To:
The Board of Directors of
ALPHA BANK A.E.
40 Stadiou Street
102 52 Athens

1 February 2005

Certified auditors' report in accordance with the provisions of articles 321 and 327 of the Regulation of the Athens Exchange (Decision No. 1/304/10.06.2004 of the Capital Market Committee, Gov. Gazette B 900/16.06.2004).

Below is presented a summary of the certified auditors' report in connection with the proposed merger by absorption of "DELTA SINGULAR A.E.P." (to be referred to hereafter as "DELTA Singular" or "DELTA" or "the Acquiree") by "ALPHA BANK A.E." (to be referred to hereafter as "ALPHA Bank" or "ALPHA" or "the Acquiror"), (also to be collectively referred to hereafter as "the Companies"), in accordance with the provisions of articles 68 par. 2, 69-70 and 72-77 of Coded Law 2190/1920, articles 1-5 of Law 2166/1993 and article 16 par. 5 and par. 18 of Law 2515/1997.

1. Introduction

In accordance with the instructions of ALPHA Bank's and DELTA Singular's Boards of Directors of 27 July 2004, we have performed the following:

i. **confirmed that the balance sheet of the Acquiror** as of the effective merger date was properly extracted from the books and records of ALPHA Bank,

ii. **reviewed the signed Draft Merger Agreement dated 2 December 2004**, that is a revised version of the signed Draft Merger Agreement dated 5 August 2004, and

iii. **expressed an opinion**, in accordance with article 16, par. 5 of Law 2515/1997, on whether the share exchange ratio proposed by the Boards of Directors of the Acquiror and the Acquiree, is fair and reasonable (Fairness Opinion).

With regards to our work in relation to the provision of the Fairness Opinion, we have valued the Companies in order to determine a range of fair and reasonable relative values and share exchange ratios. Our conclusions are set out in this letter.

In the context of the valuation work, we examined the Companies' comparative financial position. Our assessment included, inter alia, consideration of the following:

a. terms and conditions of the proposed merger by absorption,

b. competitive and macroeconomic conditions of the Companies' sectors,

c. main factors and relevant trends, which had an impact on the Companies' historical financial data and figures,

d. the Companies' financial position as at the merger balance sheet date, i.e. as at 31 July 2004, taking into consideration the share capital increase of ALPHA Bank through the exercise of stock options, that was approved by ALPHA Bank's Board of Directors on 23 November 2004 and was completed and certified on 2 December 2004,

e. data sourced from public and other sources, as well as information provided to us by the Companies' managements,

f. information arising from discussions with the Companies' officers in connection with the current position and the prospects of the Companies in their sectors,

g. financial terms of recent relevant acquisitions and mergers of companies operating in similar markets as the Companies,

h. the Companies' market capitalisation during the 12 months preceding the announcement of the intention to merge by the Companies' Boards of Directors dated 10 June 2004.

i. other information, studies and analyses, as well as financial and stock market data that we considered relevant and suitable for the purposes of our work.

2. Valuation approach and methodology

The valuation work was carried out in accordance with generally accepted principles and methods that are used internationally and our conclusions take into account the suitability of the various valuation methodologies. The methods adopted and the relative weighting of each one's results are reasonable and suitable for the particular assignment.

The opinion on the reasonableness and fairness of the relative values is based on the afore-mentioned data and other information and data provided to us by the managements of the Companies, who have confirmed to us that such information is accurate and complete.

In particular, we have considered and used as considered appropriate, the following internationally accepted valuation methodologies:

	Methodology	Company
a)	Market Value (Capitalisation)	ALPHA and DELTA
b)	Adjusted Net Assets	DELTA
c)	Discounted Cash Flows / Dividends	ALPHA
d)	Market Indicators	ALPHA
e)	Comparable Transactions	ALPHA

In accordance with internationally generally recognised valuation practice for financial institutions, the application of (b) Adjusted Net Assets method for the valuation of ALPHA Bank was not deemed to be particularly appropriate.
In addition, the application of (c) Discounted Cash Flows / Dividends, (d) Market Indicators and (e) Comparable Transactions methods for the valuation of DELTA was omitted, since the nature of DELTA's future revenues will be significantly altered, as a consequence of the sale to third parties of IT Services, Information Systems Integration and Software Production business segments, i.e. of the major part of its business operations and its fixed assets.

