ALPHA BANK

ANNUAL FINANCIAL REPORT

For the period from 1st January to 31st December 2009

(In accordance with the Law 3556/2007)

Athens,
March 16, 2010

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STATEMENT BY THE MEMBERS OF THE BOARD OF DIRECTORS

(In accordance with article 4 paragraph 2 of Law 3556/2007)

To the best of our knowledge, the annual financial statements that have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity and financial performance of Alpha Bank A.E. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 4 paragraphs 3 and 4 of Law 3556/2007, and the Board of Directors' annual report presents fairly the information required by article 4 paragraphs 7 and 8 of Law 3556/2007 and the related decisions of the Hellenic Capital Market Commission.

Athens, March 16, 2010

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE EXECUTIVE DIRECTOR
YANNIS S. COSTOPOULOS I.D. No X 661480	DEMETRIOS P. MANTZOUNIS I.D. No I 166670	MARINOS S. YANNOPOULOS I.D. No AH 064139

BOARD OF DIRECTORS' ANNUAL MANAGEMENT REPORT

The activities and financial results of Alpha Bank in Greece and abroad during the second half of 2009 grew at a satisfactory pace. This occurred amidst an environment in which the operation of the international financial system and of money and capital markets have substantially improved and global economy and world trade have recovered considerably from the deep recession which prevailed in the first half of 2009. Moreover, economic conditions in the economies of Southeastern Europe have also improved. However, during 2009 economic developments in Greece deteriorated considerably, especially in the last quarter of the year, where it was revealed that the country had entered into a deep fiscal crisis, which implied considerable negative effects in its financial system and the Greek economy in general.

In relation to global economy developments, normal operations were reinstated to a great extent in the financial markets (money and capital markets) and regular financing of banks and businesses in these markets has been restored with a significant reduction in spreads. In the US, the large banks are in a process of returning the capital received from the state for the enhancement of their capital base and liquidity in the period of the crisis, since their profitability has been reinstated and they have obtained extensive capital from the financial markets. It is in fact estimated that the total impact on the United States budget arising from the program to aid banks and other financial institutions that was enforced in the end of 2008, will be much less than originally estimated. Furthermore, the US Federal Reserve Bank (FED) plans to timely withdraw the extremely high extraordinary liquidity it had channeled to the markets in the last 15 months. However, this process is expected to commence at a later date, possibly from the second half of 2010 and it is expected to be completed toward the end of 2011, while FED's benchmark interest rates are expected to remain close to zero up to the fourth quarter of 2010.

Similar action is expected by the European Central Bank (ECB), which in 2009 provided the banking system with large amounts of relatively long term liquidity (up to 1 year duration), through special loan facilities with a fixed interest rate of 1%. The ECB is planning to discontinue the offering of the above mentioned refinancing facilities for banks during 2010, restoring gradually normal loan facilities used in during normal economic conditions. Even in this case, however, the ECB will continue to provide banks in the Eurozone with relatively low cost liquidity during 2010 and 2011. Besides, up to the end of 2009 the increase in credit expansion for the countries in the Eurozone has been zero which is not a contributing factor to the viable growth of Eurozone economies. In addition, the banking credit expansion in the US continues to be negative despite the economy's remarkable recovery in the second half of 2009. Finally, the Central Banks in Japan, the United Kingdom and Switzerland are in a similar course of adjusting their monetary policies to the new situation where their economies will have exited the recession.

In general, the widespread interventions of government and monetary policy authorities in order to ensure stability and the smooth function of the financial system as well as helping economies recover from their deep recession until the second quarter of 2009 were greatly successful. Economies worldwide are coming out of recession and are entering a period of growth which is expected to be viable and sustainable for the following years. The possibility that global economies would enter into a new recession in 2011, after the temporary recovery in 2010, has fallen considerably according to the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD) and other international analysts.

However, these organizations do not fail to stress the great risks that the widespread deterioration in fiscal deficits and public debt in the US, Eurozone, Japan and the United Kingdom entail and the prospective adverse effects on the global economy's growth when the governments of these countries decide on implementing policies aiming at proper fiscal adjustment, that is, at a substantial reduction of these deficits. In fact markets have already forced the immediate inception of procedures for fiscal adjustment in countries like Ireland, Greece, Spain and Portugal where public sector debt is considered excessive. These countries and especially Greece are faced with increased debt refinancing costs, with the prevailing bond spreads reaching exceedingly high levels. Already, the credibility of the Eurozone has become questionable since it lacks the mechanisms to successfully overcome the consequences that may arise should its member states face any debt refinancing difficulties.

Hence, in the beginning of 2010, it is the general perception that the great world financial crisis has been effectively managed, financial markets have resumed their normal operations, economic crisis has been overcome and the global economy has resumed its course of sustainable growth. Already the IMF expects increase in the world GDP by 3.8% in 2010 and by 4.3% in 2011, compared to margine negative decrease 0.8% in 2009, increase in world trade by 5.8% in 2010 and 6.3% in 2011, compared with its great fall of 12.3% in 2009. In addition, it is estimated today that growth in GDP in most economies for 2010 will not be minimal (except perhaps in the Eurozone) while growth trends will reach new dynamism from 2011. In light of recent developments it is expected that surplus countries (China, Japan and to a lesser extent Germany and others) will greatly contribute to world growth since their domestic demand and especially consumer expenditure is expected to be reinforced.

More specifically recent developments up to the beginning of 2010 have led to the following projections:

a) In the US, Japan and the United Kingdom, GDP is expected to grow by 2.7%, 1.7% and 1.3% respectively in 2010 and by 2.4%, 2.2% and 2.7% respectively in 2011, following the big fall in their GDP by 2.4%, 5.3% and 4.8% respectively in 2009.

b) In the Eurozone, GDP is expected to grow by 1% in 2010 and by 1.6% in 2011, following its drop by 4.0% in 2009. It should be noted that the recovery of surplus countries in the Eurozone during the second half of 2009 was supported to a great extent by the substantial fiscal measures applied in order to reinforce domestic demand for 2009, as well as by the reversal of the declining trend in inventories and net exports. More specifically, in Germany the decrease in consumer expenditure was limited in 2009, mainly due to subsidizing employment policies relating to part time work in order to discourage a greater increase in unemployment. However, these policies will not continue to be effective in 2010 unless the upturn in global economy is much greater than anticipated. Additionally policies for the reinforcement of domestic demand announced by Germany for 2010 are insufficient while its growth cannot be solely based on the anticipated increase in its net exports.

c) For the countries in Central and Eastern Europe it is expected that their GDP will increase by 2.0% for 2010 and by 3.7% in 2011, following its fall by 4.3% in 2009. More specifically, positive growth is expected in 2010 for Romania, Bulgaria and Serbia for which the fall in GDP in 2009 was less than the fall expected up to September 2009.

d) China and India presented a satisfactory growth by 8.7% and 5.6% respectively in 2009, while it is estimated that they will accomplish further acceleration of their GDP growth by 10.0% and 7.7% respectively in 2010 and by 9.7% and 7.8% respectively in 2011.

