ALPHA BANK

Press Release

First Quarter 2009 Results

Net Profit of Euro 86 million with additional loan loss reserves of Euro 157 million

Continued focus on strengthening the Balance Sheet with Tier I ratio reaching 10% and NPLs coverage at 139%[1]

Solid financial performance despite continuing challenging environment

- **Earnings per share at Euro 0.21 with return on equity at 11%.**
- **Loan loss provisions at Euro 157 million representing 121 bps of average loans.**
- **Net interest income declined by 9% affected by continuing competition on funding and decline of reference rates. This was only partially offset by ongoing asset side re-pricing.**
- **Cost growth decelerates to 6% year-on-year with cost income ratio increasing to 51.5%.**

Sound balance sheet further strengthened

- **Tier I ratio reached 10% following issuance of Euro 940 million preference shares in favour of the Hellenic Republic.**
- **NPLs covered by 60% by on-balance sheet provisions and 139% when collaterals are included.**
- **Flat loan growth quarter-on-quarter with loans to SEE (excluding Cyprus) stable at 13% of total loan book.**
- **Ample liquidity with significant capacity to create Euro 6.9 billion of additional ECB eligible paper in 2009.**
- **Loan to deposit ratio increasing marginally to 117%, adjusted for securitisations.**

"Alpha Bank confirmed its strong profit generating capacity this quarter, as the Bank's prudent approach to lending and focus on Customer service helped us to weather the difficult financial conditions. We delivered on our promise to support the Greek economy through the provision of much needed credit to SMEs and individuals. We are contributing also to the stabilisation of the Southeastern European region as part of the group of banks that support the international community efforts in Romania and Serbia. We are confident that Alpha Bank is well placed to prosper now and over the long term but remain cautious on our outlook for the economy in the near term."

Yannis S. Costopoulos, Chairman

"We have been consistent in executing our policy of putting Alpha Bank's primary focus on the health of its balance sheet. In line with the previous quarter we have sought to maintaining a comfortable liquidity position, bolster provisions, contain risk weighted assets growth and strengthening our capital base. We have also taken other measures to maintain profitability including reducing our term deposit cost and re-balancing our asset spreads while at the same time sharpening the organisational focus on collections and on stabilising the cost base."

Demetrios P. Mantzounis, Managing Director

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[1] Tier I includes the issuance of Euro 940 million of preference shares in favour of the Hellenic Republic. Coverage includes collaterals.

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KEY DEVELOPMENTS

- **Alpha Bank adjusts successfully its focus in a very challenging operating environment**
  The unprecedented financial markets dislocation in the last quarter of 2008 has translated into a significant deterioration in the operating environment across Greece and Southeastern Europe in Q1 2009. Economic activity decelerated markedly and demand for credit diminished, reflecting the reduced confidence of businesses and households. In response to this, Alpha Bank introduced several additional tactical adjustments to maintain its strong financial position.

  In Greece, we have concentrated our efforts on facilitating credit to key areas of the Greek economy. New disbursements to SMEs amounted to Euro 1.7 billion as we approved more than 14,500 loan applications in the first quarter, and new mortgage disbursements amounted to Euro 214.1 million as we approved more than 2,100 applications. Furthermore, we have taken active steps to reduce the cost of term deposits, which following the easing of the market dislocation needs to normalise at a significantly lower level and competition in this area is already showing signs of decline. Finally, re-pricing of the asset side has continued to reflect the newly emerging credit cost environment.

- **Supporting the stabilisation efforts of governments, regulators and supra-national organisations**
  Since the outset of the crisis we recognised that banks must co-operate with the authorities and we were the first bank to announce its participation in the Hellenic Republic scheme by subscribing for Euro 4.6 billion of liquidity and Euro 940 million in preference shares. We have now partnered with the European Investment Bank (EIB), an important sponsor for SME investment projects across the EU region, where EIB finances 50% of Greek SME projects up to a total of Euro 250 million. In SEE, we are among the leading banks that have been invited by the largest international financial institutions (IFIs) to support their joint action plan in strengthening the Romanian and Serbian economy for Euro 19.9 billion and Euro 2.9 billion respectively. Within that context we are contemplating potential further co-operation with IFIs in the region.

