609,161**	**54,039,136**	**47,507,939**	**739,327**	**46,768,612**
b. Credit risk exposure relating to off balance sheet items:						
Letters of guarantee and letters of credit	5,536,486	45,929	5,490,557	4,549,345	14,946	4,534,399
Undrawn credit facilities [1]	16,386,205		16,386,205	13,709,879		13,709,879
Guarantees relating to bonds issued by subsidiaries of the Bank	20,485,817		20,485,817	15,143,455		15,143,455
Total amount of off balance sheet items exposed to credit risk (b)	**42,408,508**	**45,929**	**42,362,579**	**33,402,679**	**14,946**	**33,387,733**
Total credit risk exposure (a+b)	**92,516,005**	**655,090**	**91,860,915**	**76,539,871**	**754,273**	**75,785,598**

[1] Undrawn credit facilities include an amount of € 531 million (31.12.2006: € 257 million) which are committed limits that cannot be canceled in cases where it becomes apparent that the counterparty will fail to meet their contractual obligations.

LOANS AND ADVANCES TO CUSTOMERS – Analysis of past due amounts

	31.12.2007			
	Neither past due nor impaired	**Past due but not impaired**	**Impaired**	**Total**
Loans and advances to individuals				
- Mortgages				
Performing loans	8,486,531	-		8,486,531
Past due 1-90 days	-	997,867		997,867
Past due >90 days	-	-	256,697	256,697
	8,486,531	**997,867**	**256,697**	**9,741,095**
- Credit cards, consumer and other loans				
Performing loans	3,486,190	-	-	3,486,190
Past due 1-90 days	-	405,368	-	405,368
Past due >90 days	-	-	177,943	177,943
	3,486,190	**405,368**	**177,943**	**4,069,501**
- Corporate loans				
Performing loans	18,921,994	-	240,585	19,162,579
Past due 1-90 days	-	1,849,329	84,852	1,934,181
Past due >90 days	-	260,267	709,412	969,679
	18,921,994	**2,109,596**	**1,034,849**	**22,066,439**
- Total portfolio				
Performing loans	30,894,715	-	240,585	31,135,300
Past due 1-90 days	-	3,252,564	84,852	3,337,416
Past due >90 days	-	260,267	1,144,052	1,404,319
Total	**30,894,715**	**3,512,831**	**1,469,489**	**35,877,035**

	31.12.2006			
	Neither past due nor impaired	**Past due but not impaired**	**Impaired**	**Total**
Loans and advances to individuals				
- Mortgages				
Performing loans	7,278,504	-		7,278,504
Past due 1-90 days	-	674,838		674,838
Past due >90 days	-	-	223,298	223,298
	7,278,504	**674,838**	**223,298**	**8,176,640**
- Credit cards, consumer and other loans				
Performing loans	2,804,888	-	-	2,804,888
Past due 1-90 days	-	262,826	-	262,826
Past due >90 days	-	-	137,589	137,589
	2,804,888	**262,826**	**137,589**	**3,205,303**
- Corporate loans				
Performing loans	14,540,630	-	270,746	14,811,376
Past due 1-90 days	-	1,626,566	128,802	1,755,368
Past due >90 days	-	208,862	819,469	1,028,331
	14,540,630	**1,835,428**	**1,219,017**	**17,595,075**
- Total portfolio				
Performing loans	24,624,022	-	270,746	24,894,768
Past due 1-90 days	-	2,564,230	128,802	2,693,032
Past due >90 days	-	208,862	1,180,356	1,389,218
Total	**24,624,022**	**2,773,092**	**1,579,904**	**28,977,018**

LOANS AND ADVANCES TO CUSTOMERS – Neither past due nor impaired

	31.12.2007			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Low risk	8,486,531	3,486,190	18,296,246	30,268,967
Under surveillance	-	-	625,748	625,748
Total	**8,486,531**	**3,486,190**	**18,921,994**	**30,894,715**

	31.12.2006			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Low risk	7,278,504	2,804,888	13,954,183	24,037,575
Under surveillance	-	-	586,447	586,447
Total	**7,278,504**	**2,804,888**	**14,540,630**	**24,624,022**

This category includes loans, whose terms have been renegotiated during the last 12 months, and they are no longer past due. These loans amounted to € 46,665 as at 31.12.2007 (31.12.2006: € 69,245).

LOANS AND ADVANCES TO CUSTOMERS: past due but not impaired

	31.12.2007			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Past due 1-90 days	997,867	405,368	1,849,329	3,252,564
Past due >90 days			260,267	260,267
Total	**997,867**	**405,368**	**2,109,596**	**3,512,831**
Fair value of collaterals	**1,527,534**	**89,843**	**2,942,557**	**4,559,934**

	31.12.2006			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Past due 1-90 days	674,838	262,826	1,626,566	2,564,230
Past due >90 days			208,862	208,862
Total	**674,838**	**262,826**	**1,835,428**	**2,773,092**
Fair value of collaterals	**1,067,451**	**59,751**	**2,763,588**	**3,890,790**

LOANS AND ADVANCES TO CUSTOMERS – Impaired

	31.12.2007			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Carrying amount before impairment	256,697	177,943	1,034,849	1,469,489
Allowance of impairment	(51,641)	(125,979)	(431,541)	(609,161)
Carrying amount	**205,056**	**51,964**	**603,308**	**860,328**
Fair value of collaterals	**236,794**	**21,206**	**951,098**	**1,209,098**

	31.12.2006			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Carrying amount before impairment	223,298	137,589	1,219,017	1,579,904
Allowance of impairment	(44,533)	(99,240)	(595,554)	(739,327)
Carrying amount	**178,765**	**38,349**	**623,463**	**840,577**
Fair value of collaterals	**199,577**	**11,349**	**1,101,406**	**1,312,332**

