

# First Half 2006 Results

28 July 2006



This presentation contains forward-looking statements, which include comments with respect to our objectives and strategies, and the results of our operations and our business, considering environment and risk conditions.

However, by their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. The risk exists that these statements may not be fulfilled. We caution readers of this presentation not to place undue reliance on these forward-looking statements as a number of factors could cause future Group results to differ materially from these targets.

Forward-looking statements may be influenced in particular by factors such as fluctuations in interest rates, exchange rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political, regulatory and technological conditions. We caution that the foregoing list is not exhaustive.

When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events.



# Results & Profitability Ratios

(€ million)	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Q1 2005	% change H1 2006/H1 2005
<b>Total Income</b>	<b>489.5</b>	<b>481.0</b>	<b>467.4</b>	<b>446.7</b>	<b>414.1</b>	<b>394.2</b>	<b>20.1%</b>
Net Interest Income	354.6	342.6	326.9	315.2	302.5	280.4	19.6%
Fee and Commission Income	99.6	94.6	96.0	94.9	84.1	79.2	18.9%
Trading Income	5.5	25.0	12.0	13.6	-10.3	14.9	...
Other Income	29.9	18.8	32.4	23.1	37.9	19.7	-15.5%
<b>Total Expenses</b>	<b>229.7</b>	<b>217.0</b>	<b>211.3</b>	<b>207.6</b>	<b>207.0</b>	<b>197.6</b>	<b>10.4%</b>
Staff Costs	122.2	119.5	108.8	112.1	113.2	112.1	7.3%
General Expenses	92.0	81.4	87.5	79.5	77.8	70.1	17.2%
Depreciation and Amortization Expenses	15.5	16.1	15.0	16.1	16.0	15.4	0.7%
<b>Impairment Losses</b>	<b>65.6</b>	<b>64.9</b>	<b>68.0</b>	<b>64.6</b>	<b>58.9</b>	<b>65.3</b>	<b>5.1%</b>
<b>Net Profit After Tax</b>	<b>155.9</b>	<b>151.1</b>	<b>143.2</b>	<b>138.7</b>	<b>122.4</b>	<b>101.6</b>	<b>37.0%</b>
<b>Net Profit Attributable to Shareholders</b>	<b>155.2</b>	<b>150.7</b>	<b>141.9</b>	<b>138.2</b>	<b>121.4</b>	<b>100.7</b>	<b>37.7%</b>
<b>Recurring Profits (*)</b>	<b>188.7</b>	<b>174.2</b>	<b>170.4</b>	<b>161.1</b>	<b>147.1</b>	<b>116.4</b>	<b>37.7%</b>
Net Interest Margin	3.1%	3.1%	3.1%	3.1%	3.2%	3.3%	
Cost / Income	46.9%	45.1%	45.2%	46.5%	50.0%	50.1%	
Return on Equity After Tax and Minorities (ROE)	28.5%	26.7%	25.5%	25.1%	22.8%	19.8%	

(\*) Net Profit before tax excluding income from financial operations, impact from Delta Singular merger (€ 11.5 m in Q2 2005) and general provision reversals (€ 5.5 m in Q4 2005)



# Results by Business Unit

	Return on 8% Regulatory Capital (before tax)		Cost / Income		RWA Growth (yoy)
	Jan.-Jun.		Jan.-Jun.		Jun. 2006
	2006	2005	2006	2005	
<b>Retail</b>	44%	35%	48%	54%	20%
<b>Commercial &amp; Corporate</b>	20%	18%	28%	27%	5%
<b>Southeastern Europe</b>	29%	27%	61%	62%	12%
<b>Investment Banking &amp; Treasury</b>	29%	14%	33%	58%	69%
<b>Asset Management</b>	54%	46%	56%	62%	-5%
<b>TOTAL</b>	<b>26% (*)</b>	<b>21% (*)</b>	<b>46%</b>	<b>50%</b>	<b>16%</b>

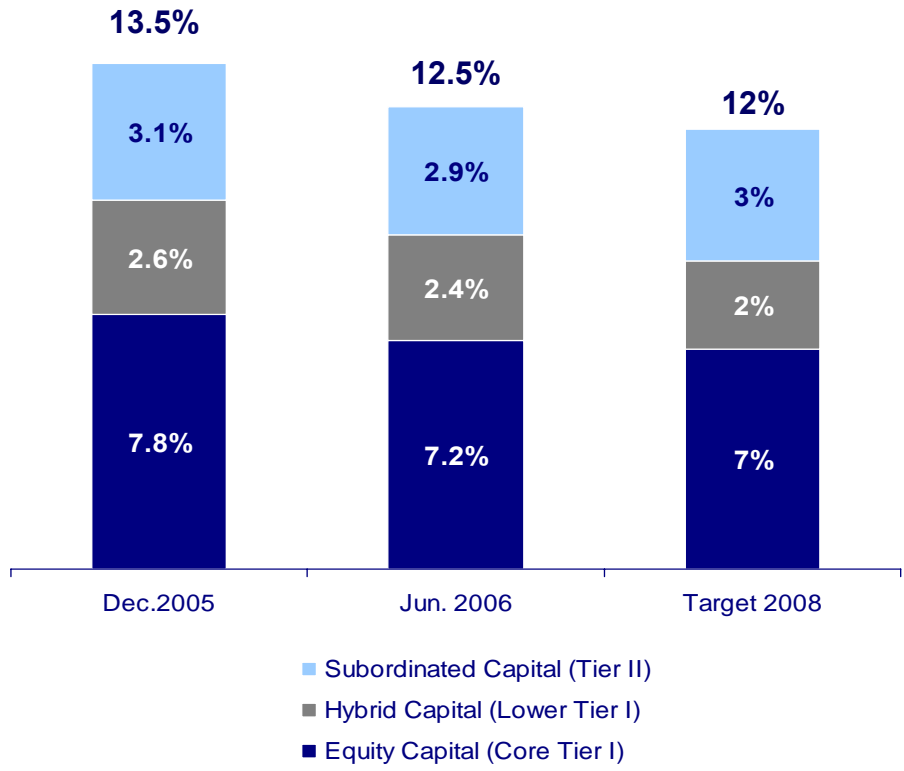
(\*) including excess tier I regulatory capital of €572 m in H1 2006 and €615 m in H1 2005