- **Asset quality maintained as we continue building reserves**
  During the first quarter we witnessed the anticipated deterioration of asset quality with NPLs rising from 3.9% at the end of 2008 to 4.3% at end March 2009. The careful management of Alpha Bank's loan book has provided several effective levers to mitigate and control the effect of further increases in non-performing loans. Firstly, the structure of our loan portfolio is very defensive with negligible exposure to unsecured lending (11.5% consumer credit) and contained exposure to the Balkans (12.6%). In addition, with Euro 1.1 billion pre-provision income (Q1 2009 annualised for full year) we have a very significant profitability buffer to accommodate impairments. Thus, we are committed to continue building up our reserves, adding Euro 157.3 million of impairment this quarter, bringing our coverage ratio to 139% when collaterals are taken into account, one of the highest among our peers.

- **Well-balanced liquidity management**
  In the first quarter, Alpha Bank added additional flexibility in managing its liquidity by expanding the stock of ECB eligible securities pool by Euro 3 billion. In addition, in February we securitised successfully Euro 1.2 billion of corporate bonds and in May we closed a business loans transaction of Euro 3.3 billion. Moreover, we have utilised Euro 2.5 billion of liquidity from the Hellenic Republic scheme. We envisage increasing our liquidity pool to more than Euro 16 billion by the end of this financial year, which allows us to meet comfortably this year's bond maturities and to continue supporting the growth of our customers. With only 7% of our parent loan portfolio securitised, we maintain a very balanced funding position, which is underpinned further by our deposit gathering efforts through more than 1,000 high-quality Branches in Greece and Southeastern Europe.

- **Strong capital position**
  Alpha Bank maintained a strong Tier I ratio of 7.9% vs. 8% in the last quarter of 2008. Our equity is of high regulatory quality, as it does not include any marginal minorities or goodwill of material size. Following the issuance, in May, of preference shares in favour of the Hellenic Republic for Euro 940 million, Tier I ratio increased by 1.9 percentage points reaching approximately 10% on a pro-forma basis.

- **Strong profit generation, despite highly competitive environment for deposits**
  There was a strong recovery in pre-provision income in the first quarter to Euro 262.5 million, compared to the fourth quarter of 2008. This result was achieved despite the marginally negative contribution of deposits to net interest income. Negative spread of term deposits deteriorated to 112 bps vs. 59 bps during the fourth quarter 2008 as the spread of the total book converted to the levels where the new deposits were added in the fourth quarter. The positive contribution of sight and savings deposits declined to 112 bps with the deceleration of Euribor from an average level of 3.9% in the fourth quarter 2008 to 1.7% in the first quarter 2009. Alpha Bank has taken a number of steps to manage its funding cost that should deliver tangible results in the forthcoming quarters. Headline new term deposit rates have been curtailed from 4.9% in December 2008 to 2.2% in May 2009 resulting in the departure of marginal expensive deposits. We have also stepped up our efforts to ring-fence our loyal customer base by introducing a new maturity product that extended the average maturity of our term deposits from 2.4 months at the end of 2008 to 5.5 months in April.

- **Key operational challenges for 2009**
  We are continuing our rigorous efforts to maintain the positive dynamic of our top line by reducing our funding costs and re-pricing assets. We are also reinforcing our cost control culture with a view to an ongoing stabilisation of the cost base. In terms of managing credit risk, we will strengthen further our already significant loan collection and restructuring efforts across the region.

SUMMARY PROFIT AND LOSS

(in Euro million)	Q1 2009	Q1 2008	% change
Operating Income	**541.4**	**591.0**	**(8.4%)**
of which:			
Greece	412.4	474.7	(13.1%)
Southeastern Europe	123.7	111.1	11.3%
Operating Expenses	**278.8**	**263.5**	**5.8%**
of which:			
Greece	204.0	201.5	1.2%
Southeastern Europe	72.5	59.2	22.5%
Impairment Losses	**157.3**	**67.6**	**132.7%**
of which:			
Greece	133.6	58.6	128.2%
Southeastern Europe	23.6	9.0	162.1%
Profit before Tax	**105.3**	**259.9**	**(59.5%)**
of which:			
Greece	74.8	214.6	(65.1%)
Southeastern Europe	27.6	42.9	(35.7%)
Net Profit	**85.7**	**205.0**	**(58.2%)**

BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

(in Euro million)	31.03.2009	31.03.2008	% change
Assets	**67,409**	**56,415**	**19.5%**
Equity	**3,037**	**3,312**	**(8.3%)**
Loans (gross)	**52,152**	**45,216**	**15.3%**
of which:			
Greece	39,475	35,239	12.0%
Southeastern Europe	11,075	8,479	30.6%
Customer Assets	**44,754**	**44,388**	**0.8%**
Deposits	**41,019**	**35,986**	**14.0%**
of which:			
Greece	34,429	29,769	15.7%
Southeastern Europe	5,917	5,351	10.6%
Private Banking	**2,738**	**4,951**	**(44.7%)**
Mutual Funds	**1,551**	**4,989**	**(68.9%)**

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Q1 2009 PERFORMANCE OVERVIEW

Net profit attributable to Shareholders amounted to Euro 85.7 million, a 58.2% y-o-y decline, due to the significant deterioration of the operating environment in Greece and in SEE. **Net interest income** reached Euro 402.6 million, a decrease of 8.9%, reflecting a material decline in the **net interest margin** (2.4% in Q1 2009 vs. 3.2% in Q1 2008). This decline was a function of the sharp drop in the deposit spread, which could not be compensated within the quarter by the increase of the loan book spread, and the significant decline in loan growth. **Net fee and commission income** stood at Euro 92.8 million, down 19.5%, in line with the lack of volumes across the board. **Income from financial operations** improved to Euro 29.8 million, while **other income** fell slightly to Euro 16.2 million.

Operating costs increased by 5.8% to Euro 278.8 million, which corresponds to a cost-to-income ratio of 51.5%. Adjusting for a like-for-like consolidation perimeter, the growth rate is reduced to 4.2%. Staff costs remained virtually flat, while general expenses increased by 12.7%, mostly on account of the overhang of start-up costs for Branches in SEE opened before year-end 2008. Otherwise, our Southeastern Europe cost growth decelerated to 22.5%, benefiting from our decision to put expansion plans on hold and from currency movements. The increase in our operating costs in Greece stood at 1.2%, assisted by the decrease in production-related expenses.

Loans and advances to customers (gross) grew by 15.3%, reaching Euro 52.2 billion compared to Euro 52 billion at the end of 2008. This development was primarily driven by a 12% volume expansion in Greece (adding loan balances of Euro 336 million in Q1 2009), and an increase of 30.6% in our Southeastern European loan portfolio; balances, however, decreased quarter-on-quarter by Euro 125 million. Finally, as part of the governmental and regulatory efforts for responsible corporate citizenship from the Greek financial sector we facilitated credit to SMEs and mortgages in Greece with new disbursements of Euro 1.7 billion and Euro 214.1 million respectively.

Cost of credit as a percentage of average loans rose to 121 bps for the first quarter. These additional risk provisions are consistent with our conservative approach to build loan loss reserves against the background of deteriorating macroeconomic conditions and the anticipation of further deterioration in credit conditions. Our Non-Performing Loans (NPL) ratio, under IFRS 7, stood at 4.3% at the end of March 2009, compared to 3.9% at the end of 2008. **Allowances for impairment** were enhanced further to Euro 1.35 billion, representing 2.6% of loans. The **coverage ratio** remained virtually flat at 60% of NPLs, and when collaterals are taken into account this ratio stands at 139%, a very comfortable margin taking into account the conservative structure of the portfolio.

Customer assets reached Euro 44.8 billion. At the end of March 2009, **total deposits** stood at Euro 41 billion (+14%). **Deposits in Greece** grew by 15.7% to Euro 34.4 billion. However, if compared to end of year balances, deposits are down by Euro 1.4 billion as we sought actively to reduce certain higher priced deposits. In **Southeastern Europe**, our **deposit base** grew by 10.6% to Euro 5.9 billion. Compared to end 2008 balance these were moderately down by Euro 186 million, mostly impacted by currency devaluation. We have reached nation-wide coverage in all the countries where we operate and are seeing tangible benefits from customers as they recognise the strength of our brand and the diversification of our business. **Private banking** assets declined to Euro 2.7 billion, and **mutual funds** balances contracted to Euro 1.6 billion, primarily reflecting dislocations in the capital markets.

