

At the Annual General Meeting of Shareholders of Alpha Bank, which took place today, the Chairman of the Board of Directors Mr. Yannis S. Costopoulos and the Managing Director Mr. Demetrios P. Mantzounis made the following remarks:

The Chairman of the Board of Directors Mr. Yannis S. Costopoulos stated that: Performance in 2006 has been particularly robust, confirming the goals of our business plan Agenda 2010.

This is supported, inter alia, by favorable economic developments in Greece, which is the home base of our Bank, as well as in the economies of the wider Southeastern European region in which our Bank expands fast.

During the last decade, the Greek economy registered GDP growth of 4.2% on an average annual basis, which is more than double that of Europe. Developments so far confirm the fast growth potential of the economy even after the Olympic Games, despite forecasts for weak growth in the post-Olympics era.

Growth has been accompanied by a reduction of inflation and unemployment, of fiscal deficits and an increase in household incomes. Greece enjoys financial and economic stability being a member in the Eurozone. Low Euro interest rates allow households to purchase homes or cars in the beginning of the family cycle. The strong currency protects the purchasing power of their income and savings.

Of course, growth could be higher if there were no obstacles which constrain and distort the development process. Wage increases in excess of productivity growth tend to erode gradually international competitiveness. Delays in reforming the social security system does not allow for a rating of Greece whose rating is at a low level among Eurozone countries, with substantial costs for the economy and the future pensioners. Moreover, the opposition of certain social groups to run-of-the-mile reforms and adaptation to technological and other developments in modern societies, lead to a containment of the development process in our economy. By exploiting our comparative advantage and the dynamism of Greek entrepreneurs, when not constrained by forces which impede or annul competition, we have what it takes to forge ahead and prosper.

Growth in the last decade was also the result of the rapid expansion of Greek corporates and banks in Southeastern Europe, substantially strengthening the economic and business position of Greece in the region. This is more so especially after the repositioning of these countries in the global economy, as attested by the membership of Romania and Bulgaria in the European Union. The stabilisation, the modernisation and the development of these countries continue at a rapid pace, benefiting in this way our own expansion in the region.

Our expansion into new markets is an integral part of our broader strategic plan which seeks to create a more powerful organisation, operating in a class of its own, distinctly ahead of the competition, thereby establishing itself as the bank of reference in the markets within which it operates.

In Southeastern Europe, our market share currently stands at 5.7% with profits from the region accounting for 9% of the Group's earnings. In the coming years, as we accelerate the pace of expansion of our Network abroad, complimenting our organic growth strategy with selected acquisitions, we aim at doubling both our market share in the region and the region's contribution to earnings.

One of the highlights of 2006 was the agreement of the sale of Alpha Insurance to AXA, the largest insurance company in Europe. The agreement provides for the long term exclusive distribution of a wide range of insurance products through the Bank's branch network.

The agreement with Anadolu Group, one of the major industrial groups in Turkey, to form a joint venture with 50% contribution is also significant and in line with our expansion strategy in the wider Southeastern Europe region. The assets of the joint venture company will comprise of Alternatifbank, a leasing company, a brokerage company and a listed closed end-fund. Through this deal Alpha Bank enters the rapidly developing Turkish banking sector, with a view to offer high quality financial products and services to the local market.

In addition, the Bank was honoured with an Award for Excellence by the Athens Stock Exchange, for being the only company in the market which is continuously profitable and paying dividends to shareholders since 1948.

At Alpha Bank, our ambitious vision and the targets we set inspire the efforts of all of us. The skill and dedication of our Staff remain one of our primary advantages. In combination with the positive prospects for the markets in which we operate, we are optimistic that we will be able to respond successfully to whatever challenges we may encounter in the future.

Alpha Bank has a wide shareholder base with approximately 130,000 shareholders, while Greek and foreign institutional investors hold 50% of the share capital. Historically, we have always placed particular emphasis on creating value for our shareholders. In 2006, Alpha Bank's share price rose by 30% from the opening price at the start of the year, versus the 20% increase in the General Index of the Athens Exchange.