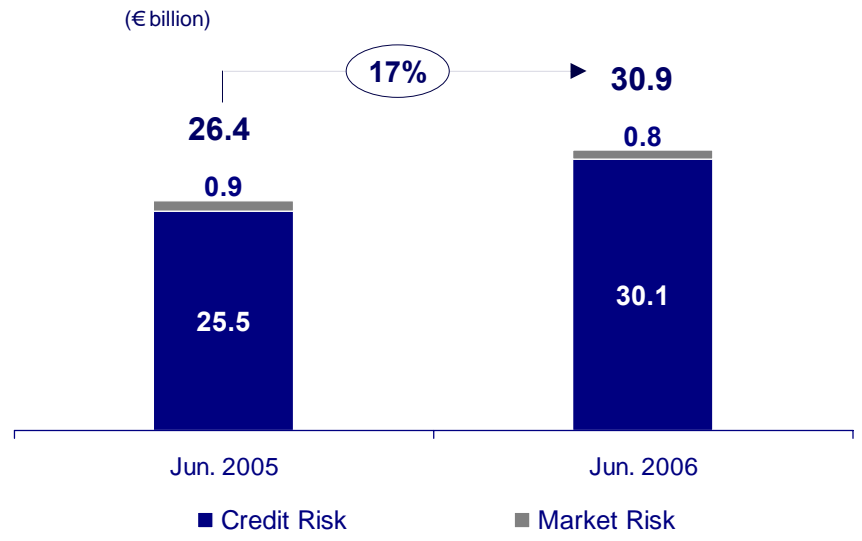
# Strong Capital Adequacy

- Share buyback scheme (Mar. 2006 – Mar. 2007 up to 3% of stock)
- Efficient use of non-equity capital

### Capital Adequacy Ratios



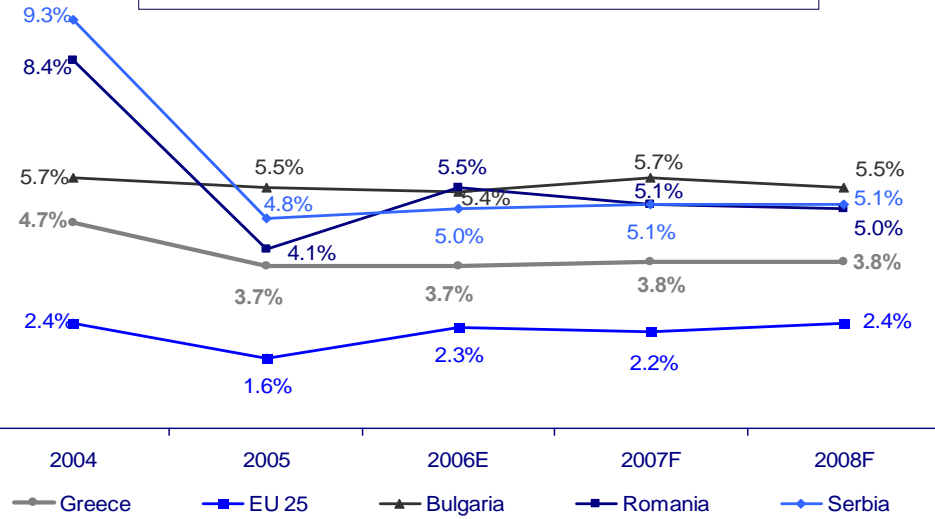
### Risk Weighted Assets





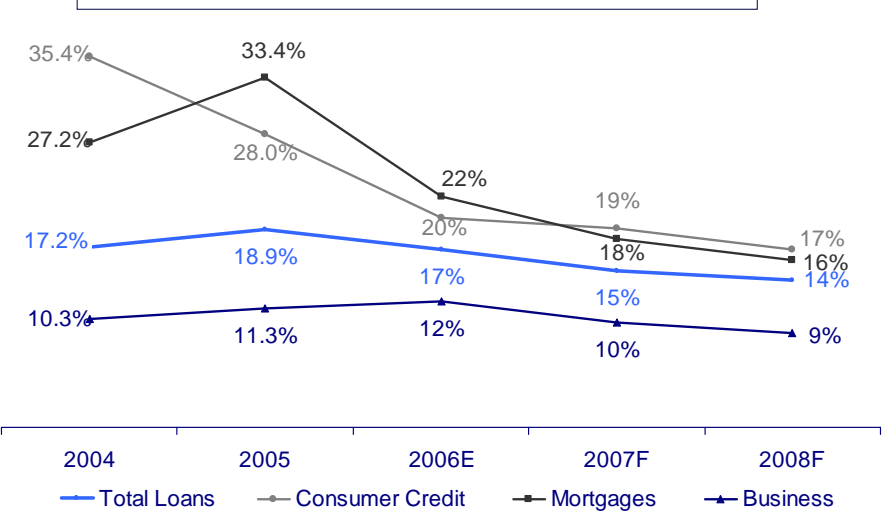
# Greece and SE Europe: Bright Banking Prospects