DUE FROM BANKS: DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES

	31.12.2007				
	Due from Banks	Trading securities	Derivatives financial instruments	Available- for- sale	Total
AAA				81,305	81,305
AA- to AA+	400,905		266,664	10,000	677,569
A- to A+	5,497,986	246,148	54,622	5,274,148	11,072,904
Lower than A-	1,450,784	18,640	347	866,080	2,335,851
Unrated			62,833		62,833
Total	**7,349,675**	**264,788**	**384,466**	**6,231,533**	**14,230,462**

	31.12.2006				
	Due from Banks	Trading securities	Derivatives financial instruments	Available- for- sale	Total
AAA		123,895		178,069	301,964
AA- to AA+	1,502,682	32,278	170,559	193,198	1,898,717
A- to A+	4,581,738	105,725	45,058	6,121,826	10,854,347
Lower than A-	99,668	54,583	13,492	911,946	1,079,689
Unrated			25,457		25,457
Total	**6,184,088**	**316,481**	**254,566**	**7,405,039**	**14,160,174**

The above do not present delays and no impairment exists after relevant tests. In the following tables are presented the financial instruments carrying amounts by industry sectors of the counterparties.

FINANCIAL INSTRUMENTS CREDIT RISK Analysis by industry sector

31.12.2007

	Financial Institutions	Manufacturing	Construction and real estate	Whole sale and retail trade	Public sector	Transportation	Shipping	Hotels/ Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to on balance sheet items:											
Due from Banks	7,349,675										7,349,675
Loans and advances to customers:											
Individuals											
- Mortgages										9,741,095	9,741,095
- Credit cards and Consumer loans										3,969,470	3,969,470
- Other										100,031	100,031
Total										13,810,596	13,810,596
Corporate loans and other receivables	2,490,290	4,529,146	1,901,826	5,582,347	162,472	1,935,614	1,360,515	1,943,729	2,160,500		22,066,439
Total loans and advances to costumers	2,490,290	4,529,146	1,901,826	5,582,347	162,472	1,935,614	1,360,515	1,943,729	2,160,500	13,810,596	35,877,035
Securities held for trading:											
- Debt securities					236,340				28,448		264,788
- Derivative financial instruments	324,929								59,537		384,466
Total	324,929				236,340				87,985		649,254
Investment securities:											
- Available-for-sale	3,946,821	82,100		80,246	1,856,217				266,149		6,231,533
Total carrying amount of on balance sheet items exposed to credit risk (a)	**14,111,715**	**4,611,246**	**1,901,826**	**5,662,593**	**2,255,029**	**1,935,614**	**1,360,515**	**1,943,729**	**2,514,634**	**13,810,596**	**50,107,497**
Other on balance sheet items not exposed to credit risk									4,540,800		4,540,800
Total assets	**14,111,715**	**4,611,246**	**1,901,826**	**5,662,593**	**2,255,029**	**1,935,614**	**1,360,515**	**1,943,729**	**7,055,434**	**13,810,596**	**54,648,297**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	6,188	676,299	887,606	750,258	2,414	10,203	38,700	123,970	3,040,848		5,536,486
Undrawn credit facilities									16,386,205		16,386,205
Guarantees for bonds issued by Bank's subsidiaries									20,485,817		20,485,817
Total carrying amount of off balance sheet items exposed to credit risk (b)	**6,188**	**676,299**	**887,606**	**750,258**	**2,414**	**10,203**	**38,700**	**123,970**	**39,912,870**		**42,408,508**
Total credit risk exposure (a+b)	**14,117,903**	**5,287,545**	**2,789,432**	**6,412,851**	**2,257,443**	**1,945,817**	**1,399,215**	**2,067,699**	**42,427,504**	**13,810,596**	**92,516,005**

31.12.2006

	Financial Institutions	Manufacturing	Construction and real estate	Whole sale and retail trade	Public sector	Transportation	Shipping	Hotels/ Tourism	Other sectors	Individuals	Total
a) Credit risk exposure relating to on balance sheet items:											
Due from Banks	6,184,088										6,184,088
Loans and advances to customers:											
Individuals											
- Mortgages										8,176,640	8,176,640
- Credit cards and - Consumer loans										3,074,698	3,074,698
- Other										130,605	130,605
Total										11,381,943	11,381,943
- Corporate loans and other receivables	1,569,952	4,195,980	1,510,836	4,953,365	231,133	1,034,767	777,908	1,673,743	1,647,391		17,595,075
Total loans and advances to customers	1,569,952	4,195,980	1,510,836	4,953,365	231,133	1,034,767	777,908	1,673,743	1,647,391	11,381,943	28,977,018
Securities held for trading:											
- Debt securities					221,300				95,181		316,481
- Derivative financial instruments	205,100								49,466		254,566
Total	205,100				221,300				144,647		571,047
Investment securities											
- Available for sale	4,925,176			—	2,238,716				241,147		7,405,039
Total carrying amount of on balance sheet items exposed to credit risk (a)	**12,884,316**	**4,195,980**	**1,510,836**	**4,953,365**	**2,691,149**	**1,034,767**	**777,908**	**1,673,743**	**2,033,185**	**11,381,943**	**43,137,192**
Other on balance sheet items not exposed to credit risk									4,370,747		4,370,747
Total assets	**12,884,316**	**4,195,980**	**1,510,836**	**4,953,365**	**2,691,149**	**1,034,767**	**777,908**	**1,673,743**	**6,403,932**	**11,381,943**	**47,507,939**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	5,993	464,082	1,185,218	639,791	2,327	3,563	7,590	88,023	2,152,758		4,549,345
Undrawn credit facilities									13,709,879		13,709,879
Guarantees relating to bonds issued by subsidiaries of the Bank									15,143,455		15,143,455
Total carrying amount of off balance sheet items exposed to credit risk (b)	**5,993**	**464,082**	**1,185,218**	**639,791**	**2,327**	**3,563**	**7,590**	**88,023**	**31,006,092**		**33,402,679**
Total credit risk exposure (a+b)	**12,890,309**	**4,660,062**	**2,696,054**	**5,593,156**	**2,693,476**	**1,038,330**	**785,498**	**1,761,766**	**33,039,277**	**11,381,943**	**76,539,871**

39.2 Market risk

Market risk is the risk of losses arising from unfavourable changes in interest rates, foreign exchange rates, equity prices and commodities. Losses may occur either from the trading portfolio or from the banking book.

i. Trading portfolio

Market risk is measured with the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of 1 and 10 days, depending on the time required to liquidate the portfolio.

