ALPHA BANK

Press Release

First Half 2011 Results

Core Tier I at 10%[1] after a c.21% provision on our Greek Government Bond Portfolio

Net Profit of Euro 14 million[2]

<u>Strong Balance Sheet</u>

- **Core Tier I at 10%[1], Tier I at 11.1% and Total Capital Adequacy at 12.3%.**
- **Superior performance amongst Greek peers for a second consecutive year, in EBA stress test: 7.4% Core Tier I capital ratio under the adverse scenario in December 2012.**
- **Loan portfolio at Euro 50.5 billion reduced by Euro 2.8 billion year-on-year through our continued targeted deleveraging initiatives.**
- **Greek government bond portfolio impaired by Euro 0.6 billion after c.21% haircut on our held-to-maturity portfolio.**
- **Liquidity facility utilisation from European Central Bank (ECB) at Euro 16.9 billion.**
- **NPLs at 10.3% of the loan portfolio backed by Euro 2.5 billion of on-balance sheet provisions, yielding 48% cash coverage or 126% inclusive of collaterals.**

<u>Sustained performance despite the adverse operating environment</u>

- **Net interest income at Euro 879.4 million, a 4.1% decline year-on-year arising from lower loan volumes.**
- **Net Interest Margin increased by 20bps quarter-on-quarter to 2.8%, stemming from asset repricing and lower deposit cost.**
- **Implementation of our cost reduction programme well on track; operating expenses down by 2.6% year-on-year and cost to income ratio down by 60bps to 49.8%.**
- **Pre-provision income stable year-on-year reaching Euro 559.8 million vs Euro 562 million in H1 2010.**
- **Impairments of Euro 539 million after tax on our GGB portfolio.**
- **Net profit of Euro 14 million[2] after loan loss provisions of Euro 532 million, implying a cost of risk of 209 bps.**

"The agreement reached on July 21st at the EU summit on a new programme for Greece illustrates the commitment of our European partners to support our country's reform efforts. This new financing programme is expected to improve materially the public sector's fiscal and debt sustainability profile, while the implementation of the measures Greece has committed to, will help to bring the economy back to a sustainable growth path. Alpha Bank, as a key partner within the Greek economy, is among the major financial institutions to participate voluntary in the IIF's financing offer to Greece, contributing in the most effective way to the country's efforts to emerge from the recession."

Yannis S. Costopoulos, Chairman

"Despite a tough economic environment, our operating performance in the second quarter of 2011 remained intact. Our franchise continued to deliver solid revenues from core banking activities while our disciplined cost management initiatives have improved further the Bank's operational efficiency. We continued to build up our loan reserves, thus shielding the quality of our balance sheet from the ongoing recession. Our performance on the recent EBA stress tests confirmed once again our robust capital position, highlighted the resilience of our business model to the most adverse scenarios and reinforced further our brand's reputation as the best private sector bank in Greece."

Demetrios P. Mantzounis, Managing Director - CEO

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[1] Core Tier I in accordance with the EBA Definition.

[2] Excluding the impairment losses on our Greek Government Bonds.

KEY DEVELOPMENTS

Greece's adjustment expected to intensify amidst headwinds from poor growth and policy uncertainties

Greece's adjustment effort 2011-2014 has been stepped up with the articulation of a medium-term fiscal strategy and a detailed privatisation programme up to 2015, including additional IMF and EFSF funding and debt relief through private sector involvement, as market access is delayed. With the European debt crisis and with Greece stretching the limits of official and private creditor financing, achieving the 2011 fiscal deficit target of 7.5% of GDP is a sine qua non for an orderly adjustment. In this respect, current efforts to reverse the H1 2011 budget slippages are deemed to be commensurate to the task.

Growth is supported by net exports (tourist revenue up 12.6% and exports of goods up 21.5% and imports net of fuel and ships down by -7.4% in H1 2011). With confidence, however, at an all-time low, domestic demand is severally constrained with GDP expected to decline by more than -4% in 2011. Growth is expected to pick up from 2012 onwards on the back of recently strengthened structural reform and privatisation drives.