Moreover, the maintenance of oil prices at low levels, with the average price per barrel at $62 for 2009 compared to $97 per barrel for 2008, combined with the significant decrease in demand for goods and services, has led to a significant retrenchment of inflation in all economies. Thus in June – September 2009 inflation was negative in the US, the Eurozone and Japan and it is expected to remain bellow 2% in 2010 as well as in 2011 in all these countries. According to the OECD, the output gap in the main world economies, as a percentage of potential GDP, is estimated in 2009 at 4.9% in the USA, 5.5% in the Eurozone, 5.4% in the United Kingdom and 6.1% in Japan. This gap is expected to widen further in the following years, increasing the possibility of low inflation during these years.

Another factor contributing to the negative economic environment in the Eurozone is the deep recession that has plagued developing economies in all corners of the world (excluding China and India) in the first half of 2009 and most importantly the economies of the countries in South Eastern Europe, where Greek businesses and banks have expanded their operations in recent years. More specifically, in Bulgaria and Romania, GDP declined by 5% and 7.2% respectively in 2009, following a robust GDP growth of 6% and 7.8% respectively in 2008, while the outlook for 2010 is that these economies will recover to a GDP growth of 0.5% and 1.5% respectively, as the inflow of Foreign Direct Investment (FDI) and other foreign capital gradually picks up pace. Moreover, a significant contribution to the stabilization of these economies is expected from the support provided by the IMF and the European Union.

For the developments relating to the Greek economy the following should be noted:

With market pressures building up (spreads for 10 year bonds against the respective German bunds: 265-350 bps, while for 5 year CDS: up to 400 bps), the Greek government has announced an Update of the Hellenic Stability and Growth Program, 2010-2013 which estimates that GDP in Greece fell by 1.2% in 2009, with a further smaller decrease of 0.3% projected for 2010. The program anticipates that the Greek economy will recover starting 2011 and the general government deficit will decrease drastically to 8.7% of GDP in 2010, 5.6% of GDP in 2011, 2.8% of GDP in 2012, 2% of GDP in 2013. Furthermore it is expected that the peak of general government deficit will reach 120.4% of GDP in 2010 and it will fall to 113.2% of GDP in 2013.

In relation to growth, the fall in GDP in 2009 was finally 2% and occurred despite the fact that net exports had a positive effect in the increase of GDP. This positive effect was offset by the substantial decline in investments by 13.9% (negative effect in the increase of GDP by 2.9 percentage points).

Table 1 – The course of fiscal adjustment

	2009	2010	2011	2012	2013
GDP (Percentage change)	(1.2)	(0.3)	1.5	1.9	2.5
General Government deficit (as a % of GDP)	12.7	8.7	5.6	2.8	2
General Government debt (as a % of GDP)	113.4	120.4	120.3	117.5	113.2

Source: Update of the Hellenic Stability and Growth Program 2010-2013

Notwithstanding the contractionary effects of fiscal adjustment, GDP growth in 2010 is also underpinned by the following:

a) The expected fall in investments will be limited in the current year due to their low level in 2009 following their significant decrease in the previous years.

b) Considering that domestic demand will continue to decline in 2010, the decrease in imports will be again greater than the decrease in exports. This external factor will have a positive affect on GDP growth in 2010.

In the following years, a gradual recovery in consumer expenditure is expected after its fall in 2009 and 2010. Furthermore, in 2011 investments in the housing sector are expected to recover, as well as investments in infrastructure since more than €24 billion provided by the European Union for co-financing investment projects in Greece need to be absorbed during the period 2010-2015. This community financing implies a total budget of investment projects exceeding €50 billion. Finally, the limited increase in domestic demand along with the recovery of world economy, can sustain the increase in exports from 2011 at a higher rate than the increase in imports. These considerations can support projections according to which the growth of the Greek economy may again exceed the Eurozone average growth from 2011 onwards, provided that the general government deficit will have been reduced below 8.7% of GDP in 2010, as expected.

The reduction of the general government deficit below 8.7% of GDP in 2010 is now secured, especially in view of the new expenditure cutting and revenue increasing measures announced by the Government on the 3rd of March of 2010. These measures are in addition of similar measures already announced before and specify the general policy measures adopted in the Update of the Hellenic Stability and Growth Program 2010-2013. However, the specific measures must still be supplemented by the resumption of normal operations by the Greek State and in particular of tax authorities, following their extensive malfunctioning in 2009.

In relation to the reduction of deficit below 2.8% of GDP in 2012, we consider it feasible, and an absolute necessity. Nonetheless, it requires the focus of economic policy, as well as the undertaking of the necessary corrective measures. It has already been announced that hiring in the public sector has ceased while state mechanisms have been mobilized in order to expand the tax base to reduce tax and social security contribution evasion while the relevant legal framework is restored in order to collect the property taxes. Consumption taxes (fuel, alcohol, tobacco and environmental) and the Value Added Tax have increased considerably. However, the most important adjustment, adopted in the Update of the Hellenic Stability and Growth Program 2010-2013, is the reform of the country's social security system, according to which a national non-contributory pension for elderly citizens will be introduced, in combination with the restoration of the link between the level of the pension and the level of accumulated social security contributions of each insured person. A positive development constitutes the increase in farmer's contributions and the pursued considerable decrease in budget subsidies to social security and pension funds as a percentage of GDP (which in 2009 amounted to 8.8% of GDP).

However, even if the deficit is reduced to 2.8% of GDP in 2012, which will contribute (in combination with privatizations amounting to €5.75 billion) in the decrease of the general government debt to 117.5% of GDP in 2012, from 120.3% of GDP in 2011, **the fiscal adjustment process must be continued throughout the decade of 2010**, in order to achieve a reduction of public debt to a level below 100% of GDP from 2018.

Contrary to the significant problems faced by banks in many European countries and in the US, Greek banks did not incur any direct losses from the financial crisis. Their ability to continue financing the Greek economy has thus remained strong in the difficult financial environment of 2009. Moreover this ability was further reinforced by:

a) Making effective use of the Greek government's measures designed to strengthen the financing of the economy,

b) Taking advantage of financing options provided by ECB, using as collateral state bonds, as well as their securitized loan portfolios (securitizations took place mainly in 2008 and 2009) and

c) Enforcing their capital adequacy through the stock exchange, as well as improving their loan to deposits ratio to 113% by the end of September 2009.

Nevertheless, since November 2009 Greek banks have been substantially burdened due to the problems of over-indebtedness and the downgrading of the Greek state debt by rating agencies, which have resulted in a substantial increase in the cost of financing. Furthermore, the negative consequences of the over-indebtedness of the Greek state for the growth of the Greek economy in 2010 creates a further burden on banks, since it is expected that the number of non performing loans of households and businesses will increase further during the current year of negative growth and increasing unemployment.

Finally operations of banks are adversely affected by government interventions just as those imposed by the recent law with reference to the restructuring of liabilities for both past due and current bank borrowers (households and businesses).