1 day value at risk, 99% confidence level (2 years historical data)

	2007					2006
	Foreign currency risk	Interest rate risk	Price risk	Covariance	**Total**	**Total**
31 December	129,899	400,253	58,054	(267,415)	320,791	1,287,000
Average daily value (annual)	363,901	818,897	564,707	(728,010)	1,019,495	2,087,632
Maximum daily value (annual)	1,039,112	2,345,212	1,266,372	(1,623,054)	3,027,642	4,640,487
Minimum daily value (annual)	71,192	259,452	52,685	(160,290)	223,039	546,742

The Value at Risk methodology is complemented with stress tests based on both historical and hypothetical extreme movements of market parameters, in order to estimate the potential size of losses that could arise in extreme conditions.

Within the scope of policy-making for financial risk management by the Asset and Liability Management Committee (ALCO), exposure limits and maximum loss (stop loss) limits for various products of the trading portfolio have been set. In particular limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions.
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options.
- Price risk regarding positions in shares, index Futures and options.
- Credit risk regarding interbank transactions, corporate bonds and emerging market Government bonds.

Positions held in these products are monitored during the day and are examined as to the corresponding limit percentage cover and limit excess.

ii. Liability Management

Apart from the trading portfolio, market risk may also arise from the banking book. This risk is foreign currency risk and interest rate risk.

a. Foreign exchange risk

The Bank takes on exposures to the fluctuations in foreign exchange rates. The General Management of the Bank sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. The total position arises from the net on balance sheet position and derivatives forward position as presented in the tables below:

	31.12.2007						
	USD	GBP	CHF	JPY	OTHER F/C	EURO	TOTAL
ASSETS							
Cash and balances with Central Banks	7,463	1,129	325	35	49,814	1,591,561	1,650,327
Due from banks	541,625	164,192	1,097,502	(4,112)	478,149	5,072,319	7,349,675
Securities held for trading	2,362				9,704	252,722	264,788
Derivative financial instruments						384,466	384,466
Loans and advances to customers	2,053,940	380,546	374,790	26,385	110,339	32,321,874	35,267,874
Investment Securities							
-Available-for-sale	691,101				96,516	5,512,760	6,300,377
Investments in subsidiaries, associates and joint ventures	2,953	57,403			290,662	1,275,082	1,626,100
Investment property						42,370	42,370
Property, plant and equipment					18,925	584,906	603,831
Goodwill and other intangible assets		365			1,024	54,447	55,836
Deferred tax assets						158,160	158,160
Other assets	5,299	763	250	1	3,275	271,038	280,626
Non-current assets held for sale						54,706	54,706
Total Assets	**3,304,743**	**604,398**	**1,472,867**	**22,309**	**1,058,408**	**47,576,411**	**54,039,136**
LIABILITIES							
Due to banks and customers	4,136,488	344,069	14,184	822,950	602,655	23,052,104	28,972,450
Derivative financial instruments						383,129	383,129
Debt securities in issue and other borrowed funds	264,010		91,723	183,704	379,613	19,602,926	20,521,976
Liabilities for current income tax and other taxes						127,863	127,863
Deferred tax liabilities						82,960	82,960
Employee defined benefit obligations						3,733	3,733
Other liabilities	5,694	393	396	411	1,251	1,150,867	1,159,012
Provisions						47,796	47,796
Total Liabilities	**4,406,192**	**344,462**	**106,303**	**1,007,065**	**983,519**	**44,451,378**	**51,298,919**
Net on-balance sheet position	(1,101,449)	259,936	1,366,564	(984,756)	74,889	3,125,033	2,740,217
Derivatives forward foreign exchange position	1,123,294	(291,357)	(1,371,230)	979,824	(168,244)	(89,267)	183,020
Total Foreign Exchange Position	**21,845**	**(31,421)**	**(4,666)**	**(4,932)**	**(93,355)**	**3,035,766**	**2,923,237**
Undrawn credit facilities	95,061	25,667			10,668	16,254,809	16,386,205

	31.12.2006						
	USD	GBP	CHF	JPY	OTHER F/C	EURO	TOTAL
ASSETS							
Cash and balances with Central Banks	5,806	956	211	27	18,067	1,452,608	1,477,675
Due from banks	1,008,124	1,245	449,365	16,203	(9,853)	4,719,004	6,184,088
Securities held for trading	129,992					216,215	346,207
Derivative financial instruments						254,566	254,566
Loans and advances to customers	1,278,103	198,334	157,417	25,168	71,783	26,506,886	28,237,691
Investment Securities							
-Available-for-sale	408,561				60,548	6,993,279	7,462,388
Investments in subsidiaries, associates and joint ventures	33,081	63,544			178,272	1,318,653	1,593,550
Investment property						42,006	42,006
Property, plant and equipment					11,730	532,906	544,636
Goodwill and other intangible assets					637	41,467	42,104
Deferred tax assets						261,363	261,363
Other assets	62	2,093	54	2	606	227,008	229,825
Non-current assets held for sale						92,513	92,513
Total Assets	**2,863,729**	**266,172**	**607,047**	**41,400**	**331,790**	**42,658,474**	**46,768,612**
LIABILITIES							
Due to banks and customers	2,577,113	300,548	18,216	430,560	472,216	23,796,007	27,594,660
Derivative financial instruments						226,223	226,223
Debt securities in issue and other borrowed funds	69,359			193,069	94,737	14,791,155	15,148,320
Liabilities for current income tax and other taxes		16			33	110,053	110,102
Deferred tax liabilities						137,901	137,901
Employee defined benefit obligations						513,311	513,311
Other liabilities	659	591	205	431	395	582,077	584,358
Provisions						17,901	17,901
Total Liabilities	**2,647,131**	**301,155**	**18,421**	**624,060**	**567,381**	**40,174,628**	**44,332,776**
Net on-balance sheet position	216,598	(34,983)	588,626	(582,660)	(235,591)	2,483,846	2,435,836
Derivatives forward foreign exchange position	(198,128)	22,557	(591,154)	578,354	245,857	(70,486)	(13,000)
Total Foreign Exchange Position	**18,470**	**(12,426)**	**(2,528)**	**(4,306)**	**10,266**	**2,413,360**	**2,422,836**
Undrawn credit facilities	398				20,140	13,689,341	13,709,879