### GDP Growth (%)



Source: FED, ECB, Bank of Greece, Alpha Bank Research

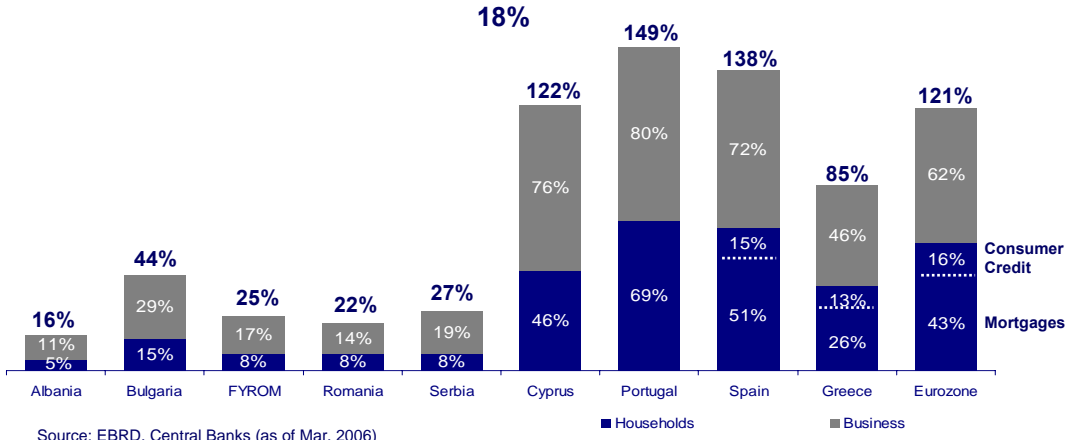
### Loan growth in Greece



Source: Bank of Greece, Alpha Bank Research

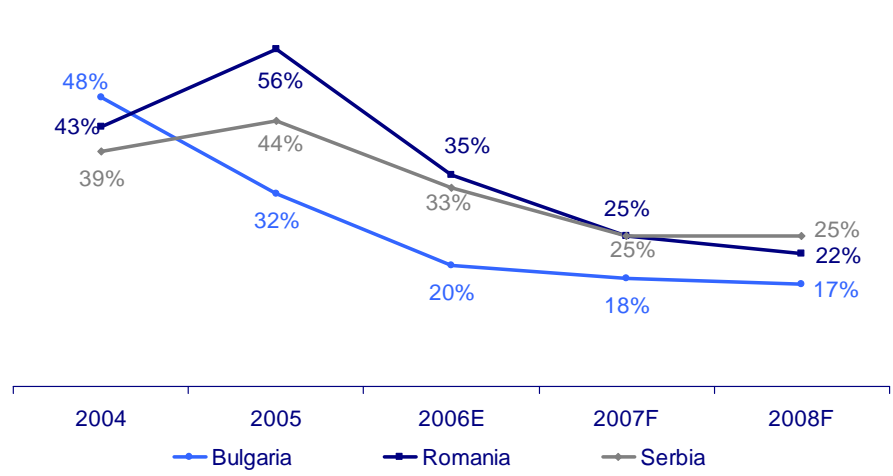
### Loans / GDP

Greek Banks' market share in loans in SE Europe



Source: EBRD, Central Banks (as of Mar. 2006)

### Loan growth in the Balkans

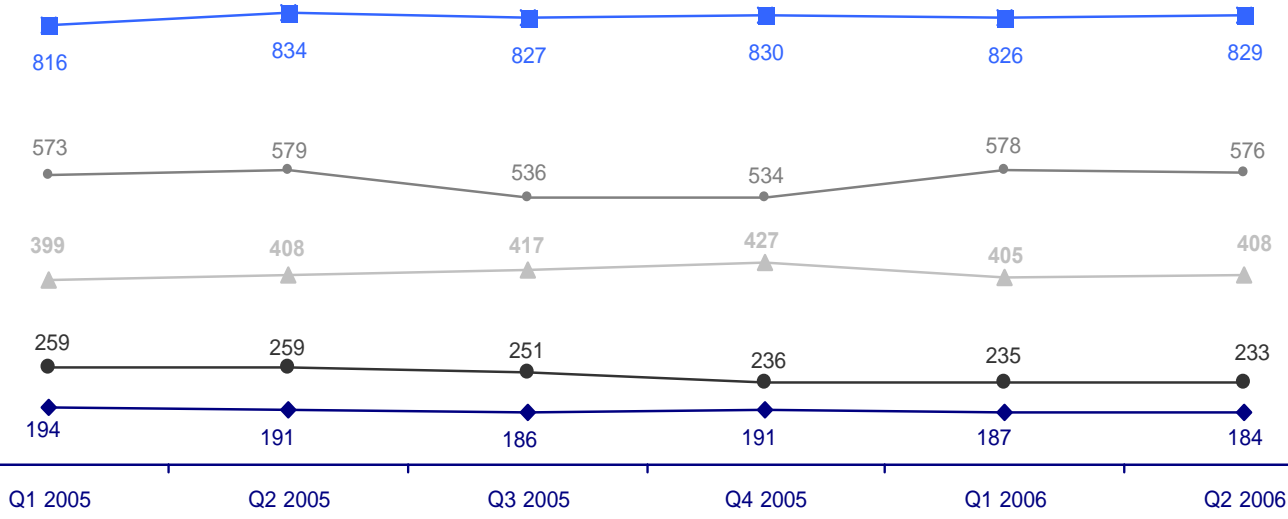


Source: Central Banks, IMF, Alpha Bank Research



## Lending Spreads

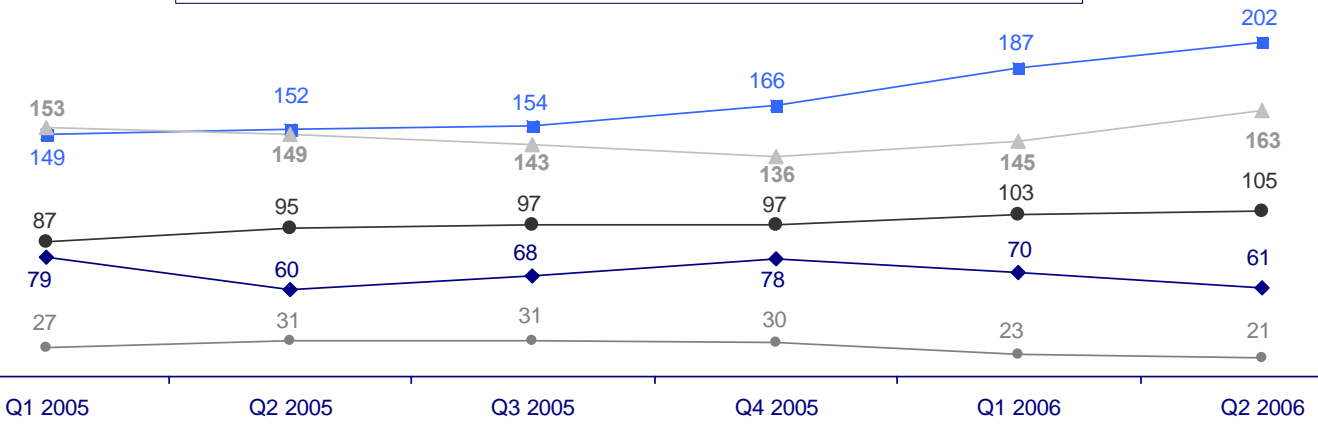
(bps)



- Medium & Large Business Loans
- Small Business Loans
- Consumer Credit
- Mortgages
- SE Europe

## Customer Assets Spreads

(bps)



