



ALPHA BANK

Press Release

Q1 2007 Results

Net Profit of Euro 256 million (+70%)

“Alpha Bank enters 2007 with an accelerated expansion plan already in place targeting a network of 1,300 Branches by the end of this decade. Two thirds of the Branches are to be located outside Greece, in Southeastern Europe. Building on our successes and experience, I am convinced that the organic expansion strategy we follow is the right one in terms of costs and effectiveness. This strengthens gradually our profitability on a sustainable basis so as to more than double earnings per share by 2010.”

Yannis S. Costopoulos, Chairman

“In the first quarter of 2007, profitability was strong and in line with our objectives outlined during our Capital Markets Day in Bucharest. Our performance is supported by rapid volume growth in retail banking and in medium-sized companies and by the expansion of our Branch network in Southeastern Europe. The results so far combined with ongoing focus on efficiency give us confidence that, despite spread pressures, our profitability remains robust.”

Demetrios P. Mantzounis, Managing Director

FINANCIAL SUMMARY

- Net profit up by 70% to Euro 256 million.
- Earnings per share at Euro 0.63 from Euro 0.38 last year (+66%).
- Return on equity at 35.6% from 26.8% last year.
- Net interest margin (net of impairment losses) maintained at 2.4%.
- Cost to income ratio improved to 44.9% from 45.7% in 2006.
- Capital adequacy at 13.7% with Tier I at 10.5%.

KEY DEVELOPMENTS

- **Organic expansion in Southeastern Europe accelerates.**
Lending growth accelerates to 81% in the Balkans and 33% in Cyprus, with profits rising by 29%. By the end of 2007 we plan to have added 132 Branches in Southeastern Europe and 45 Branches in Turkey following completion of the Abank transaction.



- **Expansion in retail banking in Greece continues at rapid pace.**
The increase in mortgages by 24% and consumer credit by 21% are complemented by an increase in profits before taxes of the Retail Banking Unit of 24%.

OUTLOOK FOR GROWTH – “AGENDA 2010 REVISITED”

Alpha Bank's strategy is based upon two pillars:

- Continuous focus in further developing retail banking activities in Greece.
- Rapid expansion of our operations in Southeastern Europe through an accelerated growth of our presence in the region.

This ambitious strategy is consequently implemented, setting the stage for achieving key targets as follows:

- **EPS growth of at least 20%** for the period 2007-2010.
- **Cost to income ratio of about 42%** by 2010.
- **Return on equity greater than 28%** by 2010.

Alpha Bank is focused on accelerating its growth in the fast developing Southeastern European region, building a network of about 870 Branches, including 100 Branches in Turkey, by 2010, with the total number of Branches reaching 1,300 with 17,000 Employees. This underpins its target to achieve a 10% market share in Southeastern Europe, excluding Turkey, with the region accounting for about 25% of the Group profits by the end of this decade.

SUMMARY PROFIT AND LOSS

| <i>(in Euro million)</i> | Q1 2007 | Q1 2006 | % change |
|---------------------------|----------------|----------------|-----------------|
| Operating Income * | 457.3 | 406.9 | 12.4% |
| <i>Of which:</i> | | | |
| Greece | 386.4 | 348.9 | 10.7% |
| Southeastern Europe | 66.7 | 52.9 | 26.3% |
| Operating Expenses | 233.5 | 207.6 | 12.5% |
| <i>Of which:</i> | | | |
| Greece | 188.6 | 169.1 | 11.5% |
| Southeastern Europe | 42.1 | 33.7 | 24.8% |
| Profit before Tax | 223.8 | 199.3 | 12.3% |
| <i>Of which:</i> | | | |
| Greece | 197.8 | 179.8 | 10.0% |
| Southeastern Europe | 24.7 | 19.2 | 28.9% |
| Net Profit | 256.1 | 150.7 | 70.0% |