The net foreign exchange position as at 31.12.2007 presents the following sensitivity analysis:

	Currency risk	
Currency	**Exchange rate variation scenario against Euro (%)**	**Impact on net income before tax**
USD	Appreciation of USD 5%	1,150
USD	Depreciation of USD 5%	(1,040)
GBP	Appreciation of GBP 5%	(1,654)
GBP	Depreciation of GBP 5%	1,496

The Bank's high exposure in other currencies is primarily due to the CYP/EUR position which due to the entrance of Cyprus in the EURO zone does not exist from 1.1.2008.

i. Interest rate risk (Gap analysis)

Gap Analysis is performed in order to examine the interest rate risk of assets and liabilities. Assets and liabilities are allocated into time bands according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments.

Gap Analysis is presented in the table below:

	31.12.2007							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
ASSETS								
Cash and balances with Central Banks	1,273,667						376,660	1,650,327
Due from banks	4,278,703	1,619,996	500,885	364,180	579,007	6,904		7,349,675
Securities held for trading	2,147	1,296	24,326	1,114	44,081	191,824		264,788
Derivative financial instruments	384,466							384,466
Loans and advances to customers	20,098,772	4,919,167	3,089,640	951,173	6,028,332	180,790		35,267,874
Investment Securities								
- Available-for-sale	3,021,988	955,633	1,775,414	116,317	101,335	260,718	68,972	6,300,377
Investments in subsidiaries, associates and joint ventures							1,626,100	1,626,100
Investment property							42,370	42,370
Property, plant and equipment							603,831	603,831
Goodwill and other intangible assets							55,836	55,836
Deferred tax assets							158,160	158,160
Other assets							280,626	280,626
Non-current assets held for sale							54,706	54,706
Total Assets	**29,059,743**	**7,496,092**	**5,390,265**	**1,432,784**	**6,752,755**	**640,236**	**3,267,261**	**54,039,136**
LIABILITIES								
Due to Banks	3,531,555	1,520,321	557,671	27,884	131			5,637,562
Derivatives financial instruments	383,129							383,129
Due to customers	19,384,594	1,986,757	802,867	337,192	823,478			23,334,888
Debt securities in issue and other borrowed funds	12,237,861	7,727,744	532,051	20,920	3,400			20,521,976
Liabilities for current income tax and other taxes							127,863	127,863
Deferred tax liabilities							82,960	82,960
Employee defined benefit obligations							3,733	3,733
Other liabilities							1,159,012	1,159,012
Provisions							47,796	47,796
Total Liabilities	**35,537,139**	**11,234,822**	**1,892,589**	**385,996**	**827,009**	**-**	**1,421,364**	**51,298,919**
EQUITY								
Share capital							1,602,809	1,602,809
Share premium					—		184,033	184,033
Reserves							333,892	333,892
Retained earnings							619,483	619,483
Treasury shares								
Total Equity							2,740,217	2,740,217
Total Liabilities and Equity	**35,537,139**	**11,234,822**	**1,892,589**	**385,996**	**827,009**	**-**	**4,161,581**	**54,039,136**
GAP	**(6,477,396)**	**(3,738,730)**	**3,497,676**	**1,046,788**	**5,925,746**	**640,236**	**(894,320)**	
CUMULATIVE GAP	**(6,477,396)**	**(10,216,126)**	**(6,718,450)**	**(5,671,662)**	**254,084**	**894,320**		

	31.12.2006							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
ASSETS								
Cash and balances with Central Banks	1,109,930						367,745	1,477,675
Due from Banks	4,032,122	734,383	626,925	381,773	402,025	6,860		6,184,088
Securities held for trading	18,908	66,261	2,956	52,120	127,957	78,005		346,207
Derivative financial instruments	254,566							254,566
Loans and advances to customers	18,269,321	3,217,557	2,452,792	875,976	2,855,733	566,312		28,237,691
Investment Securities								
- Available-for-sale	3,038	147,032	850,356	499,335	5,374,804	489,053	98,770	7,462,388
Investments in subsidiaries, associates and joint ventures							1,593,550	1,593,550
Investment property							42,006	42,006
Property, plant and equipment							544,636	544,636
Goodwill and other intangible assets							42,104	42,104
Deferred tax assets							261,363	261,363
Other assets							229,825	229,825
Non-current assets held for sale							92,513	92,513
Total Assets	**23,687,885**	**4,165,233**	**3,933,029**	**1,809,204**	**8,760,519**	**1,140,230**	**3,272,512**	**46,768,612**
LIABILITIES								
Due to Banks	6,226,294	627,027	352,553	16,107	136			7,222,117
Derivatives financial instruments	226,223							226,223
Due to customers	18,276,461	682,260	371,685	272,860	2,640		766,637	20,372,543
Debt securities in issue and other borrowed funds	8,054,298	6,946,671	129,631	17,720				15,148,320
Liabilities for current income tax and other taxes							110,102	110,102
Deferred tax liabilities							137,901	137,901
Employee defined benefit obligations							513,311	513,311
Other liabilities							584,358	584,358
Provisions							17,901	17,901
Total Liabilities	**32,783,276**	**8,255,958**	**853,869**	**306,687**	**2,776**	**-**	**2,130,210**	**44,332,776**
EQUITY								
Share capital							1,591,286	1,591,286
Share premium							127,961	127,961
Reserves							207,853	207,853
Retained earnings							523,201	523,201
Treasury shares							(14,465)	(14,465)
Total Equity							**2,435,836**	**2,435,836**
Total Liabilities and Equity	**32,783,276**	**8,255,958**	**853,869**	**306,687**	**2,776**	**-**	**4,566,046**	**46,768,612**
GAP	**(9,095,391)**	**(4,090,725)**	**3,079,160**	**1,502,517**	**8,757,743**	**1,140,230**	**(1,293,534)**	
CUMULATIVE GAP	**(9,095,391)**	**(13,186,116)**	**(10,106,956)**	**(8,604,439)**	**153,304**	**1,293,534**		

Gap Analysis allows an immediate calculation of changes in net interest income and equity for available-for-sale securities upon application of alternative scenarios, such as changes in market interest rates or changes in the Bank's base interest rates.