No impediments or difficulties occurred during the valuation of the Companies using the above methodologies.

The valuation of the Companies refers to the total value of their issued share capital which comprises 235,105,567 and 123,525,000 common registered shares, for ALPHA and DELTA, respectively.

The results of each valuation methodology, the way each method was applied and the principal underlying assumptions are set out in further detail below.

2.1. Market Value (Capitalisation)

For the purpose of determining a range of values for each of the Companies and also a range of relative values between ALPHA and DELTA, we examined the market capitalisations of the said companies at periods within the last 12 months and specifically those as of 12, 9, 6, 3 and 1 month prior to the public announcement of the intention to merge. The market values of the Companies and the respective relative values after the aforementioned date have not been taken into consideration in our report as it could be reasonably expected that such values were affected by the recent announcement.

2.2. Discounted Cash Flows / Dividends

ALPHA Bank's valuation is based on the Business Plan for the period 2004 – 2006, provided by the company's management. These projections have been extended to a 10-year horizon, so that the potential for the Greek banking market to mature, to be taken into account. The management projections were reviewed and adjusted by PricewaterhouseCoopers ("PwC") to the extent considered appropriate, in order to determine a base case valuation scenario («the ALPHA Base Case Scenario»).

For the purposes of ALPHA Bank's valuation, a financial model was prepared in which the above projections and related assumptions were incorporated. This model calculates the value of the company as the present value of the maximum dividends that the group could distribute to its shareholders, on an annual basis. Such dividend stream is calculated after taking into account the regulatory provisions regarding capital adequacy, as required by the Bank of Greece.

In the context of the valuation and with the aim of examining the reasonableness of the assumptions and the conclusions of our work, key performance ratios derived from the financial model have been compared to corresponding indicators for banks operating mainly in the European market. The latter were considered to constitute an appropriate basis of comparison in view of their operating into more mature markets.

The current strategic position of ALPHA in the Greek market was also taken into consideration along with the existing conditions and economic outlook of the Greek banking sector.

The revenues and expenses of ALPHA from the bank's participations in Financial and non-financial companies, which are either fully consolidated or accounted for under the equity method, have been excluded from the financial model. Instead, the value of this portfolio has been considered separately and added to the net present value of ALPHA as this resulted from the valuation model.

In addition, the main value drivers of ALPHA have been assessed and a sensitivity analysis was performed on various parameters, including the cost of capital and interest spreads in order to estimate the impact on the conclusions of our analysis of any deviation from the ALPHA Base Case Scenario. In both cases, the rest of the assumptions of the ALPHA Base Case Scenario remained unchanged.

Considering the documents and information stated at 1(a) to 1(i), the main underlying assumptions of the ALPHA Base Case Scenario are as follows:

- Gradual convergence of the total credit expansion of the Greek market as a percentage of GDP to the average of the Euro zone by 2013.
- Sustainability of ALPHA's market shares for the period 2007 – 2013 at the levels projected by Management for 2006.
- Maintenance of the amount of hybrid securities and subordinated loans of ALPHA Bank throughout the period 2007-2013 at the levels projected by ALPHA Bank's management for 2006. Gradual increase of senior debt for the period 2007-2013 through the extention of the Euro Medium Term Note Programme (EMTN).
- Gradual decrease in the growth of net commission income.
- Financial gains during 2007 – 2013 have been limited to amounts that are considered to be sustainable and recurring.
- Maintenance of the number of ALPHA employees at the levels projected by the management for 2006.