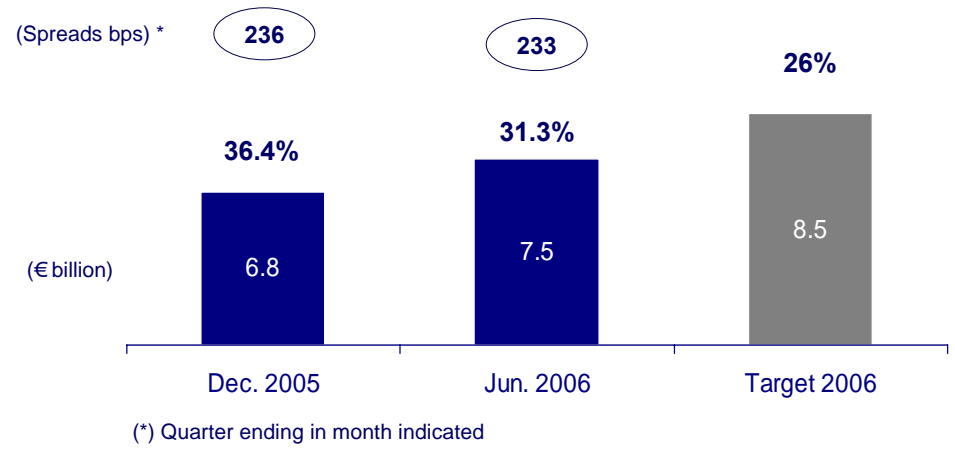
- Sight and Savings
- Time Deposits
- Mutual Funds
- Private Banking
- SE Europe



# Mortgages: Rapid Growth

- Sales agreements with developers
- Centralisation of credit approval and operations
- Average new mortgage size: € 100,000

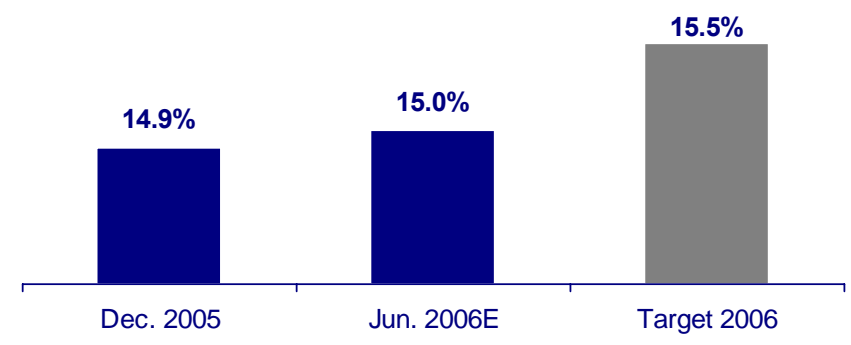
## Outstandings and Growth (yoy) - Greece -



## Mortgage Book

	Composition		Spreads (bps)	
	<u>Outstanding</u>	<u>New</u>	<u>Outstanding</u>	<u>New</u>
Fixed ≥ 2 years	10%	15%	175	102
Floating plus fixed < 2 years	90%	85%	236	169

## Market Share



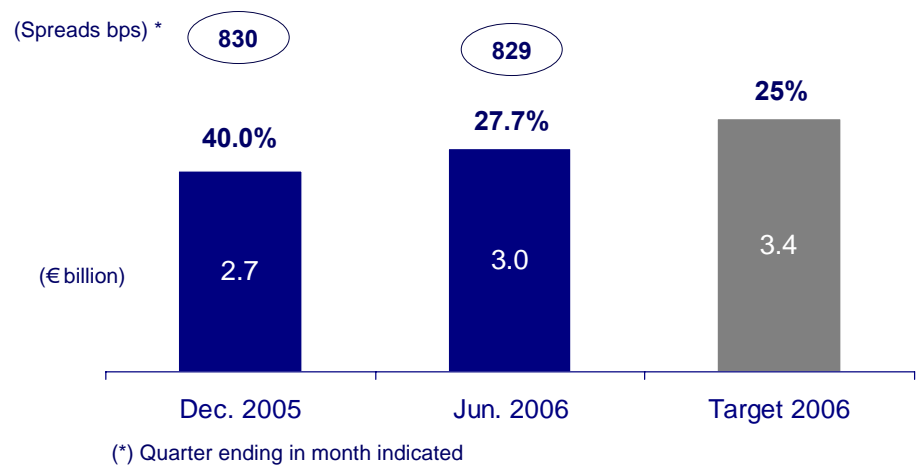




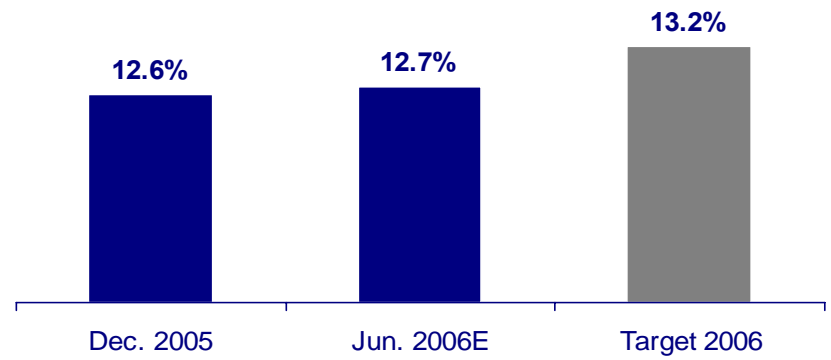
# Consumer Credit: Expansion with Risk at Bay

- **21% of consumer loan book through retailers**
  - 4 major household appliances retailers (Electronet, Magnet, Kotsovolos, Expert – over 350 outlets)
  - Hyundai, Mazda, Jaguar, Ford, Volkswagen/Audi and Mercedes car dealerships
- **Market shares in credit cards**
  - 20% in issuing
  - 25% in acquiring
- **Eight scorecards for credit applications of new customers**
- **Application fraud detection tool**
- **Overall acceptance rate at 65%**
- **Credit strategies of each type of distribution channel risk (Instant credit, Auto loans, Branches, Merchants)**
- **Delinquencies on a declining trend**