Currency	**Interest rate variation scenario (parallel fall or rise in yield curves)**	**Sensitivity for net interest income (annual)**	**Sensitivity of equity**
EUR	+50 m.b.	16,514	(9,902)
	-50 m.b.	(16,703)	10,093
USD	+50 m.b.	(1,013)	(680)
	-50 m.b.	1,027	685
GBP	+50 m.b.	412	(14)
	-50 m.b.	(409)	14

39.3 Liquidity risk (liquidity gap analysis)

Liquidity risk refers to the Bank's ability to maintain sufficient funds to cover its obligations.

A substantial portion of the Bank's assets are funded with customer deposits and bonds issued by the Group. Funding comprises two categories:

a) Customer deposits for working capital purposes
Deposits for working capital purposes consist of savings accounts and sight deposits. Although these deposits may be withdrawn on demand, the number of the accounts and type of depositors ensure that unexpected fluctuations are limited and that these deposits constitute mostly a stable deposit base.

b) Customer deposits and bonds issued for investment purposes
Customer deposits and bonds issued for investment purposes concern customer term deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group.

In accordance with Liquidity Gap Analysis, cash flows arising from all assets and liabilities are estimated and allocated into time bands, depending on when they occur, with the exception of securities held for trading and available-for-sale securities. In the case of such portfolios, which are considered liquid, they are allocated in the first period using relevant haircuts.

Liquidity Gap Analysis is given in the table below:

	31.12.2007					
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**TOTAL**
ASSETS						
Cash and balances with Central Banks	1,650,327					1,650,327
Due from Banks	3,168,792	450,145	443,267	560,924	2,726,547	7,349,675
Securities held for trading						
- Bonds	251,549				13,239	264,788
Derivative financial instruments	384,466					384,466
Loans and advances to customers	806,986	2,554,329	3,423,359	5,499,579	22,983,621	35,267,874
Investment Securities						
- Bonds classified in available-for-sale	5,890,821				310,043	6,200,864
- Shares classified in available-for-sale	89,562				9,951	99,513
Investments in subsidiaries, associates and joint ventures					1,626,100	1,626,100
Investment property					42,370	42,370
Property, plant and equipment					603,831	603,831
Goodwill and other intangible assets					55,836	55,836
Deferred tax assets					158,160	158,160
Other assets	4,503		14,414	157,593	104,116	280,626
Non-current assets held for sale					54,706	54,706
Total Assets	**12,247,006**	**3,004,474**	**3,881,040**	**6,218,096**	**28,688,520**	**54,039,136**
LIABILITIES						
Due to banks	3,526,414	1,051,730	551,096	32,385	475,937	5,637,562
Derivative financial instruments	383,129					383,129
Due to customers	5,369,299	2,372,011	1,354,136	1,439,499	12,799,943	23,334,888
Debt securities in issue and other borrowed funds	457,103	42,707	12,576	698,538	19,311,052	20,521,976
Liabilities for current income tax and other taxes	19,599		101,880	6,384		127,863
Deferred tax liabilities					82,960	82,960
Employee defined benefit obligations					3,733	3,733
Other liabilities	983,091	53,830	33,521	64,493	24,077	1,159,012
Provisions					47,796	47,796
Total Liabilities	**10,738,635**	**3,520,278**	**2,053,209**	**2,241,299**	**32,745,498**	**51,298,919**
EQUITY						
Total Equity					**2,740,217**	**2,740,217**
Total Liabilities and Equity	**10,738,635**	**3,520,278**	**2,053,209**	**2,241,299**	**35,485,715**	**54,039,136**
Liquidity gap	**1,508,371**	**(515,804)**	**1,827,831**	**3,976,797**	**(6,797,195)**	

	31.12.2006					
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**TOTAL**
ASSETS						
Cash and balances with Central Banks	1,477,675					1,477,675
Due from Banks	3,762,698	187,347	468,099	436,630	1,329,314	6,184,088
Securities held for trading						
- Bonds	328,897				17,310	346,207
Derivative financial instruments	254,566					254,566
Loans and advances to customers	932,488	2,319,399	2,963,318	4,157,766	17,864,720	28,237,691
Investment Securities						
- Bonds classified in available for sale	6,993,815				368,096	7,361,911
- Shares classified in available for sale	90,430				10,047	100,477
Investments in subsidiaries, associates and joint ventures					1,593,550	1,593,550
Investment property					42,006	42,006
Property, plant and equipment					544,636	544,636
Goodwill and other intangible assets					42,104	42,104
Deferred tax assets					261,363	261,363
Other assets	2,601		14,675	160,812	51,737	229,825
Non-current assets held for sale					92,513	92,513
Total Assets	**13,843,170**	**2,506,746**	**3,446,092**	**4,755,208**	**22,217,396**	**46,768,612**
LIABILITIES						
Due to banks	6,072,559	330,524	340,796	15,648	462,590	7,222,117
Derivative financial instruments	226,223					226,223
Due to customers	3,810,826	1,101,488	930,425	1,372,842	13,156,962	20,372,543
Debt securities in issue and other borrowed funds	18,977	519,045	403,537	120,345	14,086,416	15,148,320
Liabilities for current income tax and other taxes	14,547		95,555			110,102
Deferred tax liabilities					137,901	137,901
Employee defined benefit obligations					513,311	513,311
Other liabilities	391,214	34,705	43,229	65,488	49,722	584,358
Provisions					17,901	17,901
Total Liabilities	**10,534,346**	**1,985,762**	**1,813,542**	**1,574,323**	**28,424,803**	**44,332,776**
EQUITY						
Total Equity					**2,435,836**	**2,435,836**
Total Liabilities and Equity	**10,534,346**	**1,985,762**	**1,813,542**	**1,574,323**	**30,860,639**	**46,768,612**
Liquidity gap	**3,308,824**	**520,984**	**1,632,550**	**3,180,885**	**(8,643,243)**	