In this challenging environment, the results of EU-wide stress tests, announced on July 15, 2011 by the European Banking Authority (EBA) confirmed the resilience of the Greek banking system to weather the very demanding operating conditions that prevail. Four out of the six banks assessed, representing more than 2/3 of the system's assets achieved the 5% core Tier I benchmark rate even after applying the particularly stressed assumptions of the adverse scenario.

Solid capital position even after the Greek Government Bond Portfolio haircut

In Q2 2011, following best market practice of the major European banks, we took an impairment of almost 21% in our Greek Government Bond Portfolio resulting in a loss of Euro 539 million after tax. Despite the significant size of the impairments, our capital position stood resilient with a Core Tier I[1] ratio of 10%, Tier I of 11.1% and Total Capital Adequacy of 12.3%. RWA's stood at Euro 47.5 billion down by 7% year-on-year or Euro 3.6 billion, translating into 72 bps of capital release.

Our Greek Government Bond portfolio of 3.1[2] billion after the impairment, under the exchange programme between the private sector and the Hellenic Republic, which will be concluded within the third quarter of 2011, will be comprised mostly of new securities of extended maturity and of capital guaranteed by AAA newly issued bonds.

The strength of Alpha Bank's capital position was demonstrated in the recently conducted EBA stress tests when it was ranked best among Greek banks of the private sector and second best among its peers, reflecting its capacity to absorb severe potential shocks. In detail, as a result of the assumptions retained under the adverse scenario, the estimated consolidated Core Tier I of Alpha Bank would reach 7.4% in 2012, compared to 10.8% as of end 2010, thus having a comfortable buffer of Euro 1.2 billion against the minimum threshold of 5%. This performance should be viewed also in the context of the extreme severity of the stress imposed on the Greek loan book: under the adverse scenario the implied NPL additions are of 13 percentage points over the two-year period, bringing our NPL ratio up to 24% at the end of 2012 from 10.3% currently.

Balance sheet deleveraging continues. Liquidity affected by the sovereign situation

In Q2 2011 we remained focused on the targeted deleveraging of our loan book, allowing our portfolio to decrease further by Euro 0.3 billion and by Euro 2.8 billion year-on-year.

At the end of June 2011 our deposits stood at Euro 33.5 billion down by 15.6% year-on-year, largely affected by the Greek sovereign situation. In the second quarter of 2011, more than half of the reduction of our Greek deposits is attributed to the withdrawal of state funds as the public sector's cash flow conditions became tighter. Our deposit base on businesses and households registered a decrease of 5.9%[3] quarter-on-quarter in line with the 5.5% system-wide decline. We should highlight, however, that since the July EU summit Greek sovereign solvency concerns moderated, resulting in a mild reversal of the negative trend in deposits growth witnessed in the first two quarters of 2011.

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[1] Core Tier I in accordance with the EBA Definition.

[2] Excluding Euro 0.9 billion bonds taken in exchange for the government preffered shares

[3] Private sector deposits excluding state and state-related deposits.

Given the continued challenges in the Greek deposits market and the public finances, we increased our ECB utilisation from the end of March 2011 by Euro 3.4 billion to Euro 16.9 billion.

Solid operating performance despite a very challenging environment
In Q2 2011, our pre-provision income stood at Euro 281.6 million, up 1.2% on a quarter-on-quarter basis. It should also be highlighted that excluding trading gains, pre-provision income was up 7.9% q-o-q to Euro 261.5 million. This strong performance was influenced positively by an expansion of our net interest margin, by 20 bps quarter-on-quarter, mostly attributed to the lower negative contribution of deposits to net interest income. Positive spread of sight & savings deposits increased to 78 bps vs. 46 bps in the first quarter 2011 with the acceleration of Euribor from an average level of 0.86% in the first quarter of 2011 to 1.22% in the second quarter 2011.

In addition, we improved materially our cost efficiency with the cost-to-income ratio down by 60bps year-on-year as we remained focused on the implementation of our cost reduction programme. Total operating expenses stood at Euro 556.3 million, down 2.6% y-o-y, compared to an annual run rate of -0.3% in H1 2010. This achievement gives us confidence that we will meet the 3% target reduction of our operating expenses this year.