In general, banks operate in a constructive manner both in the domestic, and the international financial environment for 2009-2010 and they seek to strengthen their position in the domestic, as well as in the wider area of Southeastern Europe. They remain fully conscious of the macroeconomic and other risks in the area, which they monitor regularly and undertake the necessary measures to address them.

In 2009, in an adverse financial environment due to the international market turmoil, Alpha Bank's primary objective is to reinforce its balance sheet by focusing on capital adequacy requirements, liquidity and allowing for provisions to cover credit risk.

Thus in 2009, the Group's total assets amounted to € 69.6 billion, and its net profit before impairment losses and taxes amounted to 1,178.2 million compared to € 1,167.4 for 2008, presenting an increase of 1%.

The analysis of the Group's results provides evidence of its continuous effort to decrease its operating expenses that present an increase of 2% compared to the previous year's respective period, as well as the importance given on provisions to cover credit risk.

Despite the recognition of impairment provisions amounting to € 676 million in 2009, an increase of 25% compared to 2008, the increase in write offs of approximately 90% (amounting to € 423.9 million) the final balance of the accumulated allowance for impairment losses amounts to € 1,643.3 million.

Net interest income was reduced by 2% and amounted to € 1,762.6 million in 2009 compared to € 1,798.6 million in 2008 reflecting the reduction in interest margins mainly from time deposits.

Staff costs decreased by 4% and amounted to € 565.5 million for 2009, from € 589.5 million in 2008, which was mainly due to limiting employee bonuses.

General administrative expenses increased by 9% compared to 2008 and amounted to € 544.7 million mainly due to fixed costs relating to organic growth that could not be avoided.

With reference to profitability ratios, the net interest spread reached 2.55% over the average total assets reflecting the intense competition in the market to attract deposits, while the profitability ratio cost over income is maintained at 50.5% compared to 50.2% in the end of 2008.

Total loans and advances to customers for the Group before impairment on 31.12.2009 amounted to € 53 billion compared to € 52 billion on 31.12.2008 presenting an increase of 1.9%.

Corporate loans amounted to € 32 billion which represent 60.4% of the Group's total loans and advances to customers before impairment.

Mortgage loans present a slight increase compared to 31.12.2008 and amount to € 13.8 billion as at 31.12.2009.

The deposits of the Group remained stable compared with 31.12.2008.

Due to Banks increased by 47.7% and amounted to € 13.2 billion on 31.12.2009 compared to € 9.0 billion on 31.12.2008. The increase is due to financing provided by the European Central Bank which increased from € 5.2 billion on 31.12.2008 to € 10.3 billion on 31.12.2009 since ECB was the main supplier in the European money market.

At the same time, the Group utilizes the plan for the enforcement of liquidity supplementary to deposits derived from retail customers of branches in Greece and Souteastern Europe.

The Bank, based on the decision of its Board of Directors on 16.12.2008 has adopted all requirements set by the Law 3723/2008 that aim to:

a) Facilitate lending from Central Banks and interbank markets, by providing the Bank, against commission, with Government Securities, that amount to € 1.2 billion, which could be used as collateral
b) Provide, against commission, state guarantee through the issuance of debt securities amounting to € 2 billion. It is noted that the short term debt securities issued, have already matured and the remaining which are partly owned by the Bank, can be used as collateral.
c) Strengthen the Bank's equity by € 940 million provided for by the purchase of preference shares by the State.

For the issuance of the above mentioned preference shares, an extraordinary General Meeting of Shareholders was held on 12.1.2009, which approved, among others a share capital increase of € 940 million in accordance with the requirements of the above law, with cancellation of preemptive rights of existing shareholders and the issuance of 200,000,000 new preference, registered, non-voting, paper and redeemable shares with a nominal and price offering of € 4.70.

Thereafter, on 21.5.2009, the amount of the capital increase was fully subscribed by the Greek State following the transfer from the latter to the Bank of Greek Government bonds with nominal value of € 940 million, a 5 year duration, bearing a floating rate of interest. Furthermore, the Board of Directors of the Bank issued a multiple title deed for the total number of preference shares (200,000,000 shares), in the name of the Greek State.

The Bank's Ordinary General Meeting of Shareholders held on 23.6.2009, approved and ratified the resolution by the Extraordinary General Meeting of Shareholders convened on 12.1.2009, regarding the increase of the share capital and the modification of the Bank's Articles of Incorporation.

Furthermore, it accepted, the report by the appointed committee for the evaluation of the bonds contributed and issued by the Greek State for the participation in the share capital increase approved by the Extraordinary General Meeting of Shareholders of 12.1.2009.

The same General Meeting of Shareholders has decided not to distribute dividend to its equity owners for the fiscal year 2008, since the Law 3576/2009 requires the distribution of dividends only in the form of shares.

On 31.12.2009 the Bank did not own any Treasury shares, since article 28 of Law 3756/31.03.2009 prohibits credit institutions participating in the enhancement of the Greek economy's liquidity program (Law 3723/2008) to purchase treasury shares during their participation in the program.

Pursuant to the decision of Board of Director's meeting which convened on 19.10.2009, funds were raised that amounted to € 986.3 million through share capital increase with the issuance of 123,292,996 new common shares with nominal value € 4.70 each which were offered at the price of € 8 per share and were listed for trading in the Athens Stock Exchange on 7.12.2009 solely with the intention of for full redemption and then cancellation of the 200,000,000 preference shares owned by the Greek State.

Alpha Bank has established a disciplined management framework that aims to minimize potential negative effects on the Group's financial results and equity, caused by financial risks.

The Group in order to effectively manage credit risk has developed specific methodologies and systems to measure credit risk. These systems and methodologies are continuously evolving according to regulatory requirements and standards set by the new framework for capital adequacy, Basel, so as to provide to the maximum extent possible current and productive support in the decision making process of the business units in order to avoid possible adverse consequences on the results of the Group.

The main tool for the measurement of counterparty credit risk is the credit risk grading system. Grading systems are subject to continual quality controls in order to adjust to the conditions of the economic environment and ensure their ability to provide reliable results. In addition, credit rating models have been developed to support special purpose financing such as income producing real estate, project finance and shipping.

Credit risk grading systems are being constantly tested qualitatively in order to assure at every turn their ability. At the same time the Group performs stress testing exercises concerning credit risk on a regular basis. Based on respective stress testing, estimation is provided of the size of financial losses that could occur under extreme transactional behavior of the clients or of economic environment.

The timely monitoring of credit limits is the main factor that ensures sustainability and improvement of the Group's loan portfolio quality. The Groups credit exposure to every lender is monitored at a minimum every 12 months (every six or three months in the case of high risk loans).

Total impairment provisions on 31.12.2009 cover 3.10% of total loans compared to a 2.46% coverage as at 31.12.2008.

This increase reflects the Bank's policy that requires the formation of adequate provisions in order to cover possible deterioration of credit conditions both in Greece and Southeastern Europe.

Past due loans have amounted to 5.7% and their coverage ratio from provisions amounts to 54.7%.