* Net of impairments



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BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

| <i>(in Euro million)</i> | 31.03.2007 | 31.03.2006 | % change |
|--------------------------|-------------------|-------------------|-----------------|
| Assets | 52,117 | 45,090 | 15.6% |
| Equity | 3,011 | 2,278 | 32.2% |
| Loans | 34,817 | 29,084 | 19.7% |
| <i>Of which:</i> | | | |
| Greece | 29,409 | 25,304 | 16.2% |
| Southeastern Europe | 4,712 | 3,059 | 54.1% |
| Deposits | 32,166 | 27,047 | 18.9% |
| <i>Of which:</i> | | | |
| Greece | 27,343 | 23,404 | 16.8% |
| Southeastern Europe | 3,993 | 2,960 | 34.9% |
| Private Banking | 5,200 | 4,688 | 10.9% |
| Mutual Funds | 4,515 | 4,912 | (8.1%) |

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**FIRST QUARTER 2007 OVERVIEW**

In Q1 2007, **net profit** increased by 70% to **Euro 256.1 million**. Whilst operating in an increasingly competitive environment, **net interest margin (NIM)** net of impairment losses remained stable compared to Q4 2006 at **2.4%**. This is due to the continuing shift of the loan portfolio towards retail banking despite compression in lending spreads in the greek market. **Fee and commission income** rose by 14% driven mainly by the growth in retail business. Also, **income from financial operations** reached Euro 29.9 million as a function of the ordinary treasury activities, the profit related to the long term distribution agreement with AXA and the recycling of the available for sale portfolio, with the latter enhancing net interest income growth going forward. Furthermore, **other income** reached Euro 20.1 million.

Operating costs increased by 12.5% reaching Euro 233.5 million with staff costs rising by 9.9% and general expenses by 17.3%. Cost growth in Southeastern Europe (+24.8%) reflects the expansion of our Network and the corresponding hiring of Staff in the region. Operating costs in Greece were up 11.5%, affected by high outsourcing expenses, which partly relate to our expansion into Southeastern Europe.

Customer lending before impairments reached Euro 34.8 billion (+19.7%) at the end of March 2007, supported by loan growth in Greece (+16.2%) and overall loan growth in Southeastern Europe (+54.1%). **Allowances for impairments** stood at Euro 968 million at the end of March 2007, while in Q1 2007 Euro 106 million were written-off, compliant with our new policy to write-off loans that are delinquent for more than a year. **Impairment losses** as a percentage of average loans have further improved to 73 bps vs. 81 bps in Q4 2006, reflecting a more benign credit environment and the acceleration of our collection efforts.

Customer assets grew to Euro 42.9 billion (+13.5%). Deposits in Greece, including Alpha Bank bonds sold to the retail market, grew to Euro 27.3 billion (+16.8%), mainly due to a 45.2% increase of money market placements. This increase reflects mainly new funds attracted from the market as well as a shift from bond mutual funds to liquidity. Finally, deposits in Southeastern Europe increased significantly to Euro 4 billion (+34.9%).

BUSINESS UNIT ANALYSIS**CONSUMER AND SMALL BUSINESS BANKING**

| Retail Banking <i>(in Euro million)</i> | Q1 2007 | Q1 2006 | % change |
|---|--------------------|--------------------|---------------------|
| Total Income | 271.8 | 242.9 | 11.9% |
| Total Expenses | 132.4 | 115.9 | 14.2% |
| Impairment Losses | 24.0 | 33.6 | (28.7%) |
| Profit before tax | 115.5 | 93.4 | 23.6% |
| Return on Regulatory Capital | 45.6% | 45.3% | ... |
| Risk Weighted Assets | 12,650 | 10,307 | 22.7% |
| Cost / Income Ratio | 48.7% | 47.7% | ... |
| Customer Financing (end-period) | 16,204 | 13,474 | 20.3% |



Business unit pre tax profits amounted to Euro 115.5 million in Q1 2007, up 23.6% from last year. New disbursements to households soared with outstandings in Q1 2007 at significant levels. **Mortgage loan** outstanding balances grew by 23.8% to Euro 8.8 billion, with new disbursements exceeding Euro 818 million in Q1 2007. Consumer credit rose by 20.5% to Euro 3.4 billion, with **consumer loan** balances rising by 26.7% and new disbursements of Euro 434 million in Q1 2007 and **credit card** balances up by 8.6%. Loans to **small businesses** (defined as companies with turnover below Euro 2.5 million or credit limits up to Euro 1 million) recorded an increase of 13.1%, while loans to **very small businesses** (defined as those with up to Euro 90,000 credit limits), rose by 19.8%.