Asset quality in Greece continues to be under pressure given fiscal consolidation measures
In Q2 2011, our NPL ratio increased to 10.3%, a quarterly formation of 100bps. In Greece, NPLs rose by 100bps, reaching 10.6% at the end of June 2011, while in SEE, our NPLs increased by 80bps reaching 9.2%.

In response to the rising deterioration in asset quality, we continued strengthening our reserves by adding another Euro 272 million of impairments. As a result, our accumulated balance sheet provisions totalled Euro 2.5 billion at the end of June 2011, which translates to a 48% cash coverage ratio (126% when collaterals are included). The ratio of loan loss reserves over loans reached 5% reflecting the high levels of coverage that we maintain.

SUMMARY PROFIT AND LOSS

(in Euro million)	H1 2011	H1 2010	% change
Operating Income	**1,116.1**	**1,133.1**	**(1.5%)**
of which:			
Greece	852.9	844.0	1.0%
Southeastern Europe	247.8	276.4	(10.3%)
Operating Expenses	**556.3**	**571.1**	**(2.6%)**
of which:			
Greece	399.8	415.1	(3.7%)
Southeastern Europe	151.9	152.0	(0.1%)
Impairment Losses	**532.2**	**421.3**	**26.3%**
of which:			
Greece	412.5	325.7	26.7%
Southeastern Europe	119.9	95.6	25.5%
Profit before Tax	**27.6**	**140.7**	**(80.4%)**
of which:			
Greece	40.8	103.2	(60.4%)
Southeastern Europe	(24.0)	28.8	(183.4%)
Net Profit before impairment losses on GGBs	**14.0**	**38.4**	**(63.6%)**
Impairment losses on GGBs	**538.6**	**…**	**…**
Net Profit attributable to shareholders	**(524.8)**	**38.2**	**…**

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BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

(in Euro million)	30.06.2011	30.06.2010	% change
Assets	**63,444**	**68,019**	**(6.7%)**
Equity	**4,705**	**5,187**	**(9.3%)**
Loans (gross)	**50,462**	**53,304**	**(5.3%)**
of which:			
Greece	39,180	40,719	(3.8%)
Southeastern Europe	10,601	11,453	(7.4%)
Customer Assets	**36,629**	**42,959**	**(14.7%)**
Deposits	**33,484**	**39,657**	**(15.6%)**
of which:			
Greece	26,857	32,868	(18.3%)
Southeastern Europe	6,264	6,315	(0.8%)

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Athens, August 29, 2011

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H1 2011 PERFORMANCE OVERVIEW

Net profit was Euro 14 million, down 63.6% y-o-y, mainly as a result of the deepening recession of the Greek economy. Net profit attributable to shareholders after impairments for the Greek Government Bond portfolio amounted to Euro -524.8 million. **Net interest income** reached Euro 879.4 million, a 4.1% decline y-o-y, affected by the yearly reduction of our loan book by Euro 2.8 billion. **Net fee and commission income** stood at Euro 144.3 million, a decrease of 16.1%, in line with the slow-down in new loan disbursements and network-related transactions. **Income from financial operations** reached Euro 56 million, while **other income** stood at Euro 36.4 million.

Our cost efficiency has improved materially with our **cost-to-income ratio** down by 60bps to 49.8%. Staff costs decreased by 3.3% to Euro 270.5 million, mainly as a result of natural attrition and marginal replacement in Greece. General expenses decreased by 2.9% to Euro 239.6 million, compliant with the implementation of our procurement initiatives. In Greece, operating costs were reduced by 3.7% to Euro 399.8 million, while in SEE our cost base shrank by 0.1% to Euro 151.9 million.

Customer assets reached Euro 36.6 billion and **total deposits** stood at Euro 33.5 billion. In **Greece**, deposits amounted to Euro 26.9 billion. In **SEE**, our deposits stood at Euro 6.3 billion, down Euro 220 million compared to the end of March 2011. Finally, **Private Banking** balances stood at Euro 2.5 billion and **mutual fund** balances declined to Euro 1.1 billion, both affected by the adverse market environment.