**Outstandings and Growth (yoy)  
- Greece -**



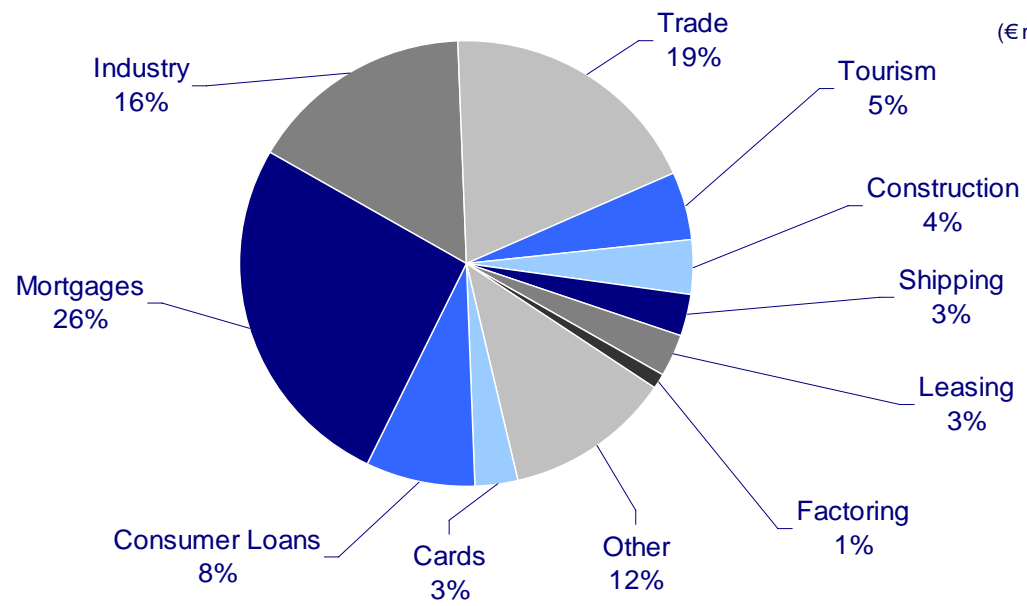
**Market Share**



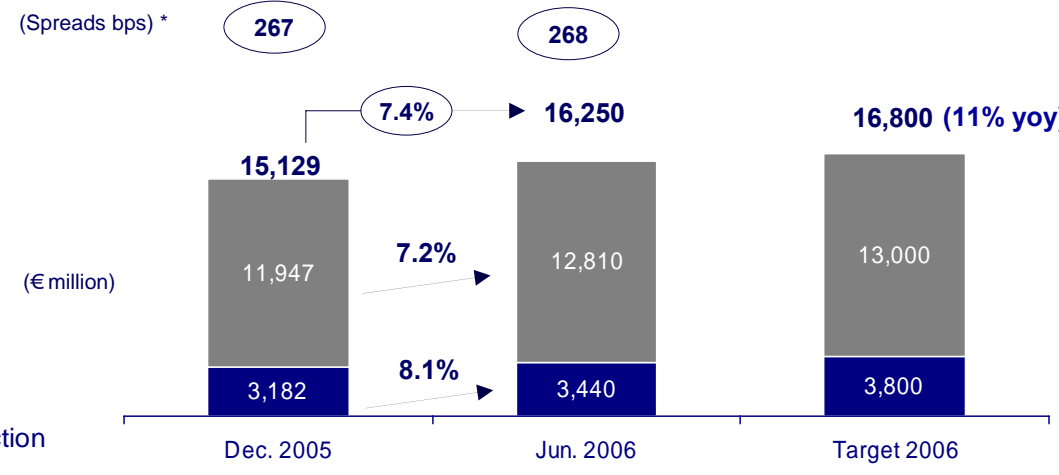


# Business Lending: Strong & Prudent

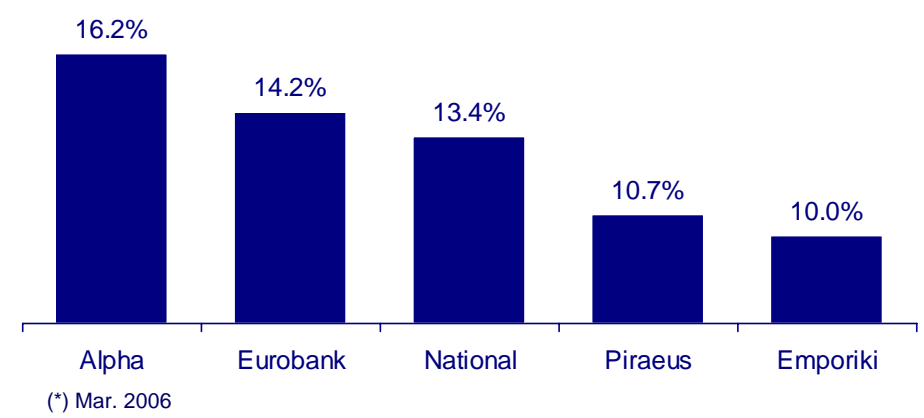
## Portfolio Structure



## Outstandings and Growth (ytd) - Greece -



## Market Shares in Business Loans (\*)

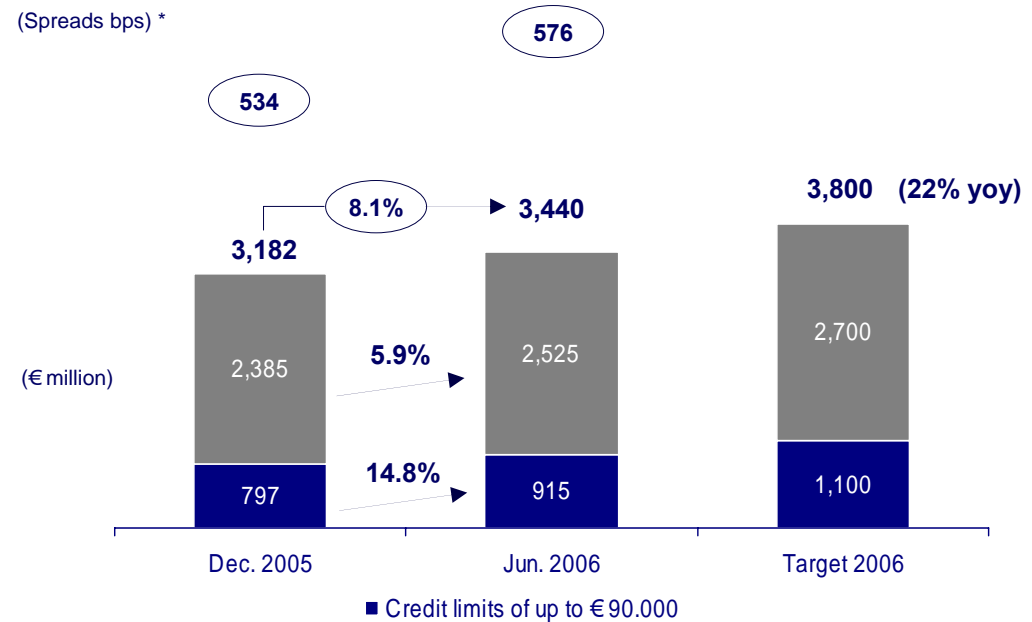




# Small Business Loans: Re-focusing for Growth

- Product offer for professionals and small businesses with turnover of up to € 2.5 million or credit limits of up to € 1 million
- Small business lending administration unit set up
- Centralised loan approval process using credit scoring techniques
- Specialised department to handle financing for pleasure boats