In an environment of intensifying competition in lending to households, Alpha Bank is well placed to benefit from the emerging demand trends. In this context, new disbursements in mortgages rose in Q1 2007 by 46.6% compared to Q1 2006, capitalising on the shifting trends of demand towards fixed rate mortgages. Furthermore, benefiting from the popularity of its “Alpha All in One” proposition, Alpha Bank has managed to increase its new disbursements in consumer loans by 40.9%, while the innovative “Bonus Card” multi-retailer loyalty programme strongly supported the issuance of new credit cards exceeding 51,000 in Q1 2007, up 42.5% compared to the respective period last year.

OPERATIONS IN SOUTHEASTERN EUROPE

| Operations in Southeastern Europe (in Euro million) | Q1 2007 | Q1 2006 | % change |
|--|------------|------------|-------------|
| Total Income | 75.3 | 59.5 | 26.6% |
| Total Expenses | 42.1 | 33.7 | 24.8% |
| Impairment Losses | 8.6 | 6.6 | 29.5% |
| Profit before tax | 24.7 | 19.2 | 28.9% |
| Return on Regulatory Capital | 30.8% | 32.0% | ... |
| Risk Weighted Assets | 4,018 | 2,990 | 34.4% |
| Cost / Income Ratio | 55.9% | 56.7% | ... |
| Customer Financing (end-period) | 4,712 | 3,059 | 54.1% |

Business unit pre tax profits in Q1 2007 reached Euro 24.7 million (+28.9%) as we managed to increase income faster than the expenses associated with the rapid expansion of our Network in Southeastern Europe. In particular, we currently operate a network of 280 Branches, of which 75 in Romania, 49 in Bulgaria, 103 in Serbia, 15 in Albania, 10 in FYROM and 28 in Cyprus. Our organic expansion strategy is well on track to add a total of 132 Branches in Southeastern Europe by the end of 2007 as in the first quarter this year we have opened 12 Branches, we have secured locations for another 65 Branches, in 55 of which construction operations have already began.

Benefiting from the strength of the Alpha Bank brand in the region, we managed to achieve strong growth in lending (+54.1%) and deposits (+34.9%), with outstanding balances standing at Euro 4.7 billion and Euro 4.0 billion respectively. In the Balkan countries we further developed our lending to households as mortgages and consumer credit increased strongly by 137.6% and 62.2% respectively. Moreover, in Cyprus lending grew by 32.6%, supported by an 88.7% increase in mortgages, benefiting from the inbound demand for summer homes.



MEDIUM AND LARGE CORPORATES

| Medium and Large Corporate (in Euro million) | Q1 2007 | Q1 2006 | % change |
|---|------------|------------|-------------|
| Total Income | 92.9 | 89.9 | 3.3% |
| Total Expenses | 27.0 | 25.0 | 8.0% |
| Impairment Losses | 29.9 | 24.6 | 21.4% |
| Profit before tax | 36.0 | 40.3 | (10.7%) |
| Return on Regulatory Capital | 14.7% | 17.8% | ... |
| Risk Weighted Assets | 12,261 | 11,307 | 8.4% |
| Cost / Income Ratio | 29.1% | 27.8% | ... |
| Customer Financing (end-period) | 13,205 | 11,831 | 11.6% |

Business unit pre tax profits in Q1 2007 reached Euro 36 million, as income grew moderately, reflecting competitive pricing conditions. Alpha Bank is taking a fresh approach to medium sized companies by creating 10 Business Centres in 2007 (first already in operation) to take over the credit and sales relationship for approximately 7,000 clients from the Branches. This new business model will upgrade the service we provide to this important customer segment, and will facilitate the transformation of the Branches to retail banking outlets servicing households and small businesses.