Loans and advances to customers (gross) decreased by 5.3%, reaching Euro 50.5 billion compared to Euro 53.3 billion at the end of June 2010. This development was driven primarily by a 3.8% volume decrease in Greece and a further 7.4% decrease in our SEE portfolio. In the second quarter, the trend in deleveraging continued, with our loan portfolio balances decreasing by a further Euro 0.3 billion.

Impairments on loans amounted to Euro 532.2 million, with the **cost of credit** rising to 209 bps for the six-month period, compared to 158 bps in H1 2010. Our NPL ratio, under IFRS 7, increased by 100 bps reaching 10.3% at the end of June 2011. NPLs reached 10.6% in Greece and 9.2% in SEE. **Allowances for impairments** were strengthened further to Euro 2.5 billion, representing 5% of loans compared to 3.7% at the end of June 2010. This translates to a **coverage ratio** of 48% of NPLs, or 126% inclusive of collaterals.

BUSINESS UNIT ANALYSIS

CONSUMER AND SMALL BUSINESS BANKING

Retail Banking (in Euro million)	H1 2011	H1 2010	% change
Total Income	488.5	486.8	0.3%
Total Expenses	278.7	291.2	(4.3%)
Impairment Losses	197.7	150.3	31.5%
Profit Before Tax	12.0	45.3	(73.4%)
Return on Regulatory Capital	2.1%	7.8%	…
Risk Weighted Assets	14,318	14,596	(1.9%)
Cost / Income Ratio	57.1%	59.8%	…
Customer Financing (end-period)	20,797	21,387	(2.8%)

In H1 2011, profit before tax reached Euro 12.0 million, compared to Euro 45.3 million last year, as provisions were increased by 31.5% and stood at Euro 197.7 million. **Mortgage credit** reached Euro 11.3 billion (down 0.4%), **consumer loan** balances totalled Euro 3.4 billion (down 7.3%) and **credit card** advances declined by 2.4% to Euro 1.4 billion. Moreover, **small business loans** (extended to companies with credit limits up to Euro 1 million) decreased by 4.8%, while loans to **very small businesses** (defined as those with credit limits up to Euro 150,000) declined by 0.8%.

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MEDIUM AND LARGE CORPORATES

Medium and Large Corporates (in Euro million)	**H1 2011**	**H1 2010**	**% change**
Total Income	273.5	255.6	7.0%
Total Expenses	65.9	64.9	1.5%
Impairment Losses	214.6	175.4	22.3%
Profit Before Tax	(6.9)	15.3	…
Return on Regulatory Capital	…	2.1%	…
Risk Weighted Assets	17,785	18,447	(3.6%)
Cost / Income Ratio	24.1%	25.4%	…
Customer Financing (end-period)	18,383	19,332	(4.9%)

In H1 2011, we experienced losses of Euro 6.9 million. While there has been continuous progress in adjusting pricing to the prevailing credit environment, which allowed our pre-provision income to grow by 8.9%, we continued to increase our impairment charges (up 22.3%) to cushion our balance sheet against deterioration in credit quality.

OPERATIONS IN SOUTHEASTERN EUROPE

Operations in Southeastern Europe (in Euro million)	**H1 2011**	**H1 2010**	**% change**
Total Income	247.8	276.4	(10.3%)
Total Expenses	151.9	152.0	(0.1%)
Impairment Losses	119.9	95.6	25.5%
Profit Before Tax	(24.0)	28.8	(183.4%)
Return on Regulatory Capital	…	6.9%	…
Risk Weighted Assets	9,749	10,452	(6.7%)
Cost / Income Ratio	61.3%	55.0%	…
Customer Financing (end-period)	10,601	11,453	(7.4%)
Customer Deposits (end-period)	6,264	6,315	(0.8%)

In H1 2011, we experienced losses of Euro 24 million in SEE as our performance was affected adversely by lower net interest income, due to Euro 0.9 billion of deleveraging y-o-y, and by the increase in impairments (up 25.5%) to Euro 119.9 million. It is worth noting the Euro 1.3 billion year-on-year reduction of our SEE funding gap, which was supported by the deleveraging in our Balkan portfolio.