Liquidity risk relates to the Group's ability to maintain sufficient funds to cover its obligations. A substantial portion of the Group's assets are funded with customer deposits and bonds issued by the Group.

The Bank relied on financing provided by the European Central Bank and its client deposits.

The Bank assesses the adequacy of financing and liquidity needs through stress testing.

The current capital ratios (Tier I ratio and capital adequacy ratio) are much higher than the regulatory limits set by the Bank of Greece directive and the capital base is capable to support the business growth of the Bank in all areas for the next years.

In 2009, the Group, in order to effectively manage and increase its capital adequacy, implemented the following:

- Participated in the enhancement of the Greek economy's liquidity program Law 3723/2008 and issued preference shares that amounted to € 940 million
- Sold through private placement treasury shares that amounted to € 69 million
- Completed the share capital increase that amounted to € 986 million

The Bank's strategic aim is to establish and strengthen its position in the wider area of Southeastern Europe (Greece, Cyprus and the Balkans). The Bank's management believes that its well balanced, organically developed strategy has been the main contributing factor for its successful presence in the area up to date.

International crisis has led to the increase in borrowing costs and has adversely affected market liquidity. As a result the Bank continues to pursue a well balanced growth through attracting deposits and enforcing its deposit base. In this context the Bank will take advantage of its corporate identity and its lengthy and extended network of more than 1.000 branches in Greece and Southeastern Europe.

The present negative economic conditions in Greece and Southeastern Europe vindicate the choice of a well balanced growth that the Bank has followed based on which profitability has been maintained, attracting new deposits and new customers has been accomplished and finally the Bank's capital adequacy and liquidity have been maintained.

The Bank aims to:

- Accomplish a strong capital base both quantity and quality wise, in all the countries in which the Group operates amidst anticipated strict requirements of the regulatory framework
- Improve its access to capital markets as well as strengthening its corporate image in attracting client deposits

- Reinstate its long term dividend distribution policy
- Continue its course toward a long term profitable growth

In addition, the Bank aims to manage its growth through an improved operating profitability, while and at the same time ensuring satisfactory financial results. Furthermore, it continues to take advantage of its brand name and recognition that allow for loan rerating and attracting new deposits.

The Bank's income is based on a steady inflow of commissions, long term client relationships, income from its trading portfolio, as well as effective cash management.

Finally further to the amendment of the Group's structure in October 2009, the segregation of retail and corporate banking was strengthened and was expanded to the whole Group aiming to improve profitability.

According to the corresponding regulatory framework, the present report must contain the main transactions with related parties. All the transactions between the related parties, the bank and the group's companies are performed in the ordinary business course, conducted according the market's conditions and are authorized by corresponding management personnel. There are no other material transactions between the related parties beyond those described in the following paragraph.

a) The outstanding balances and the corresponding income and expense of the Group companies with members of their Boards of Directors and their close family members are as follows:

Loans	162,151
Deposits	66,380
Debt securities in issue	19,067
Letters of guarantee	10,213
Interest and similar income	6,825
Interest expense and similar charges	3,338
Staff costs	12,760

b) The outstanding balances and the corresponding results of the most significant transactions with subsidiaries are as follows:

A. SUBSIDIARIES

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Banks					
1. Alpha Bank London Ltd	157,566	165,120	3,832	4,792	315,968
2. Alpha Bank Cyprus Ltd	4,010,539	2,360,619	35,090	30,683	345,096
3. Alpha Bank Romania S.A.	3,001,676	239	57,111	161	32,794
4. Alpha Bank AD Skopje	63,305	1,026	1,805	16	2,820
5. Alpha Bank Srbija A.D.	218,775	5,219	5,572	87	
6. OJSC Astra Bank		216	5	290	
Leasing companies					
1. Alpha Leasing A.E.	503,615	1,222	43,730	180	
2. Alpha Leasing Romania S.A.	9,540		431		
3. ABC Factors A.E.	509,530		49,407	102	15,650
Investment Banking					
1. Alpha Finance A.E.P.E.Y.	167	17,080	23,877	736	
2. Alpha A.E. Ventures A.E.		15,917	10	248	
3. Alpha Ventures Capital Management		805	21	18	
Asset Management					
1. Alpha Asset Management A.E.D.A.K.	3,172	13,520	25,255	249	
2. Alpha Private Investment Services A.E.P.E.Y			198	1,638	
Insurance					
1. Alpha Insurance Agents A.E.	3	4,283	6,900	39	
2. Alpha Insurance Cyprus Ltd		20	110		
3. Alphalife A.A.E.Z.		5,729		41	
Real Estate and Hotel					
1. Alpha Astika Akinita A.E	10,541	22,054	1,813	10,397	
2. Ionian Hotel Enterprises A.E	80,461	6,407	2,543	369	
3. Oceanos A.T.O.E.E		88	1	12	
4. Alpha Real Estate Bulgaria E.O.O.D.			1	26	
Special purpose and holding entities					
1. Alpha Credit Group Plc	989,321	9,311,141	49,805	323,349	
2. Alpha Group Jersey Ltd	189,835		12,724		
3. Alpha Group Investment Ltd		2,538		18	
4. Ionian Holdings A.E.		6,455	12,805	288	
5. Messana Holdings S.A.		20			
6. Ionian Equity Participations Ltd	2,450				
7. Alpha Covered Bonds Plc	141,662				
8. Katanalotika Plc		1,098,225			
9. Talanto Plc	194,777				
10. Epihiro Plc	430,301				
11. Irida Plc	495,045	26,686	527	6	
Other companies					
1. Evremathea A.E.		154	2	3	
2. Kafe Alpha A.E.		80	18	147	
3. Ionian Supporting Services A.E.	62,741	24,012	949	20,000	
4. Real Car Rental A.E		271			

B. JOINT VENTURES

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
1. Cardlink A.E.		99	48	240	
2. APE Fixed Assets A.E.	15,419	278	583	25	
3. APE Commercial Property A.E.	35,137	138	1,232	41	
4. APE Investment Property S.A.	94,268	4,435	3,182	21	
5. Alpha TANEO A.K.E.S.		215		34	

C. ASSOCIATES

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
1. Evisak A.E	42	569	23	12	
2. AEDEP Thessalias and Stereas Ellados A.E		1,991		28	
Total	**11,219,888**	**13,096,871**	**339,610**	**394,296**	**712,328**

Explanatory Report of the Board of Directors for the year 2009

The Explanatory Report of the Board of Directors for the year 2009 to the Ordinary General Meeting of Shareholders contains detailed information in accordance with article 11a of Law 3371/2005, the reference date being 31.12.2009.

a. The share capital of the Bank is Euro 3,451,067,345.60 and is divided into 734,269,648 shares, of which 534,269,648 are common, nominal, voting, paperless shares of nominal value of Euro 4.70 each and 200,000,000 are preferred, nominal, without voting rights, material, redeemable shares issued in accordance with the provisions of Law 3723/2008 of nominal value of Euro 4.70 each.