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BUSINESS UNIT ANALYSIS

CONSUMER AND SMALL BUSINESS BANKING

Retail Banking (in Euro million)	Q1 2009	Q1 2008	% change
Total Income	231.2	315.5	(26.7%)
Total Expenses	140.6	141.3	(0.5%)
Impairment Losses	72.1	48.7	48.0%
Profit Before Tax	18.5	125.5	(85.3%)
Return on Regulatory Capital	6.6%	51.1%	….
Risk Weighted Assets	14,101	12,284	14.8%
Cost/Income Ratio	60.8%	44.8%	….
Customer Financing (end-period)	21,221	19,126	11.0%

In Q1 2009, profit before tax reached Euro 18.5 million, compared to Euro 125.5 million last year. **Mortgage credit** growth slowed to 9.6% reaching Euro 11.2 billion, reflecting weakening demand. Growth in **consumer loan** balances moderated to Euro 3.6 billion as a result of additional tightening of our underwriting policy. **Credit card** balances advanced by 11.9% reaching Euro 1.4 billion, as the successful penetration of our "Bonus Card" programme continues to underpin credit card usage by our loyalty scheme customers. In the last quarter of 2008, **Alpha Bank and American Express** renewed their exclusive co-operation on issuing and acquiring American Express products in Greece for another ten years. Moreover, **small business loans** (extended to companies with turnover below Euro 2.5 million or credit limits up to Euro 1 million) rose by 9.9%, while loans to **very small businesses** (defined as those with credit limits up to Euro 150,000) increased by 18.1%. In the area of SMEs we are starting to roll out our newly established EIB-sponsored facility for SME investment financing and we are continuing our co-operation with the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME) promoting credit to small businesses.

OPERATIONS IN SOUTHEASTERN EUROPE

Operations in Southeastern Europe (in Euro million)	Q1 2009	Q1 2008	% change
Total Income	123.7	111.1	11.3%
Total Expenses	72.5	59.2	22.5%
Impairment Losses	23.6	9.0	162.1%
Profit Before Tax	27.6	42.9	(35.7%)
Return on Regulatory Capital	13.4%	29.5%	…
Risk Weighted Assets	10,273	7,284	41.0%
Cost/Income Ratio	58.6%	53.3%	….
Customer Financing (end-period)	11,075	8,479	30.6%
Customer Deposits (end-period)	5,917	5,351	10.6%

Profit before tax stood at Euro 27.6 million, a decrease of 35.7%.

In **Cyprus**, our Network numbered 38 Branches at the end of March 2009. Our franchise delivered for the first quarter Euro 20.8 million pre-tax profit, down 25.1% from last year. Alpha Bank has a loan portfolio of Euro 4.5 billion, which translates to a market share of 12.4%. Deposits amounted to Euro 3.5 billion at the end of March 2009, marginally affected by the repatriation of offshore funds.

In **Romania**, our Network reached 200 Branches. Our loan book amounted to Euro 4.1 billion increased by 36% compared to March 2008. Our organic growth strategy followed over the past 15 years is reflected in the good quality of our loans, as NPLs stand at Euro 33 million, or 0.8%. Profit before tax reached Euro 21.1 million, up 57.5% compared to 2008, mainly affected by our proactive provisioning.

In **Bulgaria**, our Network of 120 Branches, which has reached recently nation-wide coverage, allows us to develop our deposit gathering capabilities as it matures. The sharp deterioration of the operating environment weighs materially on our top line. This development combined with the increase in our operating expenses, as a result of opening 39 additional Branches in 2008, and the increased risk cost, led to a negative bottom-line.

In **Serbia**, our network of 167 Branches, corresponding to a market share of 6.4% in loan terms, is suffering from the severe slowdown in economic activity, which led to a contraction of our operating income by 19.8% to Euro 9 million.