## Outstandings and Growth (ytd) - Greece -



(\*) Quarter ending in month indicated



- Lending growth 2006-2008 CAGR 31% vs market at 19%
- Market share gain 2006-2008 of 2.2 pp to 7.7%, ultimate target 10% by 2010
- Share of profits from SE Europe 20% in 2008 vs. 9% today
- Organic growth with a branch network of 433 units in 2008 from 209 today

	Branches				Market Share	
	Dec. 2005	Jun. 2006	2006(*)	2008(*)	Jun. 2006E	2008(*)
<b>Romania</b>	30	47	70	150	4.2%	8%
<b>Serbia</b>	89	89	100	135	5.3%	9%
<b>Bulgaria</b>	15	28	45	90	1.0%	3%
<b>Albania</b>	9	11	14	16	11.9%	13%
<b>FYROM</b>	7	8	10	14	3.6%	4%
<b>Cyprus</b>	26	26	28	28	9.5%	11%
<b>TOTAL</b>	<b>176</b>	<b>209</b>	<b>267</b>	<b>433</b>	<b>5.6%</b>	<b>8%</b>

(\*) Agenda 2010



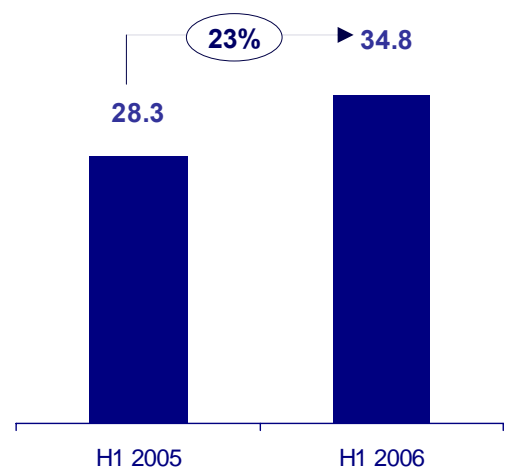
# SE Europe: Robust Volume & Profit Growth



Alpha Bank share: 5.6% of total, 32% of loans by Greek banks

(€million)

## Profits



## Loans

	Jun.		
	2006	2005	% change

Romania	872	619	41.0%
Serbia	312	206	51.5%
Bulgaria	106	63	68.3%
Albania	139	102	35.8%
FYROM	44	21	108.3%
Cyprus	1,805	1,504	20.1%
<b>TOTAL</b>	<b>3,279</b>	<b>2,516</b>	<b>30.3%</b>

## Deposits

	Jun.		
	2006	2005	% change

Romania	711	426	66.9%
Serbia	176	119	48.2%
Bulgaria	110	54	105.1%
Albania	217	167	29.9%
FYROM	48	32	46.4%
Cyprus	1,911	1,464	30.5%
<b>TOTAL</b>	<b>3,172</b>	<b>2,262</b>	<b>40.2%</b>



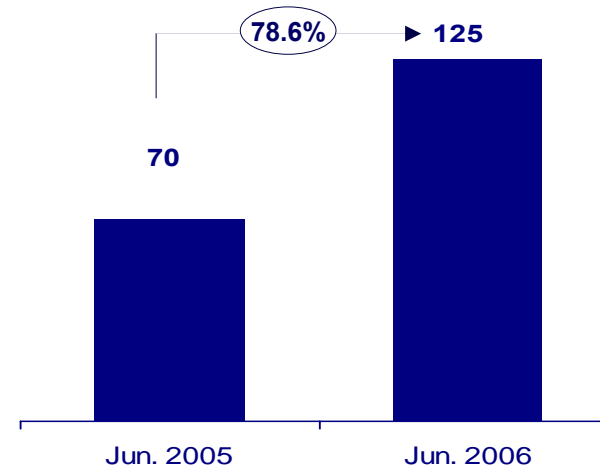
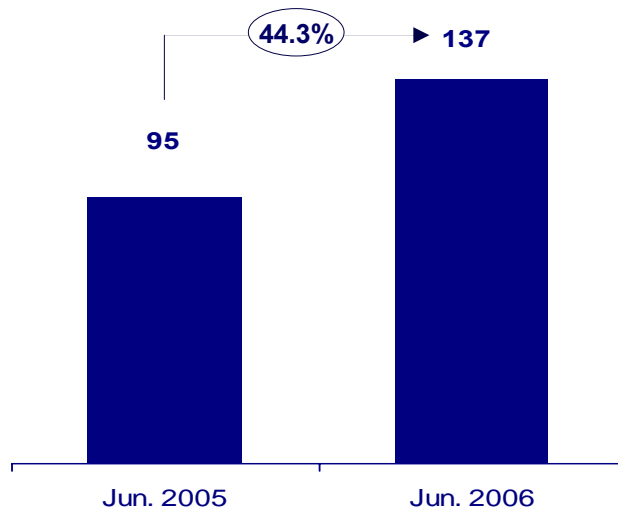
# Balkans: Loans Breakdown by Household Segment

- Retail banking infrastructure build-up in Bulgaria, Albania and FYROM
- Launch of VISA credit cards in Bulgaria, Albania and FYROM and Mastercard in Romania
- Process re-engineering in progress in Serbia

## Consumer Credit

## Mortgages

(€million)





# From Deposits to Investments

- Stable funding base
- Successful placement of Alpha Bank bonds with retail
- Still high liquidity preference despite low returns
- Gradual shift to higher margin investment products
- Financial planning advisory services for mass affluent customers (> € 60,000)

## Customer Assets



## Gross Margin (bps)

	Q1 2006	Q2 2006	2008
Private Banking and Institutional Money	70	61	72
Mutual Funds	103	105	100
Time Deposits plus Bonds	15	13	15
Savings and Sight Deposits (Domestic)	187	202	175
Deposits (abroad)	145	163	150