All common shares are listed for trading in the Securities Market of the Athens Exchange. The common shares are registered, voting and indivisible, in a paperless form or as the law provides from time to time.

The Hellenic Republic owns all the preferred shares. The preferred shares have the following privileges, attributes, rights, and claims:

(A) The right to draw a fixed return calculated at a rate of ten percent (10%) on the offer price of each preferred share to the Hellenic Republic:

(i) before the common shares,

(ii) before the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 and

(iii) independent of any dividend amount which is distributed to other Shareholders of the Bank and as long as after the payment of the return, the capital adequacy ratios of the Bank, on a stand alone and consolidated basis, satisfy the minimum ratios specified by the Bank of Greece.

The fixed return is calculated as accrued on an annual basis, proportional to the time that the Hellenic Republic remains as a preferred shareholder and is paid within a month after the approval of the annual financial statements of the respective year by the Ordinary General Meeting of the Shareholders and is under the provision that there are profits to be distributed as specified in article 44a of Codified Law 2190/1920 and especially profits from the last fiscal period and/or from previous fiscal periods and or reserves, under the condition that it has been preceded by a relevant decision of the General Meeting of the Common Shareholders concerning the distribution of the above. In case of inadequacy of the above distributed amounts, there is a right of preferred drawing (before the common shares) of the above return until these amounts are depleted. The amount paid out to the Hellenic Republic as per the above, is in addition to the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 solely to the Common Shareholders of the Bank and which may not exceed 35% percent as stipulated in article 3 paragraph 1 of Emergency Law 148/1967.

(B) The right to vote at the General Meeting of the Preferred Shareholders under the conditions specified by Codified Law 2190/1920.

(C) The right to participate in the Board of Directors, with a representative, who is appointed as an additional member of the Board of Directors.

(D) The right of the appointed member of the Board of Directors to veto any decision concerning the distribution of dividend amounts and the remuneration policy concerning the Chairman, the Managing Director and the rest of the Members of the Board of Directors, the General Managers and their deputies, following a decision by the Minister of Economy and Finance or if the representative of the Hellenic Republic deems that the decision of the Board of Directors could endanger the benefits of the depositors or could substantially affect the reliability and the smooth operation of the Bank.

(E) The right of the appointed additional member of the Board of Directors to appear in the General Meeting of the Common Shareholders of the Bank and the right to veto during the deliberations concerning the decisions on the above items.

(F) The right of the representative of the Hellenic Republic to have free access to the books and financial information of the Bank for the purposes stipulated by Law 3723/2008.

(G) The right of preferred payout from the product of liquidation, against all other shareholders in the case of the winding up of the Bank.

The preferred shares do not provide the right of cumulative returns.

The preferred shares are subject to partial or total repurchasing by the Bank after 1.7.2009, with the approval of the Bank of Greece, at their offer price, either with cash of equal value or with bonds of the Hellenic Republic, of equal value, with nominal value corresponding to the nominal value of the bonds issued for the assumption of the preferred shares by the Hellenic Republic.

The preferred shares are subject to the conversion to common shares or to another category of shares existing at the time of conversion, in case their acquisition is not possible by the Bank after a five year period from their date of issue due to the fact that the capital adequacy ratio set by the Bank of Greece is not met and under the condition of the submission from the Bank at the expiration of the five year period, and the approval by the Minister of Economy and Finance, following a relevant recommendation by the Governor of the Bank of Greece, of a restructuring plan of the Bank in accordance with the Minister of Economy and Finance decision 54201/B/2884/26-11-2008 and Law 3723/2008.

It is clarified that the above rights of the Hellenic Republic are in effect as added reference to the relevant clauses of the Articles of Incorporation and depending on the case, the suitable provisions of articles 1 and/or 2 of Law 3723/2008 will be applied.

The common shares represent 72.8% and the preferred shares represent 27.2% of the total share capital.

b. The Articles of Incorporation contain no restrictions on the transfer of shares, save as otherwise provided for in the law.

c. On 31.12.2009, the shareholder Stichting Pensioenfonds ABP, held 5.02% of the voting rights over the total voting rights issued by the Bank.

d. The Articles of Incorporation provide for no shares bestowing on their holders special rights of control, with the exception of the Hellenic Republic in reference to the privileges and rights bestowed to it in accordance with the Articles of Incorporation of the Bank and Law 3723/2008.

e. The Articles of Incorporation contain no restrictions on voting rights and the deadlines for exercising the same, save as otherwise provided for in the law.

f. To the knowledge of the Bank, there are no shareholder agreements providing for restrictions on share transfers or the exercise of voting rights.

g. There are no rules for the appointment and replacement of the Board of Directors, as well as for the amendment of the Articles of Incorporation, which are at variance with those stipulated in Laws 3601/2007, 3016/2002 and Codified Law 2190/1920.

h. The Board of Directors, at its meeting of 29.12.2008, resolved on the assembly of an Extraordinary General Meeting of Shareholders on 12.1.2009. The Extraordinary General Meeting of Shareholders approved the increase of the share capital of the Bank by the amount of Euro 940,000,000, in accordance with Law 3723/2008 "On the enhancement of the economy's liquidity in response to the impact of the international financial crisis", by means of the issuance and distribution of new, preferred, non-voting, redeemable, shares in material form, together with the abolition of the pre-emptive rights, if any, of its existing shareholders. The increase of the share capital by the amount of Euro 940,000,000 was completed on 21.5.2009, by the issuance and distribution of 200,000,000, material, without voting rights, preferred shares of a nominal value and offer price of Euro 4.70 each.

The Board of Directors, at its meeting of 19.10.2009 resolved the rights issue of an amount up to Euro 986,343,968.00, through a share capital increase in cash, in favour of the existing common shareholders of the Bank, without amendment of the Articles of Incorporation, through the issuance and distribution of new common, voting shares and solely for the redemption in full and the future cancellation as a result of a share capital decrease by an equivalent amount, of all the shares, i.e. of 200,000,000 outstanding, preference shares, which the Bank issued as per article 1 of Law 3723/2008, by the resolution of its Extraordinary General Meeting held on 12 January 2009. The share capital increase was completed on

30.11.2009 and the paying up of the capital increase was certified by resolution of the Board of Directors, at its meeting of 30.11.2009.

The Bank may increase its share capital by virtue of a resolution of its General Meeting of Shareholders or of its Board of Directors, in accordance with its Articles of Incorporation and the statutory provisions then in force..By virtue of its resolution dated 6 June 2006, in accordance with section 13 of Codified Law 2190/1920 and for a period of four (4) years, i.e. until the expiration of the term of the current Board of Directors, the General Meeting of the Shareholders of the Bank assigned to its Board of Directors the authority to cause an extraordinary increase of the share capital of the Bank. If such authority is exercised, then, under section 13(4) of Codified Law 2190/1920, the share capital may be increased by an amount up to the outstanding paid in share capital on the date the above authority was granted i.e. up to the amount of Euro 1,589,971,702.80. By virtue of a resolution of the General Meeting of Shareholders and subject to the publicity requirements of section 7b of Codified Law 2190/1920, this authority of the Board of Directors may be renewed for a period not to exceed five (5) years per each renewal, such renewal to take effect upon the expiration of each five-year period.