Cash flows arising from financial liabilities, including derivative financial liabilities, are allocated into time bands according to their remaining maturities. Estimated interest payments are also included. Liabilities in foreign currency have been translated into Euro. Regarding derivatives their outflows and inflows are estimated according to their contractual terms.

	31.12.2007						
		Nominal inflow / (outflow)					
	Total Balance Sheet	To 1 month	2 to 3 months	4 to 6 months	7 to 12 months	more than 1 year	TOTAL
Liabilities - non-derivative							
Due to Banks	5,637,562	(3,529,678)	(1,063,807)	(569,914)	(47,470)	(521,350)	(5,732,219)
Due to customers	23,334,888	(5,307,148)	(2,390,802)	(1,498,454)	(1,564,664)	(12,794,445)	(23,555,513)
Debt securities in issue and other borrowed funds	20,521,976	(484,301)	(213,314)	(218,814)	(1,063,621)	(23,435,353)	(25,415,403)
Other liabilities	1,159,012	(983,089)	(53,830)	(33,521)	(64,493)	(24,079)	(1,159,012)
Derivatives held for liabilities fair value hedge	103,670						
- Outflows		(2,618)	(14,647)	(6,575)	(19,459)	(811,865)	(855,164)
- Inflows		2,825	13,540	4,102	14,833	707,756	743,056
Derivatives held for assets fair value hedge	44,160						
- Outflows				(48,430)	(8,431)	(1,202,158)	(1,259,019)
- Inflows		7,810	5,839	13,598	27,061	1,158,024	1,212,332
Derivatives held for trading	235,299						
- Outflows		(1,952,215)	(220,187)	(258,722)	(134,078)	(865,372)	(3,430,574)
- Inflows		1,884,358	233,443	242,887	118,263	702,219	3,181,170
Total	**51,036,567**	**(10,364,056)**	**(3,703,765)**	**(2,373,843)**	**(2,742,059)**	**(37,086,623)**	**(56,270,346)**
Off Balance sheet items							
Unrecognized loans commitments		(531,063)					(531,063)
Financial guarantees		(57,532)	(32,597)	(12,626)	(14,166)	(75,203)	(192,124)
Total off Balance sheet items		**(588,595)**	**(32,597)**	**(12,626)**	**(14,166)**	**(75,203)**	**(723,187)**

	31.12.2006						
		Nominal inflow / (outflow)					
	Total Balance Sheet	To 1 month	2 to 3 months	4 to 6 months	7 to 12 months	more than 1 year	TOTAL
Liabilities - non-derivative							
Due to Banks	7,222,117	(6,063,028)	(340,464)	(357,585)	(359,322)	(166,667)	(7,287,066)
Due to customers	20,372,543	(3,829,071)	(1,079,468)	(1,004,839)	(1,468,135)	(13,083,223)	(20,464,736)
Debt securities in issue and other borrowed funds	15,148,320	(81,320)	(685,097)	(716,850)	(409,122)	(18,269,340)	(20,161,729)
Other liabilities	584,358	(391,214)	(34,705)	(43,229)	(65,488)	(49,722)	(584,358)
Derivatives held for liabilities fair value hedge	58,193						
- Outflows		(1,083)	(7,099)	(4,487)	(13,584)	(593,595)	(619,848)
- Inflows		694	3,022	2,856	6,333	433,103	446,008
Derivatives held for assets fair value hedge	1,263						
- Outflows				(1,769)	(3,999)	(47,177)	(52,945)
- Inflows		879	411	1,353	3,039	46,673	52,355
Derivatives held for trading	166,767						
- Outflows		(767,535)	(131,296)	(121,886)	(236,697)	(812,455)	(2,069,869)
- Inflows		751,734	146,879	115,793	197,986	690,405	1,902,797
Total	**43,553,561**	**(10,379,944)**	**(2,127,817)**	**(2,130,643)**	**(2,348,989)**	**(31,851,998)**	**(48,839,391)**
Off Balance sheet items							
Unrecognized loans commitments		(257,332)					(257,332)
Financial guarantees		(136,201)	(79,318)	(19,585)	(13,681)	(55,644)	(304,429)
Total off Balance sheet items		**(393,533)**	**(79,318)**	**(19,585)**	**(13,681)**	**(55,644)**	**(561,761)**

39.4 Fair value of financial assets and liabilities

The table below presents the carrying amounts and the fair values of financial assets and liabilities which are not carried at fair value in the financial statements. For the remaining financial assets and liabilities carried at amortized cost the fair values are not substantially different from carrying amounts.

The fair value of loans is estimated based on the interbank market yield curves adjusted with the credit spread of loans.

The fair value of deposits is estimated based on the interbank market yield curves deducted with customers spread depending on form of the deposit.

Both loans and deposits future cash flows are discounted based on their duration and the respective interest rates.

	31.12.2007	
	Carrying amount	Fair value
ASSETS		
Loans and advances to customers	35,267,874	35,318,333
LIABILITIES		
Due to customers	23,334,888	23,334,077

40. Capital management - Capital Adequacy

The policy of the Bank is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The dividend policy is always examined in order to achieve the best balance between the higher return for the shareholder and the security affected by the sound capital position.

Share capital increases are performed through Shareholders General Meeting or Board of Directors decisions in accordance with articles of association or relevant laws.