# Leading Position in Asset Gathering

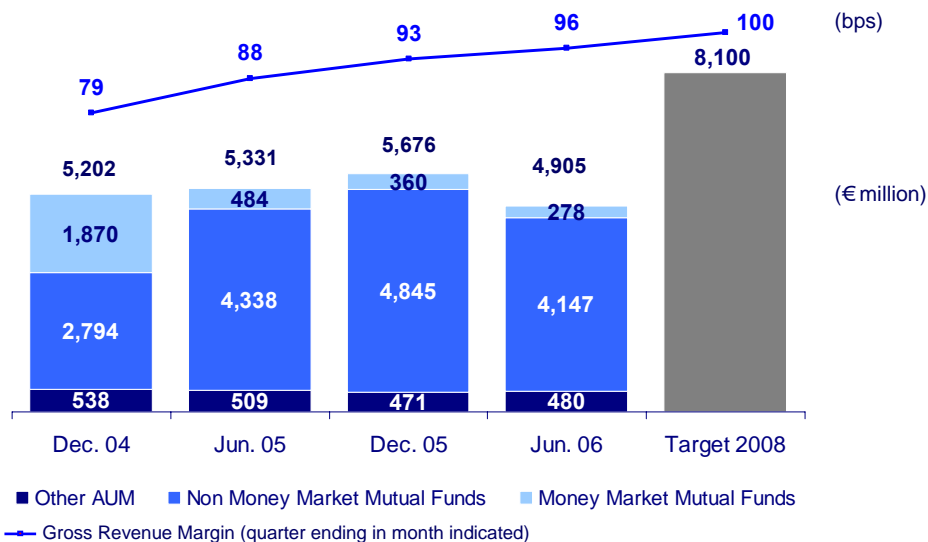
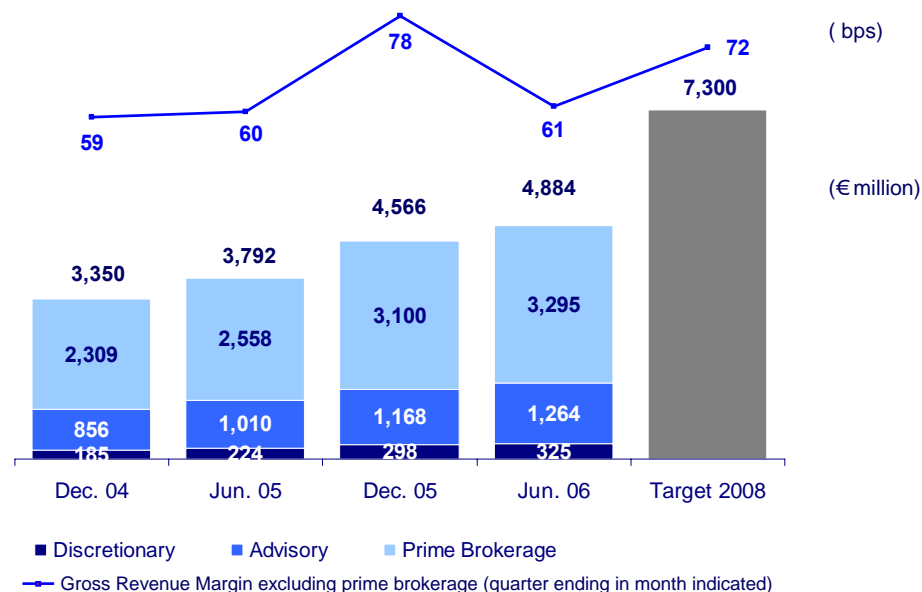
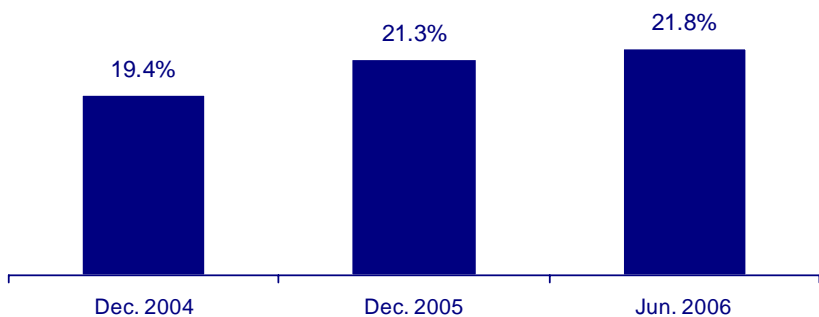
## — Alpha Private Bank

- €4.9 bn assets under management and prime brokerage
- Alpha Bank London and Alpha Bank Jersey

## — Asset Management

- €4.4 bn in 29 mutual funds with 18.2% market share
- Emphasis on Equity Mutual Funds with 21.2% market share
- Fund of Funds concept successfully marketed

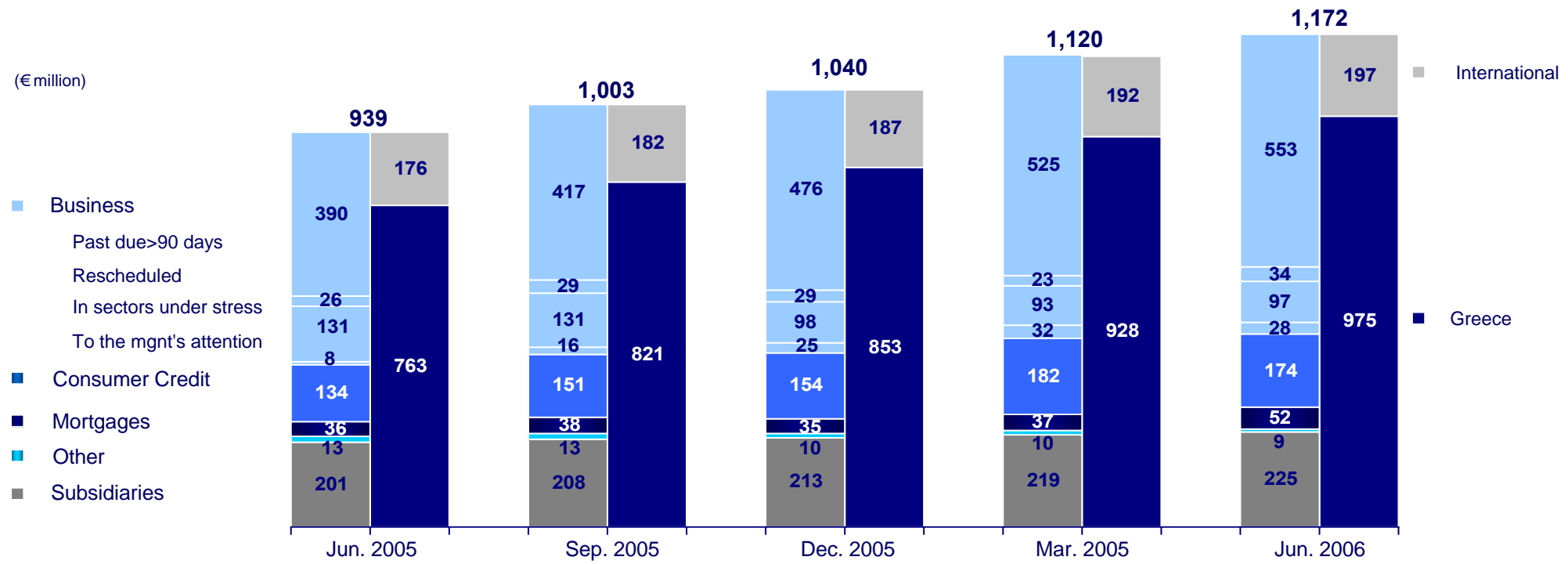
**Alpha Bank Market Share  
Non-Money Market Mutual Funds**