In our efforts, we have by our side our Staff, Customers and Shareholders, which we would like to thank for they trust and support over the years.

Next, the Managing Director, Mr. Demetrios P. Mantzounis spoke about the Bank's performance in 2006:

Our strong performance in 2006 took place under highly competitive market conditions in a period when we implement our ambitious plan of further expansion abroad but also of operational restructuring in Greece.

Net earnings grew by 24.6% to Euro 625.9 million, up from Euro 502.2 million in 2005. Earnings per share reached Euro 1.59, up 27.2% over the last year, and the return on equity stood at 26.8%, up from 23% in 2005. Against these profits a one-off 15% tax on reserves formed up to the end of 2005 has been charged, leading to an extraordinary expense of Euro 73.9 million, booked in the 2006 income statement.

Our profitability is both sustainable and of a high quality, primarily generated by recurring revenue streams.

Total income grew by 15.1% to Euro 1,942 million. The increase was mainly derived from net interest income, which grew by 16.4% to Euro 1,418 million. Net interest margin stood at 3.1% of total average assets. Net Interest Income growth was largely due to the higher yield and faster-growing retail banking and Southeastern European operations. Fee and

Commission income rose by 13.6%, while brokerage fees (+31%) and credit card commissions (+21%) were the two primary outperforming revenue streams.

With regards to revenues from insurance activities, these are expected to grow significantly in the coming years due to the commissions expected to be generated by the long-term exclusivity agreement with AXA, the large french insurer, to which our subsidiary Alpha Insurance has been sold for a consideration of Euro 255 million. This co-operation constitutes an excellent opportunity for further dynamic expansion in the bancassurance market.

On the cost front, operating costs grew by 11.1% on an annual basis, mostly due to the salary increases provided for under the sector's collective labour agreement, but also due to our rapid expansion in Southeastern Europe, which in conjunction with the upgrading of infrastructure and facilities there, entailed increased costs and investment. Regarding Southeastern Europe, for the countries in which we are already active, our Network was strengthened by 94 new Branches, leading to the creation of 800 new staff positions. Consequently, operating cost in Greece and Southeastern Europe rose by 10.7% and 13.9% respectively.

A particularly significant development in 2006 was the continued improvement in the Bank's efficiency as measured by the cost to income ratio, which declined considerably to 45.7% from 47.3% in 2005. Our efficiency is constantly improving due to the extensive operational restructuring plan we have applied in recent years. Indicatively, we note that the number of Employees per Branch was reduced to 16, down from 18 in 2005, and is expected to decrease further in the coming years.

Equity capital grew by 23.2% to Euro 2,740 million, strengthening capital adequacy despite the fast expansion of our activities, with the index of total capital reaching 12.9%. This has been also supported by a treasury stock placement in December 2006 of 21,250,000 shares, equal to 5.26% of the share capital. The strong demand expressed by foreign and Greek institutional investors during the placement is indicative of the confidence held by our shareholders in Alpha Bank's ability to continue to post good results.

Customer funds grew by 10.4% to Euro 41.2 billion. Deposits in Greece, including bonds issued by Alpha Bank and made available to retail customers, increased by 14.8% to Euro 26.8 billion, bringing our market share in deposits to 15.4%. In Southeastern Europe, deposits increased by an impressive 37.8% to Euro 3.6 billion. We were able to increase our market share in the non-money market mutual funds at 22%, in a year in which the market encountered difficulties, characterised by the extensive liquidation of both bond and stock funds.