Specifically, the Shareholders' General Meeting held on 6 June 2006 gave the authority to the Board of Directors for the period of four years to approve a share capital increase in accordance with Law 2190/1920 article 13.

The Bank is allowed to purchase treasury shares based on the terms and conditions of law.

The Bank uses all modern methods to manage capital adequacy. It has issued hybrid and subordinated debt which are included as regulatory own-funds. The cost of these securities is lower than share capital and adds value to the shareholders.

The Bank capital adequacy is monitored by the Bank of Greece which is reported to on a quarterly basis.

In accordance with Presidential Decision of the Bank of Greece the minimum capital adequacy ratios have been (Tier I and capital adequacy ratio) which must be adhered to established by the Bank.

The capital adequacy ratio is determined by comparing the Bank's regulatory own funds with the risks that the Bank undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves), 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 investment portfolio and the market risk of the trading portfolio.

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	
	31.12.2007	**31.12.2006**
Risk-weighted Assets from Credit Risk	36,750	30,109
Risk-weighted Assets from Market Risk	740	641
Total Risk-weighted assets	37,490	30,750
Upper Tier I capital	2,473	2,352
Tier I capital	2,406	2,309
Total Tier I + Tier II capital	4,455	4,080
Upper Tier I ratio	6.6%	7.6%
Tier I ratio	6.4%	7.5%
Capital adequacy ratio Tier I + Tier II	11.9%	13.3%

41. 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:

	31.12.2007	**31.12.2006**
Loans	38,649	2,148
Deposits	43,123	29,761
Letters of guarantee	83	165

	From 1 January to	
	31.12.2007	**31.12.2006**
Interest and similar income	432	36
Interest and similar expense	1,131	749

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

I. Subsidiaries

	31.12.2007	31.12.2006
Assets		
Due from banks	4,114,320	1,787,315
Securities held for trading	8,075	48,089
Derivative financial instruments	2,003	113
Loans and advances to customers	1,527,856	1,299,575
Available-for-sale securities	3,368,618	290,816
Total	**9,020,872**	**3,425,908**
Liabilities		
Due to banks	1,574,301	1,183,878
Due to customers	101,128	466,666
Derivatives financial instruments	87	634
Debt securities in issue and other borrowed funds	20,521,976	15,148,320
Other liabilities	1,196	4,095
Total	**22,198,688**	**16,803,593**
Letters of guarantee and other guarantees	1,001,394	84,063

	From 1 January to	
Income	**31.12.2007**	**31.12.2006**
Interest and similar income	247,092	102,598
Dividend income	43,915	50,921
Fee and commission income	51,356	48,586
Other income	3,006	2,423
Total	**345,369**	**204,528**
Expenses		
Interest expenses and similar charges	923,556	489,609
Commission expense	1,374	1,708
General administrative expenses	13,169	20,008
Total	**938,099**	**511,325**

II. Associates

Assets	**31.12.2007**	**31.12.2006**
Loans and advances to customers	277	611
Total	**277**	**611**
Liabilities		
Due to customers	26	5
Total	**26**	**5**

	From 1 January to	
Income	**31.12.2007**	**31.12.2006**
Interest and similar income	33	89
Dividend income	9	155
Other income	-	578
Total	**42**	**822**
Expenses		
General administrative expenses	-	781
Total	**-**	**781**

c. The Board of Directors and Executive General Managers' fees recorded in the income statement of 2007 amounted to € 19,590 (31.12.2006: € 5,622).

42. Share options granted to employees

a) On 11 April 2000 the Shareholders' General Meeting approved a share option plan to be granted to the executive managers of the Bank and Group, which would be granted based on their performance. The total number of shares to be issued under the share option plan was set at 0.5% of the total shares in issue and the exercise price was set at the nominal value. If subsequent to the grant date, there is a change in either the nominal value of the shares or the number of shares in issue, the number of issued options is adjusted so that their fair value is not altered.
The exercise of the share options is three years after the grant date, and the Bank is not obliged to settle the options in cash.

b) On 24 May 2005 the Shareholders' General Meeting approved a new share option plan to be granted to the executive managers of the Bank and the Group. The duration of this plan is 5 years maturing in December 2009. The total number of shares to be issued under the share plan was set up to 1% of the total shares in issue and the exercise price will range from the nominal value up to 80% of the market price of the share.

c) The Second General Meeting of the Shareholders on 6 June 2006 approved the issuance of a new share option plan with a 5 year duration granted to the executive managers of the Bank and the Group. The new share option plan will differ from the current in the following:

   i. The maximum number of options to be issued under the new share option plan is set up at 5% of the total shares in issue.

   ii. The beneficiaries are executive members of the Board of Directors, executive managers and other key management personnel of the Bank and the related companies as defined in Law 2190/1920 article 42e paragraph 5.

   iii. The exercise price will equal to 90% of the average market price of Bank's share for December and the month preceding the Board of Directors' decision to grant the share options.

   iv. After one year from the granting of share options and thereafter every year and for the next two years the beneficiary can exercise up to 1/3 of the total share options entitled. Under certain conditions the options can be exercised during the following two years but not more than 5 years from the grant date.

Finally, it has been approved the modification of the current effective option plan in order the beneficiaries be eligible to participate in both plans.

d) The Board of Directors meetings held on 25 September 2007 and 27 November 2007 decided the exercise of all share options plans approved by the General Shareholders Meetings on 11 April 2000 and 9 April 2001 (2000-2004 plan), 24 May 2005 and 6 June 2006 (2005-2010 plan) and 6 June 2006 (2006-2010 plan).

   As a result the share capital of the Bank increased by € 11,523 with the issuance of 2,954,650 new shares of nominal value of € 3.90 and exercise price:

   i. equal to the nominal value of € 3.90 for the share options plans of 2000-2004 and 2005-2010 and

   ii. equal to € 20.61 for the share option plans of 2006-2010. The difference between the exercise price and nominal value amounting to € 30,595 is included in share premium.