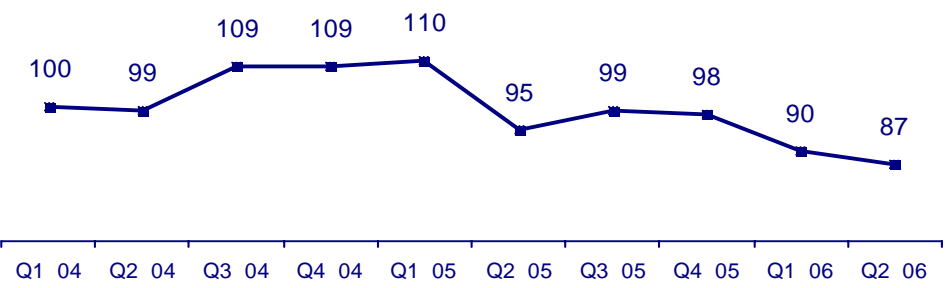




# Impairment: Adequately Covered



## Impairment Losses (% of average loans)

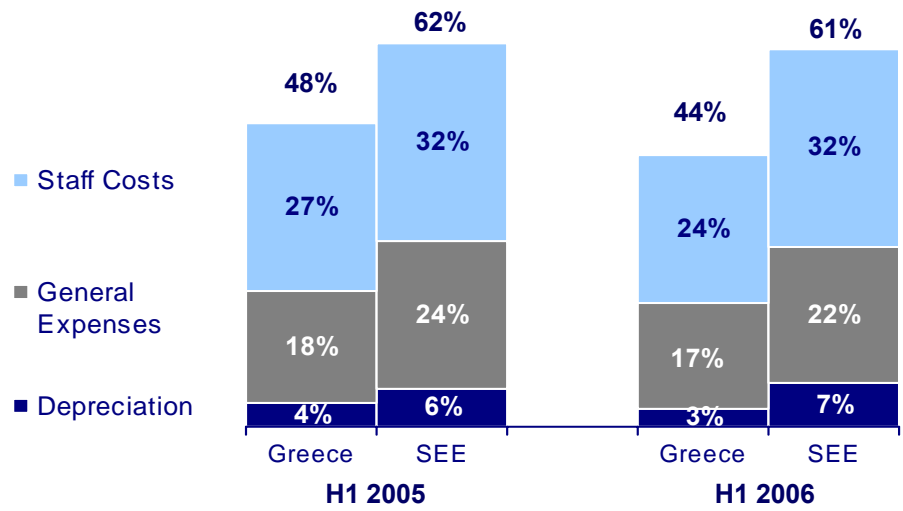


## Loss given default rates

- Business loans** overdue > 90 days: 34%
- Consumer credit** overdue > 90 days: 50%, 360 days: 100%
- Mortgages** overdue > 90 days: 12.5%

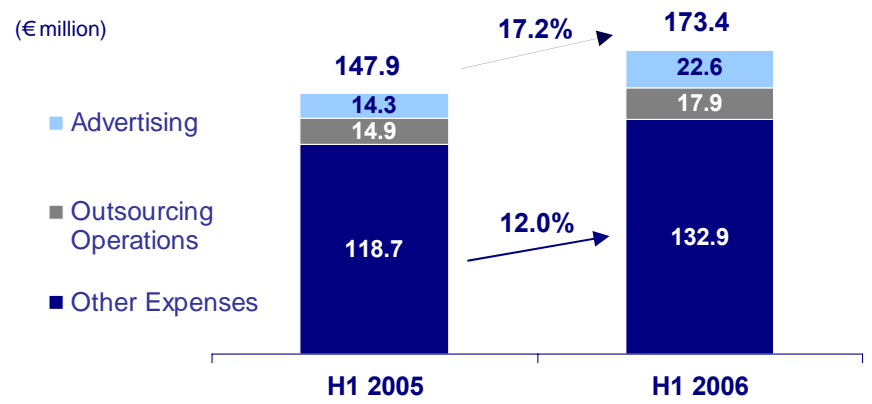


## Cost / Income

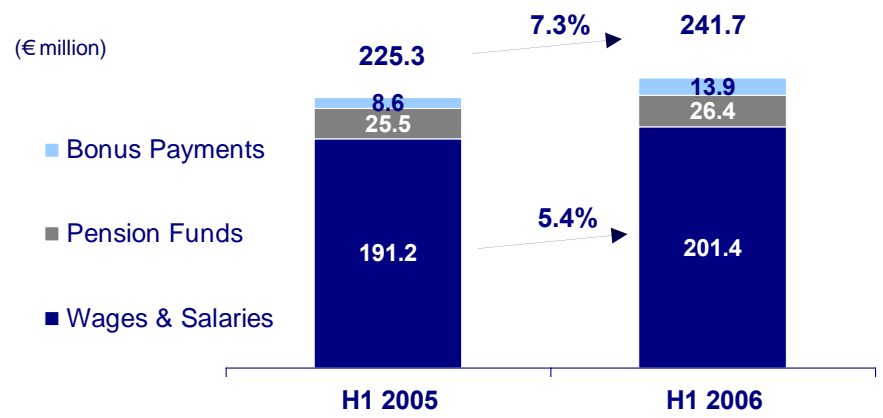


	H1 2006	CAGR 2006-2008
Expenses	10.4%	7%
Greece	9.3%	3%
SE Europe	17.1%	23%

## General Expenses



## Staff costs





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