- Growth of other operating expenses by a rate that varies between inflation rate and 2 basis points above the inflation rate, depending on the type of expense.
- Provisions for non-performing loans gradually decrease from 1% to 0.9% of average amount of loans, in the period 2007-2013.
- Constant annual growth of 3% from 2013 to perpetuity.
- Various adjustments in accordance with the forthcoming application of International Accounting Standards.

2.3. Adjusted Net Assets

This method is static, since it only reflects the financial position of a company at a particular point in time. Consequently, it does not take into account the company's prospects for future growth and profitability. For this reason, this method has not been used for the valuation of ALPHA.

By contrast, the Adjusted Net Assets was considered appropriate for the valuation of DELTA, since the nature of its future revenues will be significantly altered, as a consequence of the sale to third parties of IT Services, Information Systems Integration and Software Production business segments, i.e. of the major part of its business operations and its fixed assets. Thus, the results of this method bear a significant weighting in the determination of a range of absolute values for DELTA.

The Adjusted Net Assets position of DELTA was derived from the merger balance sheet of 31 July 2004 and was further adjusted in order to reflect the current (marked-to-market) values of DELTA's participations portfolio as at 31 July 2004 and the notes on the auditor's report.

2.4. Market Indicators

With regards to ALPHA Bank, we considered the market values / capitalisations (¨MC¨) for a sample of 12 European banks from 6 different countries and the 4 largest Greek banks, for the period from 1 January to 9 June 2004. The sample selection was based on a combination of criteria including the maturity level and the development stage of the foreign economies and corresponding capital markets, the efficiency and effectiveness of the banking sectors in the markets into consideration, the specific characteristics of each bank with regard to their product and service mix, their competitive position and market presence, the geographical focus of their business activities and other matters.

Based on the market values identified above and the publicly available financial information for each bank, the following value multiples were estimated: a) MC over Net Assets (MC/NA), b) MC over Adjusted Profit before Tax (MC/PBT) and c) MC over Adjusted Profit after Tax (MC/PAT). The trading income and income and expense items that are not recurring have been excluded from the Profit before Tax and the Profit after Tax. For the sample of the Greek banks, the following multiples were also taken into account: d) MC over deposits, e) MC over loans and f) MC over Total Assets.

2.5. Comparable transactions

In the context of the valuation of ALPHA Bank in accordance with this methodology, we examined recent acquisitions / disposals of significant blocks of shares of banks (acquisitions and mergers of groups as well as minority stakes) to the extent that these could be considered comparable to ALPHA Bank.

During the last two years there have been no such transactions in the Greek banking market. The acquisition of National Bank for Industrial Development (ETBA) by Piraeus Bank, that of the minority shareholding of Bank of Attica by the Greek Postal Savings Bank and that of majority stake of General Bank by Société Generale were not used in our valuation since ETBA, Bank of Attica and General Bank present significant differences with ALPHA Bank with regards to the offered products and services, operations and size.

Our work was based on recent acquisitions of European banks, which operate in similar sectors, have comparable product and service mix and common operational characteristics with ALPHA Bank. The final sample on which the various value multiples were calculated concerned 10 transactions that took place during the period 2002-2003.

For the purposes of the valuation of ALPHA Bank the following valuation multiples were used: a) Transaction value to Net Assets (P/BV) and b) Transaction Value to Profit after Tax (P/PAT). The derived multiples were discounted in cases where control was obtained, either by the disclosed control premium, or by a generally accepted control premium, where such information was not publicly available. In transactions where the shares of the acquired bank were not listed in a stock exchange, the derived multiples were adjusted accordingly to be used for the valuation of the shares of ALPHA Bank, since these are listed in Athens Exchange.