   The movement of the share options and their weighted average exercise price, after the adjustment following:

   i. The share capital increases approved by Ordinary Shareholders' General Meetings of 30 March 2004, 19 April 2005 and 18 April 2006

   ii. The share option exercise as at 1 December 2006

   iii. The remaining share options exercise during 2007 are as follows:

	2007		2006	
	Average exercise price per share	Share options remaining	Average exercise price per share	Share options remaining
1 January	3.90	903,824	5.00	523,222
Granted	18.95	2,037,310	3.90	521,027
Cancelled	20.61	(3,970)	3.90	(21,979)
Exercised	14,255	(2,954,650)	3.90	(336,950)
Adjusted	3.90	17,486	3.90	218,504
31 December			**3.90**	**903,824**

43. Acquisitions, disposals of subsidiaries and associates

a) On 5.3.2007 the Bank filed a tender offer for the acquisition of the remaining shares of its subsidiary Alpha Leasing A.E., which the Capital Market Committee approved on 8.3.2007. During April 2007, the Bank acquired 95,773 shares representing 0.24% of the paid in share capital and voting rights of the Company. Consequently, the number of Alpha Leasing shares and voting rights held by Alpha Bank amounts to 39,585,000, or 100%. At the same time, the Capital Market Committee approved on 17.5.2007 the delisting of Alpha Leasing shares from the Athens Stock Exchange following the Company's application.

b) On 13.3.2007 the process of the separation and transfer of the Rhodes Hotel sector from Bank's subsidiary Ionian Hotel Enterprises A.E. to Tourist Resorts A.E. was completed.

c) On 21.3.2007 the restaurant buffet sector of Tourist Resorts A.E. was transferred to the subsidiary Kafe Alpha A.E.

d) On 23.3.2007 the transaction for the sale of Bank's subsidiary Alpha Insurance A.E. from its subsidiary Alpha Group Investments A.E. to the French AXA, insurance company which is the leader of European insurance companies, was completed for € 255 million. At the same time, Alpha Bank and AXA have signed a long-term exclusive bancassurance agreement for the distribution of AXA insurance products through Alpha Bank's extensive branch network

e) On 29.3.2007 Alpha Immovables Bulgaria E.O.O.D was founded in Sofia with initial capital € 306 thousand by the Bank's subsidiary Alpha Astika Akinita A.E. The Company's main purpose is to provide real estate services.

f) On 30.4.2007 the Bank acquired 50% of Anadolu Alpha Gayrimenkul Ticaret Anonim Sirketi, a new founded company in Istanbul, participating together with Anadolu Group. The Company would be a vehicle for investments in Turkey.

   Due to the rejection of the application by the Turkish regulatory authorities to acquire an ownership interest in companies Alternatifbank and Alternatiflease, Alpha Bank and the Anadolu Group have terminated, on a consensual basis, their business agreement.

g) On 14.6.2007 Ionian Supporting Services S.A. and Ionian Investments S.A. were established, of which the Bank has a 99% interest in both entities. The primary activity of Ionian Supporting Services S.A. is to provide support services to the Bank and the group entities, whereas Ionian Investments S.A. is involved in the acquisition and sale of securities. The share capital of each company amounts to € 60 thousand.

   On 17.8.2007 the Bank participated proportionally in Ionian Supporting Services A.E. share capital increase at the total amount of € 500 thousand.

h) On 19.6.2007 the Bank acquired 100% of the shares of the Cypriot company Ionian Equity Participations Ltd. Company's share capital amounts to CYP 1,000.

i) On 19.6.2007 the Bank acquired 9,034,808 ordinary shares at a price of € 0.60 each by participating in AEGEK A.E., a listed construction company, share capital increase.

j) On 29.6.2007 the transfer of 100% of the shares of Alpha Private Investment Services A.E.P.E.Y., from Alpha Bank London Ltd to the Bank, was completed.

k) On 18.7.2007 the Bank sold its participation in Unisystems A.E. (ownership interest 9.67%).

l) On 18.9.2007 the Bank participated in ALC Novelle Investments Ltd share capital increase proportionally by € 20 thousand and on 28 December 2007 it has been contributed to the subsidiary company Ionian Equity Participations Ltd.

m) On 28.9.2007 the Bank participated in A.P.E. Commercial Property A.E. share capital increase proportionally by € 541 thousand.

n) On 27.11.2007 the subsidiary Ionian Investments A.E. was renamed to A.P.E. Investments Property S.A. On 29.11.2007 the Bank transferred 32.58% of A.P.E. Investment Property S.A. shares to third parties. No profit or loss resulted from the sale. Then on 21.12.2007 APE Investment Property S.A. acquired 90% of Astakos Terminal A.E. and 50% of Akarport A.E. for € 125 million.

o) On 28.11.2007 the Bank participated in Ionian Equity Participation Ltd share capital increase by € 17,490 thousand through the contribution of ALC Novelle Investments Ltd shares and venture capital units in which participates.

p) On 20.12.2007 Alphalife A.A.E.Z. insurance company was established, in which Alpha Bank has a 100% ownership interest. The purpose of the company is to provide insurance life and non life insurance contracts in Greece and abroad. Company's share capital amounts to € 6,000 thousand.

q) On 21.12.2007 the Bank increased of 100% subsidiary ALPHA Finance US Corporation share capital by € 1,047 thousand.

44. Events after the balance sheet date

There are no events after the balance sheet date which require disclosure in accordance with International Financial Reporting Standards (IFRS).

Athens, 26 February 2008

The Chairman of the Board of Directors	The Managing Director	The Executive Director	Group Financial Reporting Officer
Yannis S. Costopoulos I.D. No. X 661480	Demetrios P. Mantzounis I.D. No. I 166670	Marinos S. Yannopoulos I.D. No. N 308546	George N. Kontos I.D. No. AB 522299

The above financial statements, which consist of 77 pages, are the financial statements that we refer to in our auditor's report dated 26 February 2008.

Athens, 26 February 2008

KPMG Certified Auditors A.E.

Marios T. Kyriacou Certified Auditor Accountant AM SOEL 11121	Harry Sirounis Certified Auditor Accountant AM SOEL 19071