ASSET MANAGEMENT

| Asset Management (in Euro million) | Q1 2007 | Q1 2006 | % change |
|---------------------------------------|------------|------------|-------------|
| Total Income | 31.1 | 26.5 | 17.2% |
| Total Expenses | 13.6 | 14.4 | (5.5%) |
| Profit before tax | 17.5 | 12.2 | 44.0% |
| Return on Regulatory Capital | 142.9% | 121.6% | ... |
| Risk Weighted Assets | 610 | 497 | 22.8% |
| Cost / Income Ratio | 43.7% | 54.2% | ... |
| Customer Funds (end-period) | 9,945 | 9,861 | 0.9% |

Business unit pre tax profits in Q1 2007 reached Euro 17.5 million (+44%). With regards to the **mutual fund** business, assets under management reached Euro 4.5 billion at the end of March 2007, increasing by more than Euro 300 million compared to the end of 2006. Alpha Bank, with a market share of 20%, has a leading position in equity mutual funds, the most lucrative segment in the market. Good progress is furthermore registered in the recently launched Fund of Funds, which has attracted Euro 630 million, and the Defensive Strategy Balanced Fund (Euro 308 million), while the product offer is enhanced by the introduction of the "GAIA" Real Estate Balanced Fund. Moreover, assets of **private banking** clients have increased by 10.9% to Euro 5.2 billion, with advisory mandates growing by 21%. The asset management business, including insurance, is expected to grow faster in the future on the basis of the cooperation agreement with AXA, which will further enhance our investment and insurance product offering in the market.



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INVESTMENT BANKING AND TREASURY

| Investment Banking and Treasury <i>(in Euro million)</i> | Q1 2007 | Q1 2006 | % change |
|--|--------------------|--------------------|---------------------|
| Total Income | 27.9 | 40.6 | (31.3%) |
| Total Expenses | 8.5 | 8.2 | 3.6% |
| Profit before tax | 19.4 | 32.4 | (40.1%) |
| Return on Regulatory Capital | 24.3% | 48.4% | ... |
| Risk Weighted Assets | 3,999 | 3,350 | 19.4% |
| Cost / Income Ratio | 30.3% | 20.1% | ... |

Business unit pre tax profits in Q1 2007 reached Euro 19.4 million, of which Euro 5.5 million relate to investment banking business, primarily from brokerage activity.

| ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|-------------------------------|
| in Euro million | 31/3/2007 | 31/12/2006 | 30/9/2006 | 30/6/2006 | 31/3/2006 | % Mar. 2007 / Mar. 2006 |
| Assets | 52,177 | 49,443 | 47,481 | 46,127 | 45,090 | 15.7% |
| Loans | 33,848 | 32,223 | 31,125 | 29,749 | 27,983 | 21.0% |
| Securities | 4,128 | 7,859 | 8,248 | 8,241 | 8,028 | (48.6%) |
| Deposits | 32,166 | 31,015 | 29,969 | 28,087 | 27,047 | 18.9% |
| Private Banking | 5,200 | 4,916 | 4,681 | 4,501 | 4,688 | 10.9% |
| Mutual Funds | 4,515 | 4,201 | 4,193 | 4,409 | 4,912 | (8.1%) |
| Senior Debt | 7,973 | 5,319 | 4,653 | 4,177 | 4,248 | 87.7% |
| Subordinated Debt | 1,237 | 1,029 | 998 | 1,001 | 1,030 | 20.1% |
| Hybrid Capital | 888 | 830 | 838 | 841 | 870 | 2.1% |
| Shareholders Equity | 3,011 | 2,737 | 2,228 | 2,065 | 2,278 | 32.2% |