For as long as the Bank participates in the programmes for the enhancement of the economy's liquidity of Law 3723/2008, the Bank may not purchase its own shares as per article 28 par. 2 of Law 3756/2009.

The Bank does hold any of its own shares.

i. The Bank has entered into no major agreement, which comes into effect, is amended or expires upon a change of control of the Bank following a public tender offer.

j. The Bank has entered into no agreement with the Board Directors or the staff, providing for compensation upon their resignation, or dismissal without just cause, or termination of tenure/employment, owing to a public tender offer, except in accordance with the law.

Athens, March 16, 2010

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

YANNIS S. COSTOPOULOS
I.D. No X 661480

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Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Report on the Financial Statements

We have audited the accompanying Consolidated Financial Statements of ALPHA BANK A.E. (the "Bank") which comprise the Balance Sheet as of 31 December 2009 and the Consolidated Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated financial position of the Bank as of 31 December 2009 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37, 43a and 107 of C.L. 2190/1920.

Athens, 29 March 2010

KPMG Certified Auditors A.E.

AM SOEL 114

Nick Vouniseas Certified Auditor Accountant AM SOEL 18701	Harry Sirounis Certified Auditor Accountant AM SOEL 19071

GROUP FINANCIAL STATEMENTS

Consolidated Income Statement

(Thousands of Euro)

	Note	From 1 January to 31.12.2009	From 1 January to 31.12.2008
Interest and similar income	2	3,874,672	4,406,935
Interest expense and similar charges	2	(2,112,073)	(2,608,333)
Net interest income	2	1,762,599	1,798,602
Fee and commission income		425,194	505,039
Commission expense		(46,371)	(40,625)
Net fee and commission income	3	378,823	464,414
Dividend income	4	2,646	2,591
Gains less losses on financial transactions	5	171,522	(6,848)
Other income	6	67,430	79,944
		241,598	75,687
Total income		**2,383,020**	**2,338,703**
Staff costs	7	(565,466)	(589,488)
General administrative expenses	8	(540,184)	(495,623)
Depreciation and amortization expenses	19, 20, 21	(91,765)	(88,949)
Other expenses		(4,482)	(4,256)
Total expenses		**(1,201,897)**	**(1,178,316)**
Impairment losses and provisions to cover credit risk	9	(676,343)	(541,751)
Share of profit/(loss) of associates	18	(2,963)	6,997
Profit before income tax		**501,817**	**625,633**
Income tax	10	(110,337)	(112,186)
Profit after income tax		**391,480**	**513,447**
Extraordinary tax (Law 3808/2009)	10	(42,403)	
Profit after income and extraordinary tax		**349,077**	**513,447**
Profit attributable to:			
Equity owners of the Bank		**349,814**	**512,067**
Minority interest		(737)	1,380
Earnings per share:			
Basic and diluted (€ per share)	11	0.64	1.15

The attached notes (pages 29 to 107) form an integral part of the consolidated financial statements.

Consolidated Balance Sheet

(Thousands of Euro)

	Note	31.12.2009	31.12.2008
ASSETS			
Cash and balances with Central Banks	12	2,514,664	3,450,947
Due from banks	13	6,408,155	2,829,970
Securities held for trading	14	70,600	81,135
Derivative financial assets	15	347,178	485,026
Loans and advances to customers	16	51,399,939	50,704,702
Investment securities			
- Available for sale	17	1,418,162	752,526
- Held to maturity	17	4,868,493	4,488,709
Investments in associates	18	50,715	59,260
Investment property	19	72,668	66,875
Property, plant and equipment	20	1,258,451	1,254,240
Goodwill and other intangible assets	21	178,109	159,961
Deferred tax assets	22	293,289	333,499
Other assets	23	599,984	549,299
		69,480,407	**65,216,149**
Non-current assets held for sale	24	115,640	53,805
Total Assets		**69,596,047**	**65,269,954**
LIABILITIES			
Due to banks	25	13,235,439	8,963,796
Derivative financial liabilities	15	603,932	805,346
Due to customers (including debt securities in issue)	26	42,915,694	42,546,777
Debt securities in issue held by institutional investors and other borrowed funds	27	5,148,875	7,241,185
Liabilities for current income tax and other taxes	28	108,487	128,062
Deferred tax liabilities	22	202,492	197,779
Employee defined benefit obligations	29	47,850	42,762
Other liabilities	30	1,304,862	1,350,287
Provisions	31	55,057	53,263
Total Liabilities		**63,622,688**	**61,329,257**
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	32	3,451,067	1,931,590
Share premium	33	406,867	
Reserves	34	239,253	188,404
Retained earnings	35	1,274,961	969,815
Treasury shares	36		(68,985)
		5,372,148	**3,020,824**
Minority interest		**17,424**	**32,567**
Hybrid securities	37	**583,787**	**887,306**
Total Equity		**5,973,359**	**3,940,697**
Total Liabilities and Equity		**69,596,047**	**65,269,954**

The attached notes (pages 29 to 107) form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Thousands of Euro)

	Note	From 1 January to 31.12.2009	31.12.2008
Profit after income tax, recognized in the income statement		**349,077**	**513,447**
Other comprehensive income recognized directly in Equity :			
Change in available for sale securities reserve	10	74,124	(221,647)
Exchange differences on translating foreign operations	10	(23,245)	(132,924)
Income tax	10	(17,010)	49,649
Total of other comprehensive income recognized directly in equity after income tax	10	**33,869**	**(304,922)**
Total comprehensive income for the fiscal year, after income tax		**382,946**	**208,525**
Total comprehensive income for the fiscal year attributable to:			
Equity owners of the Bank		**383,676**	**210,529**
Minority interest		(730)	(2,004)

The attached notes (pages 29 to 107) form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total
Balance 1.1.2008		**1,602,809**	**184,033**	**445,662**	**1,138,195**	**(188)**	**3,370,511**	**32,859**	**887,894**	**4,291,264**
Changes for the period 1.1 - 31.12.2008										
Profit for the fiscal year, after income tax					512,067		512,067	1,380		513,447
Other comprehensive income recognized directly in Equity, after income tax				(301,538)			(301,538)	(3,384)		(304,922)
Total comprehensive income for the fiscal year, after income tax				**(301,538)**	**512,067**		**210,529**	**(2,004)**		**208,525**
Share capital increase by capitalization of share premium and retained earnings	32, 33	328,781	(184,033)		(144,748)					
Expenses relating to the share capital increase					(2,204)		(2,204)			(2,204)
Purchases/sales and change of ownership interests in subsidiaries				(3,384)	(5,270)		(8,654)	2,244		(6,410)
Purchases/sales of treasury shares and hybrid securities					(57,789)	(68,797)	(126,586)		(588)	(127,174)
Dividends distributed to equity owners of the Bank and minority interest					(362,199)		(362,199)	(532)		(362,731)
Dividends paid to hybrid securities owners					(58,575)		(58,575)			(58,575)
Appropriation to reserves				47,664	(47,664)					
Other					(1,998)		(1,998)			(1,998)
Balance 31.12.2008		**1,931,590**		**188,404**	**969,815**	**(68,985)**	**3,020,824**	**32,567**	**887,306**	**3,940,697**