In **Cyprus**, loans decreased by 0.1% to Euro 4.6 billion while deposits stood at Euro 3.4 billion (down 5.4%). In **Romania**, loans decreased by 15.3%, while deposits amounted to Euro 1.3 billion (down 3.9%), thus reducing our funding gap in the country by Euro 0.6 billion. In **Bulgaria**, deposit balances decreased by 6.1% to Euro 410 million, while loans amounted to Euro 914 million (down 11.2%). In **Serbia**, deposit balances increased by 48.9% to Euro 588 million and loans exceeded the Euro 1 billion mark (up 3.9%). In **Albania**, deposits amounted to Euro 431 million (up 10.1%) and loans to Euro 413 million (down 21.4%), while in **F.Y.R.O.M.**, deposits reached Euro 62 million and loans stood at Euro 81 million (down 24.7%). Finally, in **Ukraine**, deposits stood at Euro 32 million and loans at Euro 67 million.

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ASSET MANAGEMENT

Asset Management (in Euro million)	**H1 2011**	**H1 2010**	**% change**
Total Income	25.8	28.5	(9.8%)
Total Expenses	16.6	18.4	(9.8%)
Profit Before Tax	9.1	10.1	(9.6%)
Return on Regulatory Capital	26.2%	28.5%	…
Risk Weighted Assets	871	888	(1.9%)
Cost / Income Ratio	64.5%	64.6%	…
Customer Funds (end-period)	3,594	3,910	(8.1%)

Profit before tax amounted to Euro 9.1 million (down 9.6%) on the back of prolonged negative investor sentiment. Funds under management decreased to Euro 3.6 billion (down 8.1%). In Private Banking, our balances stood at Euro 2.5 billion (down 4.7%).

INVESTMENT BANKING AND TREASURY

Investment Banking and Treasury (in Euro million)	**H1 2011**	**H1 2010**	**% change**
Total Income	70.7	68.0	4.0%
Total Expenses	14.5	17.1	(15.3%)
Profit Before Tax	56.2	50.8	10.6%
Return on Regulatory Capital	27.0%	21.4%	…
Risk Weighted Assets	5,193	5,928	(12.4%)
Cost / Income Ratio	20.5%	25.2%	…

Profit before tax for the period amounted to Euro 56.2 million (up 10.6%), supported by the income from financial operations.

ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS						
in Euro million	Jun 2011	Mar 2011	Dec 2010	Sep 2010	Jun 2010	% Jun 2011 / Jun 2010
Assets	**63,444**	**63,957**	**66,798**	**67,728**	**68,019**	***(6.7%)***
Loans (net)	**47,963**	**48,355**	**49,305**	**49,943**	**51,357**	***(6.6%)***
Securities	**8,089**	**6,976**	**7,700**	**7,544**	**7,191**	***12.5%***
Deposits	**33,484**	**37,600**	**38,293**	**39,856**	**39,657**	***(15.6%)***
Private Banking	**2,481**	**2,573**	**2,548**	**2,508**	**2,602**	***(4.7%)***
Mutual Funds	**1,113**	**1,264**	**1,271**	**1,298**	**1,308**	***(14.9%)***
Senior Debt	**2,007**	**2,685**	**2,795**	**2,697**	**3,032**	***(33.8%)***
Subordinated Debt	**476**	**477**	**766**	**773**	**789**	***(39.6%)***
Hybrid Capital	**555**	**558**	**560**	**568**	**578**	***(3.9%)***
Shareholders Equity	**4,705**	**5,271**	**5,211**	**5,189**	**5,187**	***(9.3%)***