| INCOME STATEMENT | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|---------------------|
| in Euro million | Q1 2007 | Q4 2006 | Q3 2006 | Q2 2006 | Q1 2006 | % Q1 2007 / Q1 2006 |
| Operating Income | 519.7 | 503.3 | 489.2 | 477.9 | 471.8 | 10.1% |
| Impairment losses | (62.4) | (66.0) | (58.1) | (65.0) | (64.9) | (3.9%) |
| Operating Income (net of impairment losses) | 457.3 | 437.3 | 431.1 | 412.9 | 406.9 | 12.4% |
| Net Interest Income (net of impairment losses) | 299.7 | 296.1 | 302.8 | 288.4 | 276.3 | 8.5% |
| Fee and commission income | 107.5 | 105.9 | 101.0 | 98.9 | 94.2 | 14.0% |
| Income from financial operations | 29.9 | 17.1 | 8.9 | 5.4 | 24.2 | 23.9% |
| Other income | 20.1 | 18.1 | 18.4 | 20.2 | 12.2 | 64.9% |
| Operating Expenses | (233.5) | (240.0) | (215.7) | (224.1) | (207.6) | 12.5% |
| Staff costs | (127.3) | (125.4) | (117.0) | (117.8) | (115.9) | 9.9% |
| General expenses | (89.3) | (97.9) | (83.5) | (91.2) | (76.2) | 17.3% |
| Depreciation and amortization expenses | (16.9) | (16.7) | (15.3) | (15.1) | (15.6) | 8.3% |
| Profit before tax | 223.8 | 197.3 | 215.4 | 188.8 | 199.3 | 12.3% |
| Income Tax | (49.2) | (45.7) | (45.7) | (37.1) | (46.9) | 4.9% |
| Net Profit from continued operations | 174.6 | 151.5 | 169.7 | 151.7 | 152.4 | 14.5% |
| Profit from discontinued operations | 81.8 | 1.4 | (1.6) | 4.2 | (1.3) | ... |
| Net Profit | 256.1 | 152.5 | 167.5 | 155.2 | 150.7 | 70.0% |

| RATIOS | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--|
| | Q1 2007 | Q4 2006 | Q3 2006 | Q2 2006 | Q1 2006 | |
| Net Interest Income (net of impairment losses) / Average Assets - MARGIN | 2.4% | 2.4% | 2.6% | 2.5% | 2.5% | |
| Cost to Income Ratio | 44.9% | 47.7% | 44.1% | 46.9% | 44.0% | |
| Return on Equity after tax and minorities -ROE | 35.6% | 24.6% | 31.2% | 28.6% | 26.8% | |
| Capital Adequacy Ratio (Total) | 13.7% | 12.9% | 11.8% | 12.5% | 13.2% | |
| Capital Adequacy Ratio (Tier I) | 10.5% | 10.2% | 9.2% | 9.6% | 10.2% | |

| BUSINESS VOLUMES | | | | |
|---|---------------|---------------|--------------|---------------|
| in Euro million | Mar. 2007 | Mar. 2006 | % change | Dec. 2006 |
| Customer Financing | 34,817 | 29,084 | 19.7% | 33,200 |
| <i>of which:</i> | | | | |
| Greece | 29,409 | 25,304 | 16.2% | 28,444 |
| Mortgages | 8,772 | 7,087 | 23.8% | 8,386 |
| Consumer Loans | 2,364 | 1,866 | 26.7% | 2,205 |
| Credit Cards | 1,041 | 959 | 8.6% | 1,033 |
| Small Business Loans | 4,027 | 3,562 | 13.1% | 3,926 |
| <i>of which: < €90,000 in limits</i> | <i>1,016</i> | <i>848</i> | <i>19.8%</i> | <i>963</i> |
| Medium and Large Business Loans | 13,205 | 11,831 | 11.6% | 12,894 |
| Southeastern Europe | 4,712 | 3,059 | 54.1% | 4,029 |
| Mortgages | 864 | 432 | 99.9% | 733 |
| Consumer Credit | 411 | 341 | 20.6% | 392 |
| Business Loans | 3,437 | 2,286 | 50.4% | 2,904 |

| | | | | |
|----------------------------------|---------------|---------------|--------------|---------------|
| Customer Assets | 42,888 | 37,781 | 13.5% | 41,170 |
| <i>of which:</i> | | | | |
| Deposits | 31,336 | 26,364 | 18.9% | 30,295 |
| Greece | 27,343 | 23,404 | 16.8% | 26,673 |
| Sight & Savings | 14,512 | 14,568 | (0.4%) | 14,654 |
| Time deposits & Alpha Bank Bonds | 12,831 | 8,836 | 45.2% | 12,019 |
| Southeastern Europe | 3,993 | 2,960 | 34.9% | 3,622 |
| Bond Sales | 1,166 | 1,190 | (2.0%) | 1,156 |
| Mutual Funds | 4,515 | 4,912 | (8.1%) | 4,201 |
| Portfolio Management | 5,430 | 4,949 | 9.7% | 5,129 |
| <i>of which: Private Banking</i> | <i>5,200</i> | <i>4,688</i> | <i>10.9%</i> | <i>4,916</i> |