In **Albania**, we have celebrated ten years of operating in the country with a network of 47 Branches. Our retail banking proposition delivered Euro 2.5 million of pre-tax profits for the period, whereby loans grew by 77.4% at Euro 474 million and deposits amounted to Euro 383 million (+21.4%).

In **F.Y.R.O.M.**, our network of 25 Branches registered an increase in loans to Euro 145 million and a decline of deposits to Euro 68 million.

MEDIUM AND LARGE CORPORATES

Medium and Large Corporates (in Euro million)	**Q1 2009**	**Q1 2008**	**% change**
Total Income	106.3	105.1	1.2%
Total Expenses	31.5	29.3	7.5%
Impairment Losses	61.5	9.8	525.5%
Profit Before Tax	13.3	66.0	(79.8%)
Return on Regulatory Capital	3.7%	20.2%	…
Risk Weighted Assets	17,982	16,346	10.0%
Cost/Income Ratio	29.6%	27.9%	…
Customer Financing (end-period)	18,254	16,113	13.3%

Profit before tax decreased significantly to Euro 13.3 million, mainly due to the significant increase of impairments to Euro 61.5 million, as part of our proactive policy to cushion our balance sheet to accommodate for the anticipated deterioration in credit quality. Following the completion of the transfer of client relationships from the Branches to ten dedicated Commercial Centres we are experiencing an improvement in customer satisfaction. Loans expanded by 13.3% whilst we are continuing to re-price our relationships on a client-by-client basis.

ASSET MANAGEMENT

Asset Management (in Euro million)	**Q1 2009**	**Q1 2008**	**% change**
Total Income	12.2	23.7	(48.4%)
Total Expenses	9.3	13.0	(28.2%)
Profit Before Tax	2.9	10.7	(72.9%)
Return on Regulatory Capital	16.9%	70.1%	…
Risk Weighted Assets	861	765	12.5%
Cost / Income Ratio	76.3%	54.8%	….
Customer Funds (end-period)	4,513	10,174	(55.6%)

Profit before tax fell to Euro 2.9 million, on the back of prolonged negative investor sentiment. Funds under management stood at Euro 4.5 billion, of which Euro 2.7 billion refer to private banking relationships. The redesign of our asset gathering distribution function, targeting mass affluent customers, together with our leading product proposition in mutual funds and bancassurance products is expected to offset the negative impact from unfavourable fundamentals.

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INVESTMENT BANKING AND TREASURY

Investment Banking and Treasury (in Euro million)	**Q1 2009**	**Q1 2008**	**% change**
Total Income	53.7	27.6	94.3%
Total Expenses	9.6	10.0	(4.2%)
Profit Before Tax	44.0	17.6	150.8%
Return on Regulatory Capital	38.4%	19.8%	…
Risk Weighted Assets	5,730	4,433	29.3%
Cost / Income Ratio	17.9%	36.3%	…

Profit before tax for the period amounted to Euro 44 million (+151%) largely attributable to gains achieved from our bond portfolio.

ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS						
in Euro million	Mar. 2009	Dec. 2008	Sep. 2008	Jun. 2008	Mar. 2008	% Mar. 2009 / Mar. 2008
Assets	**67,409**	**65,270**	**64,266**	**57,618**	**56,415**	***19.5%***
Loans (net)	**50,802**	**50,705**	**49,557**	**46,759**	**44,373**	***14.5%***
Securities	**8,895**	**5,322**	**5,179**	**1,938**	**3,428**	***159.5%***
Deposits	**41,019**	**42,547**	**42,158**	**37,520**	**35,986**	***14.0%***
Private Banking	**2,738**	**2,952**	**3,720**	**4,451**	**4,951**	***(44.7%)***
Mutual Funds	**1,551**	**1,793**	**3,012**	**4,907**	**4,989**	***(68.9%)***
Senior Debt	**6,033**	**6,342**	**7,888**	**7,617**	**7,591**	***(20.5%)***
Subordinated Debt	**692**	**900**	**1,069**	**1,203**	**1,161**	***(40.3%)***
Hybrid Capital	**816**	**887**	**888**	**887**	**888**	***(8.1%)***
Shareholders Equity	**3,037**	**3,021**	**3,364**	**3,269**	**3,312**	***(8.3%)***