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total
Balance 1.1.2009		**1,931,590**		**188,404**	**969,815**	**(68,985)**	**3,020,824**	**32,567**	**887,306**	**3,940,697**
Changes for the period 1.1 - 31.12.2009										
Profit for the fiscal year, after income and extraordinary tax					349,814		349,814	(737)		349,077
Other comprehensive income recognized directly in Equity, after income tax				33,862			33,862	7		33,869
Total comprehensive income for the fiscal year, after income tax				**33,862**	**349,814**		**383,676**	**(730)**		**382,946**
Share capital increase with the issuance of preference shares acquired by the Greek State	32	940,000					940,000			940,000
Share capital increase through cash payment	32, 33	579,477	406,867				986,344			986,344
Expenses relating to the share capital increase, after income tax	35				(39,929)		(39,929)			(39,929)
Purchases/sales and change of ownership interests in subsidiaries					(5,402)		(5,402)	(14,032)		(19,434)
Purchases/sales of treasury shares and hybrid securities	36				71,641	68,985	140,626		(303,519)	(162,893)
Dividends distributed to equity owners of the Bank and minority interest								(381)		(381)
Dividends paid to hybrid securities owners					(53,887)		(53,887)			(53,887)
Appropriation to reserves				16,987	(16,987)					
Other					(104)		(104)			(104)
Balance 31.12.2009		**3,451,067**	**406,867**	**239,253**	**1,274,961**		**5,372,148**	**17,424**	**583,787**	**5,973,359**

The attached notes (pages 29 to 107) form an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

(Thousands of Euro)

	Note	From 1 January to 31.12.2009	31.12.2008
Cash flows from operating activities			
Profit before income tax		501,817	625,633
Adjustments for:			
Depreciation of fixed assets	19, 20	65,423	59,191
Amortization of intangible assets	21	26,342	29,758
Impairment losses from loans and provisions		781,516	614,490
Other adjustments		2,349	1,932
(Gains)/losses from investing activities		(174,282)	14,661
(Gains)/losses from financing activities		39,461	43,338
Share of (profit)/loss from associates		2,963	(6,997)
		1,245,589	**1,382,006**
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		531,864	(186,744)
Securities held for trading and derivative financial assets		148,383	83,319
Loans and advances to customers		(1,485,689)	(9,260,424)
Other assets		(52,282)	(162,254)
Net increase/(decrease) in liabilities relating to operating activities:			
Due to banks		4,271,643	4,520,683
Derivative financial liabilities		(202,264)	421,206
Due to customers		(1,571,057)	6,255,366
Other liabilities		(65,578)	(11,238)
Net cash flows from operating activities before taxes		**2,820,609**	**3,041,920**
Income taxes and other taxes paid		(136,200)	(153,537)
Net cash flows from operating activities		**2,684,409**	**2,888,383**
Cash flows from investing activities			
Acquisitions of subsidiaries and associates	45g, 45k	(7,855)	(10,900)
Increase of ownership interests in subsidiaries and associates		(13,410)	(129,650)
Proceeds from sale of investments in subsidiaries and associates			1,840
Dividends received	4	2,646	2,591
Purchase of fixed and intangible assets		(200,135)	(225,253)
Disposal of fixed and intangible assets		16,440	27,492
Net (increase)/decrease in investment securities		143,152	(2,394,454)
Net cash flows from investing activities		**(59,162)**	**(2,728,334)**
Cash flows from financing activities			
Share capital increase	32, 33	986,344	
Expenses relating to the share capital increase		(53,240)	(2,204)
Dividends paid		(982)	(361,094)
(Purchases)/sales of treasury shares		71,495	(122,140)
Debt issue		1,024,832	100,000
Repayment of debt securities		(1,156,000)	(410,965)
Expenses of debt issuance		(12,630)	
(Purchases)/sales of hybrid securities		(234,387)	(210)
Dividends paid to hybrid securities owners		(53,887)	(58,575)
Net cash flows from financing activities		**571,545**	**(855,188)**
Effect of exchange rate fluctuations on cash and cash equivalents		**(23,245)**	**(83,256)**
Net increase /(decrease) in cash and cash equivalents		**3,173,547**	**(778,395)**
Cash and cash equivalents at the beginning of the fiscal year	12	**3,013,636**	**3,792,031**
Cash and cash equivalents at the end of the fiscal year	12	**6,187,183**	**3,013,636**

The attached notes (pages 29 to 107) form an integral part of the consolidated financial statements.

Notes to the Group Financial Statements

GENERAL INFORMATION

The Alpha Bank Group, which includes companies in Greece and abroad, offers the following services: corporate and retail banking, financial services, investment banking and brokerage services, insurance services, real estate management, hotel activities.

The parent company of the Group is ALPHA BANK A.E. which operates under the brand name of ALPHA BANK. The Bank's registered office is 40, Stadiou Street, Athens and it is listed as a societe anonyme with registration number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, Community, foreign) maybe in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

In the context of Bank's participation to the requirements of Law 3723/2008, referring to the enhancement of economy's liquidity, the extraordinary General Meeting of Shareholders held on 12.1.2009 approved the following:

- The alteration of the number of members of the Bank's Board of Directors and the modification of Article 7 of the Articles of Incorporation.
- The election of a representative of the Greek State, as a member of the Board of Directors in accordance with the above Law and conditional upon the participation of the Greek State in Bank's share capital.

Following to the above, the decision of the Minister of Economy and Finance has appointed Mr. George I. Mergos as a Greek State representative to Bank's Board of Directors.

Therefore the Board of Directors as at 31 December 2009 consist of:

CHAIRMAN (Executive Member)
Yannis S. Costopoulos

VICE CHAIRMAN (Non-Executive Independent Member)
Minas G. Tanes***

EXECUTIVE MEMBERS

MANAGING DIRECTOR
Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS
Marinos S. Yannopoulos (CFO)***
Spyros N. Filaretos (COO)
Artemis Ch. Theodoridis

NON-EXECUTIVE MEMBERS
Sophia G. Eleftheroudaki
Paul G. Karakostas*
Nicholaos I. Manessis **
Ioanna E. Papadopoulou

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis *
Pavlos A. Apostolides **
Thanos M. Veremis
Evangelos J. Kaloussis */***
Ioannis K. Lyras**

NON-EXECUTIVE MEMBER (in accordance to the requirements of Law 3723/2008)

George I. Mergos

SECRETARY

Hector P. Verykios

The term of the Board of Directors ends in 2010, except for the Greek State's representative whose term ends as stated in Law 3723/2008.