3. Range of fair and reasonable relative values and share exchange ratios

Set out in the table below are the ranges of relative values and respective share exchange ratios for each of the valuation methods applied:

	Indicative Range of Relative Values	Indicative Range of share exchange ratio
Valuation Method	**ALPHA Bank to DELTA Singular**	**Shares of DELTA Singular vs 1 share of ALPHA Bank**
A) Market Value (Capitalisation)	14.96 - 22.56 to 1	7.86 – 11.86 to 1
B) Discounted Dividends ALPHA over Adjusted Net Assets DELTA	18.75 – 22.05 to 1	9.85 – 11.58 to 1
C) Market Indicators ALPHA over Adjusted Net Assets DELTA	13.00 – 25.73 to 1	6.83 – 13.52 to 1
D) Comparable Acquisitions ALPHA over Adjusted Net Assets DELTA	13.62 – 24.29 to 1	7.15 – 12.76 to 1

Weightings were placed on the valuation of each of the Companies in accordance to the suitability of the method applied. In particular, greater weight was placed, on the methods of (a) Market Capitalisation and (c) Discounted Cash Flows / Dividends for ALPHA Bank, and the methods of (a) Market Capitalisation and (b) Adjusted Net Assets for DELTA Singular. The resulting range of relative values and the corresponding range of the share exchange ratio based on this approach are as follows:

- **17.39 – 22.44 to (/) 1** (ALPHA to DELTA)
- **9.14 – 11.79 to (/) 1** (shares of DELTA to 1 share of ALPHA)**.**

4. Conclusions

The Companies' Boards of Directors, in accordance with the signed Draft Merger Agreement dated 2 December 2004, propose a share exchange ratio as follows:

a) Each shareholder of the Acquiree (excluding the Acquiror) shall exchange 10 common registered voting shares at a par value of € 0.31 each held in the Acquiree for 1 common registered voting share of the Acquiror, at a new par value of € 5.35 each.

b) After the completion of the merger, the shareholders of the Acquiror shall continue to hold the same number of shares in the Acquiror, as prior to the merger, though at a new par value of € 5.35 each.

Any fractional balances will be settled in accordance with a relevant decision to be authorised at the General Assembly.

In our opinion, the relative values proposed by the Companies' Boards of Directors of:

Acquiror (ALPHA) to Acquiree (DELTA)	**19.0330 for 1**

and the proposed share exchange ratio of:

Acquiree (DELTA) shares to 1 share of Acquiror (ALPHA)	**10 for 1**

fall within the range of relative values and share exchange ratios resulted from the Companies' valuation and therefore considered as **fair and reasonable,** in accordance with the provisions of the article 16 par 5 of Law 2515/1997, the Coded Law 2190/1920 and the provisions of the Regulation of Athens Exchange**.**

5. Effect of the merger on the Acquiror's financial position

Based upon the combined PRO-FORMA financial statements (of the Acquiree and the Acquiror), that were created on the basis of the audited merger balance sheets as of 31 July 2004 of the merged entities, which combined PRO-FORMA statements were audited by another Certified Auditor who compiled a relevant Audit Certificate, and taking into consideration the share capital increase of ALPHA as mentioned in par. 1.d, the completion of the merger will result in:

- the Acquiror's net assets increasing by approximately 5.55%, as compared to the corresponding net assets prior to the merger
- the Acquiror's total assets decreasing marginally, by 0.02%, as compared to the corresponding total assets prior to the merger, basically due to the elimination of intragroup balances and of the elimination of the participation of ALPHA in DELTA
- the Profit before Tax for the period from 1 January to 31 July 2004 will be increased by approximately 39.31%, %, as compared to the corresponding profit before tax prior to the merger

The effect of the merger on the Acquiror described above is solely on the basis of the changes that will occur to its financial position at the date of the merger balance sheet. We have not considered the consequences on future results of any positive or negative matters that may arise from the merger, such as the enhancement of the bank's credit-granting capacity due to improvement of its capital adequacy, potential for economies of scale, other synergies, merger costs and other impacts.

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Note: The equivalent Greek text prevails over the above English translation.