INCOME STATEMENT						
in Euro million	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	% change
Operating Income	**541.4**	**523.2**	**607.4**	**624.2**	**591.0**	**(8.4%)**
Net Interest Income	402.6	436.2	464.5	455.9	442.0	(8.9%)
Net fee and commission income	92.8	111.1	119.4	118.5	115.3	(19.5%)
Income from financial operations	29.8	(45.0)	(2.2)	23.2	17.1	74.7%
Other income	16.2	20.8	25.6	26.5	16.7	(3.0%)
Operating Expenses	**(278.8)**	**(333.5)**	**(294.5)**	**(286.7)**	**(263.5)**	**5.8%**
Staff costs	(138.9)	(153.0)	(151.3)	(146.0)	(139.3)	(0.3%)
General expenses	(117.1)	(156.4)	(120.7)	(118.9)	(104.0)	12.7%
Depreciation and amortization expenses	(22.8)	(24.2)	(22.6)	(21.9)	(20.3)	12.3%
Impairment losses	**(157.3)**	**(275.7)**	**(124.1)**	**(74.4)**	**(67.6)**	**132.7%**
Profit before tax	**105.3**	**(86.1)**	**188.8**	**263.1**	**259.9**	**(59.5%)**
Income Tax	**(20.0)**	**30.0**	**(34.1)**	**(53.3)**	**(54.7)**	**(63.5%)**
Net Profit after tax	**85.3**	**(56.1)**	**154.7**	**209.7**	**205.1**	**(58.4%)**
Net Profit attributable to shareholders	**85.7**	**(55.8)**	**153.7**	**209.1**	**205.0**	**(58.2%)**

RATIOS					
	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Net Interest Income / Average Assets - MARGIN	**2.4%**	**2.7%**	**3.0%**	**3.2%**	**3.2%**
Cost to Income Ratio	**51.5%**	**63.8%**	**48.5%**	**45.9%**	**44.6%**
Return on Equity after tax and minorities - ROE	**11.3%**	**(7.0%)**	**18.5%**	**25.4%**	**24.5%**
Capital Adequacy Ratio (Total)	**9.4%**	**10.1%**	**10.8%**	**11.4%**	**11.2%**
Capital Adequacy Ratio (Tier I)	**7.9%**	**8.3%**	**8.7%**	**8.9%**	**8.8%**

BUSINESS VOLUMES				
in Euro million	Mar. 2009	Mar. 2008	% change	Dec. 2008
Customer Financing	**52,152**	**45,216**	**15.3%**	**51,981**
of which:				
Greece	***39,475***	***35,239***	**12.0%**	***39,140***
Mortgages	11,186	10,202	9.6%	11,156
Consumer Loans	3,594	3,085	16.5%	3,567
Credit Cards	1,378	1,232	11.9%	1,378
Small Business Loans	5,063	4,607	9.9%	5,022
of which:< €150,000 in limits	*1,925*	*1,630*	18.1%	*1,866*
Medium and Large Business Loans	18,254	16,113	13.3%	18,017
Southeastern Europe	***11,075***	***8,479***	**30.6%**	***11,200***
Mortgages	2,904	2,046	42.0%	2,877
Consumer Credit	1,037	808	28.4%	1,044
Business Loans	7,134	5,626	26.8%	7,279
Customer Assets	**44,754**	**44,388**	**0.8%**	**46,449**
of which:				
Deposits	**41,019**	**35,986**	**14.0%**	**42,547**
Greece	**34,429**	**29,769**	**15.7%**	**35,859**
Sight & Savings	12,369	13,518	(8.5%)	12,741
Time deposits & Alpha Bank Bonds	22,060	16,251	35.7%	23,118
Southeastern Europe	**5,917**	**5,351**	**10.6%**	**6,103**
Bond Sales	152	2,255	(93.3%)	1,881
Mutual Funds	1,551	4,989	(68.9%)	1,793
Portfolio Management	2,962	5,185	(42.9%)	3,173
of which: Private Banking	2,738	4,951	*(44.7%)*	2,952