Loans grew by 17.3% to Euro 33.2 billion. We achieved high growth rates in both the financing of individuals and small firms in Greece and in loans in Southeastern Europe, of 20.4% and 35.8% respectively. In the mortgage market, a market in which we rank second, mortgages increased by 23.8% while, in the consumer credit market, the increase was 21.4%. More specifically in the cards business, in which Alpha Bank is the largest Visa issuer and the exclusive American Express issuer in Greece, we hold a 25% market share in acquiring. Concurrently, we are promoting an innovative multi retailer points based reward scheme under the brand name Bonus, which is expected to yield impressive results in 2007.

Our performance in retail banking was supported by further restructuring and centralisation of operations upgrading our technological base and using more effectively alternative distribution channels. During 2006, 20.4% of transactions were effected through ATMs and Automated Payment and another 14.8% through other electronic means, these rates being among the highest in the market. With respect to the branch network in Greece, in 2006 we opened nine new branches and in 2007 we expect to open another 20 branches in areas of increased economic potential.

In medium and large corporate lending, we have maintained the top position in the market for many years. This has been the result of consistently high and constantly improving quality of the products and services we provide, coupled with establishing long-term relationships based on trust and confidence with this often demanding segment of the market. Loans to mid-sized and large companies, including leasing and factoring activities, grew by 10% to Euro 12.9 billion. In order to retain our position in the market, with respect to mid-sized companies we are in the process of centralising credit approval processes as well as sales to ten Business Centres. The first Business Centre is already in operation, and we plan to put in operation nine additional Business Centres in 2007. This will help us realize economies of scale while improving our effectiveness in servicing these clients and, at the same time, release Branch resources to be employed in sales primarily to the retail segment.

Rapid volume growth was achieved while maintaining the excellent quality level of the portfolio. Impairment allowances, i.e. accumulated provisions against bad/doubtful claims, amounted to Euro 992.2 million, while impairment losses as a percentage of average loans was contained to 81 basis points, down from 98 in 2005, as a result of the improved quality of our portfolio and the more effective mechanisms applied in collecting bad/doubtful debts.

With reference to operational reform, while complying with the Basle II requirements and international best practices, we have established a central Risk Management Unit which incorporates the specialised and autonomous management of the different risk categories (credit, market, operational) both at a domestic and international level.

Special emphasis is placed on the fast growing Retail Banking Business Unit, which utilises an approval process compatible with international best practices and is based on statistically verified projections.

The results are already visible. Impairment losses have declined from 1% of average total loans in 2005 to 0.81% in 2006 due to improved credit quality and the adoption of a more effective collection mechanism.

Alpha Bank has established an extensive operational restructuring program with a view to supporting the fast expansion of its activities, the ongoing improvement in the quality of the services it provides, the minimisation of operating risks and the increase in productivity. In 2006 this program was broadened to encompass several new projects, and ensure that the Bank is modernising its operations by adopting new technologies and methods. Within the context of the program, the upgrade of our ATM Network and of our IT and telecommunications infrastructure is an ongoing priority. Beyond the projects realised in 2006, we have many other projects in progress, expected to be delivered in the years to come.

Alpha Bank plays a leading role amongst the Greek banks which are rapidly expanding into both the countries of Southeastern Europe and the broader region as a whole, thereby taking advantage of the opportunities that arise from the

ongoing improvement in economic conditions and consequently the high growth rates achieved by the financial sector in these countries.

In line with the Bank's policy which seeks to further strengthen its presence in the region, we have followed a strategy of dynamic network growth in Southeastern Europe. In 2006 we surpassed the target we had set, establishing 94 new Branches. Our network now numbers 270 Branches, and we are planning to reinforce it further by opening even more Branches than in 2006, thereby ensuring that by 2008 our network in the region will exceed 500 Branches. Despite the short time of operation of our branches, performance in these markets was impressive. Earnings from activities in Southeastern Europe grew by 20.3% in 2006, to Euro 70 million, already contributing 9% of total group profits.