INCOME STATEMENT					
in Euro million	H1 2011	H1 2010	*% change*	Q2 2011	Q1 2011
Operating Income	**1,116.1**	**1,133.1**	***(1.5%)***	**564.0**	**552.0**
Net Interest Income	879.4	917.4	*(4.1%)*	450.0	429.4
Net fee and commission income	144.3	172.0	*(16.1%)*	74.4	69.9
Income from financial operations	56.0	14.6	*283.2%*	20.1	35.9
Other income	36.4	29.1	*25.2%*	19.5	16.9
Operating Expenses	**(556.3)**	**(571.1)**	***(2.6%)***	**(282.4)**	**(273.9)**
Staff costs	(270.5)	(279.7)	*(3.3%)*	(137.0)	(133.5)
General expenses	(239.6)	(246.7)	*(2.9%)*	(122.7)	(116.9)
Depreciation and amortization expenses	(46.2)	(44.7)	*3.3%*	(22.7)	(23.5)
Impairment losses on credit risk	**(532.2)**	**(421.3)**	***26.3%***	**(271.9)**	**(260.3)**
Profit before tax	**27.6**	**140.7**	***(80.4%)***	**9.7**	**17.9**
Income Tax	(11.9)	(40.5)	*(70.5%)*	(4.6)	(7.3)
Net Profit excluding one-off Tax	**15.7**	**100.2**	***(84.4%)***	**5.1**	**10.5**
One-off tax	(1.7)	(61.9)	*(97.3%)*	(1.7)	0.0
Net Profit after tax excluding impairment on Greek Government Bonds	**14.0**	**38.4**	***(63.6%)***	**3.4**	**10.5**
Impairment losses on Greek Government Bonds	**(538.6)**	**0.0**	**...**	**(538.6)**	**0.0**
Net Profit After Tax	**(524.6)**	**38.4**	**...**	**(535.2)**	**10.5**
Net Profit attributable to shareholders	**(524.8)**	**38.2**	**...**	**(535.3)**	**10.5**

RATIOS				
	H1 2011	H1 2010	Q2 2011	Q1 2011
Net Interest Income / Average Assets - MARGIN	**2.7%**	**2.7%**	**2.8%**	**2.6%**
Cost to Income Ratio	**49.8%**	**50.4%**	**50.1%**	**49.6%**
Return on Equity after tax and minorities - ROE	**...**	**1.8%**	**...**	**1.0%**
Capital Adequacy Ratio (Total)	**12.3%**	**13.0%**	**12.3%**	**13.3%**
Capital Adequacy Ratio (Tier I)	**11.1%**	**11.4%**	**11.1%**	**12.0%**

BUSINESS VOLUMES				
in Euro million	Jun 2011	Jun 2010	% Jun 2011 / Jun 2010	Dec 2010
Customer Financing	**50,462**	**53,304**	***(5.3%)***	**51,525**
of which:				
Greece	**39,180**	**40,719**	***(3.8%)***	**39,831**
Mortgages	11,253	11,303	*(0.4%)*	11,331
Consumer Loans	3,365	3,630	*(7.3%)*	3,552
Credit Cards	1,406	1,440	*(2.4%)*	1,457
Small Business Loans	4,774	5,014	*(4.8%)*	4,971
of which:< €150,000 in limits	*1,999*	*2,015*	*(0.8%)*	*2,009*
Medium and Large Business Loans	18,383	19,332	*(4.9%)*	18,521
Southeastern Europe	**10,601**	**11,453**	***(7.4%)***	**10,808**
Mortgages	3,472	3,252	*6.8%*	3,387
Consumer Credit	925	976	*(5.3%)*	945
Business Loans	6,204	7,224	*(14.1%)*	6,476
Customer Assets	**36,629**	**42,959**	***(14.7%)***	**41,600**
of which:				
Deposits	**33,484**	**39,657**	***(15.6%)***	**38,293**
Greece	**26,857**	**32,868**	***(18.3%)***	**31,104**
Sight & Savings	11,230	13,619	*(17.5%)*	12,470
Time deposits & Alpha Bank Bonds	15,627	19,249	*(18.8%)*	18,634
Southeastern Europe	**6,264**	**6,315**	***(0.8%)***	**6,823**
Mutual Funds	1,113	1,308	*(14.9%)*	1,271
Portfolio Management	2,606	2,749	*(5.2%)*	2,688
of which: Private Banking	*2,481*	*2,602*	*(4.7%)*	*2,548*