On the international operations front, Alpha Bank Cyprus has delivered very successful results, our presence in Bulgaria has expanded at very rapid pace, while operations in Alpha Bank Romania have continued to grow, despite having entered a more mature stage of development following latest management appointments by local officers. We have undertaken the construction of a new building complex, with a total area of 13,000 square meters, which, upon completion, will house the Bank's new Romanian headquarters. On a related note, at the end of the April we will be presenting our business plan Agenda 2010 - Revisited in Bucharest. Separately, we would like to mention our increase in market share in Albania, which currently exceeds 11%, while in Serbia, Alpha Bank Skopje was recently acknowledged as one of the top ten companies in the country by the local Chamber of Commerce.

Besides the opening of a significant number of new branches, we proceeded in 2006 with initiatives aiming at offering a comprehensive range of services and products of equal quality to those marketed in Greece. New products mainly in retail banking have been introduced to cover our clients' needs, our Branches are being equipped with ATMs as the use of debit and credit cards is on the rise while, in addition, we upgrade our IT systems in the region. Our Branches operation is up to par with our standards in Greece, so that our capital investment may return high yields as soon as possible.

Our primary objective is to gain market share so as to rank in the top positions in each market. Our organic growth policy for Southeastern Europe is being complemented by selected acquisitions, like that of Alternatifbank, which will become the vehicle for our entry in the fast growing market of Turkey.

In the social corporate responsibility area, Alpha Bank sponsors activities in the environmental, cultural and athletic scene. Our environmental policy touches upon, among others, energy consumption as well as recycling of pollutants and using environment-friendly materials. For the protection of nature, Alpha Bank for the sixth consecutive year sponsored the international "Blue Flag Programme", aiming at improving cleanliness and safety in Greek beaches.

Another important activity of the Bank and of special interest to our customers, investors and members of the public alike, is our quarterly Economic Bulletin. The bulletin deals with contemporary economic issues, offering unbiased analysis on economic developments both in Greece and internationally. Our bulletin is closely followed by and commented on both by the media in general and broader economic community and is more often than not the catalyst for further discussion and debate.

On the cultural front, our choices aspire to continuously spread the greek culture beyond traditional frontiers. In that context, we organised a series of exhibitions in Athens, Thessaloniki, Nafplion and Volos with exhibits from the proprietary Art Collection of the Bank. Also, more exhibitions have been organised in Nafplion, Volos and Nicosia, with parts of the coin collection of the Bank comprising more than ten thousand coins from the ancient Greek world.

The Bank owns the only Greek Banknote Museum, one of the most comprehensive of its kind. It is housed in the old headquarter building of the Ionian Bank, in Corfu. In sports, in 2006 we continued touring the Sports Panorama, the unique showcase event of sports with educational and recreational content, in 21 cities in Greece and established ourselves for the sixth consecutive year, the exclusive sponsor of the Classic Athens Marathon race.

People remain our main asset. Our respect for human values, our integrity and moral principles, our enhanced care for our Staff and working conditions, in combination with Alpha Bank's prospects, are the key attributes attracting the youth, together with more seasoned professionals from other companies, wishing to work at the Bank. In 2006, 18,000 resumes were submitted via the Bank's website, the majority of which were sent by highly skilled candidates. On 31.12.2006 the Group's employees numbered 12,069, of which approximately 68% fell within the 28-40yr age category, 60% are female, while 62% are university and post-graduate degree holders.

The successful track record of Alpha Bank throughout its long history is not coincidental. It is the result of hard, systematic work, harmonious collaboration, and good organisation. The dynamic we have developed ensures that our performance shall continue into the future. Our optimism stems from the fact that the Bank has been built on solid foundations, it is a large modern organisation, and, more importantly, it employs a highly competent and dedicated Staff. It is the confidence of our customers and shareholders which strengthens our resolve to continue working hard towards becoming better and bigger. It is our duty to ensure that their expectations are fulfilled."

The General Meeting approved the dividend distribution of Euro 0.75 per share, an increase of 25% compared to last year's Euro 0.60 adjusted dividend, to be paid on April 17, 2007.