The Ordinary General Meeting of Shareholders held on 23.6.2009, has appointed as auditors of the semi annual and year end financial statements for 2009 the following:

Principal Auditors:	Nikolaos E. Vouniseas
	Charalambos G. Sirounis
Substitute Auditors:	Nikolaos Ch. Tsiboukas
	John A. Achilas

of KPMG Certified Auditors A.E.

The Bank's shares have been listed in the Athens Stock Exchange since 1925. As at 31 December 2009 Alpha Bank was ranked fifth in terms of market capitalization. The Bank is included in a series of international indices, such as S&P Europe 350, FTSE Med 100, DJ Euro Stoxx and FTSE4 Good.

Apart from the Greek listing, the shares of the Bank are listed in the London Stock Exchange in the form of international certificates (GDR's) and they are traded over the counter in New York (ADR's).

As at 31 December 2009 the Bank has 534,269,648 ordinary and 200,000,000 preference shares in issue (note 32).

During 2009 an average of 2,110,873 shares has been traded daily.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: A2
- Fitch Ratings: BBB+ (from 23.2.2010: BBB)
- Standard & Poor's: BBB

The financial statements have been approved by the Board of Directors on March 16, 2010.

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

These consolidated financial statements relate to the fiscal year 1.1 – 31.12.2009 and they have been prepared:

a) in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and

b) on the historical cost basis except for the following assets and liabilities which were measured at fair value:

- Securities held for trading
- Derivative financial instruments
- Available-for-sale securities

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The estimates and judgments applied by the Group companies in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate.

The estimates and assumptions are reviewed on an ongoing basis to take into account current conditions, and the effect of any revisions is recognized in the period in which the estimate is revised.

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2008 and 2009, after taking into account the following new International Accounting Standards and the amendments of International Accounting Standards as well as the new interpretations and their amendments issued by the International Accounting Standards Board (IASB) and adopted by the European Union and which are effective for annual periods beginning on or after 1.1.2009:

- **Amendment of International Accounting Standard 1** «Presentation of financial statements» (Regulation 1274/17.12.2008)

  On 6.9.2007, the International Accounting Standard Board (IASB) published the revised version of IAS 1 which introduces changes in the presentation of financial statements. The adoption of this amendment by the Group resulted in the following changes:

  i. Preparation of an additional statement which includes the items of income and expense which are recognised either in the income statement or directly in equity (statement of comprehensive income).

  ii. The statement of changes in equity includes only the changes resulting from transactions with owners.

  iii. Disclosures are provided in the statement of comprehensive income and in the notes concerning the reclassification adjustments relating to components of other comprehensive income and the income tax relating to each component of other comprehensive income.

- **International Financial Reporting Standard 8** «Operating Segments» (Regulation 1358/21.11.2007)

  This standard replaces IAS 14 «Segment Reporting» and introduces changes in the definition of the operating segments, in the measurement of their financial data and in their presentation in the financial statements.

  The adoption of the standard did not have any impact on the presentation of the segment reporting in the Group's financial statements.

- **Amendment of International Accounting Standard 23** «Borrowing costs» (Regulation 1260/10.12.2008)

  On 29 March 2007, the Board issued the revised IAS 23, which removes the option to expense directly borrowing costs attributable to the acquisition of assets that require a substantial period of time to be ready for use or sale. Such borrowing costs are capitalized as part of the cost of the asset.

  Its adoption did not have a significant impact on the Group's financial statements.

- **Amendment of International Financial Reporting Standard 2** «Share based payments» (Regulation 1261/16.12.2008)

  This amendment issued on 17 January 2008 clarifies that the vesting conditions are distinguished to:

i. Service conditions which are further distinguished to:
   - vesting conditions that require to complete a specified period of service and
   - conditions that require performance targets

ii. Conditions that are not related to service.

In addition, for each of the above categories, the amendment defines when non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment as well as the respective accounting treatment.

The adoption of this amedment by the European Union and the implementation by the Group did not have a significant impact on the Group's financial statements.

- **Amendment of International Accounting Standard 32** «Financial instruments: Presentation» and IAS 1 «Presentation of Financial Statements» (Regulation 53/21.1.2009)

  With the implementation of the above amendment, issued on 14 February 2008, financial instruments that give the holder of the financial instrument the right to require the issuer to repurchase or repay the financial instruments may be classified as equity if certain conditions are met. A similar classification, under certain conditions, is also possible for financial instruments where the holder is entitled to a pro-rata share of the net assets of the entity only on liquidation. This amendment requires additional disclosures on the financial statements.

  Its adoption did not have a significant impact on the Group's financial statements.

- **Amendment of International Accounting Standard 27 •** «Consolidated and Separate Financial Statements» and the **International Financial Reporting Standard 1** «First Time Adoption of International Financial Reporting Standards» regarding the cost of an investment in a subsidiary, associate and jointly controlled entity (Regulation 69/23.1.2009).

  With this amendment, issued by the Board on 22 May 2008, the cost of an investment in a subsidiary, associate or joint venture in the investor's separate financial statements will not be adjusted for distributions of profits relating to periods prior to acquisition. These profit appropriations will be accounted in the income statement as dividend income. This amendment also made changes to IAS 36 "Impairment of Assets", where indications of impairment on investments were included, based on the effect of dividend distribution on equity.

  With regards to the first time adopters of IFRS and in order to facilitate the issuance of financial statements, options are given on the cost measurement of an investment in a subsidiary, associate and jointly controlled entity based on either their fair value at the date of transition or their previous GAAP carrying amount.

  Its adoption did not have a significant impact on the Group's financial statements.

- **Amendment of International Financial Reporting Standard 7** «Financial Statements: Disclosures» (Regulation 1165/27.11.2009).

  On 5.3.2009, the International Accounting Standards Board (IASB) issued the amendment of IFRS 7. The revised document requires enhanced disclosures about fair value measurements and liquidity risk. In particular, a classification of each class of financial instruments measured at fair value in the statement of financial position is required for disclosure purposes. Financial instruments are classified in three levels based on the inputs used in making the fair value measurements.

  - level 1 inputs: quoted prices (unadjusted) in active markets.
  - level 2 inputs : directly or indirectly observable inputs for the asset or the liability, other than those included within level 1.
  - level 3 inputs: inputs for the asset or liability that are not based on observable market data, but on the entity's assumptions.

  In addition, the above amendment induces changes with regards to the disclosures for the liquidity risk and in particular with regards to the maturity analysis of financial liabilities.

  The application of the amendment by the Group had as a result the preparation of additional disclosures on the financial statements.

- **Amendment of International Accounting Standard 39** «Reclassification of Financial Assets: Effective Date and Transition» (Regulation 824/9.9.2009).

With the above amendment, which was issued on 27.11.2008, clarifications are provided regarding the effective date and transition of the amendment of IAS 39 for the reclassification of the financial assets, which was issued on 13.10.2008.

The adoption of this amendment by the Group did not have an impact on the Group's financial statements

- **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and Measurement» and of **Interpretation 9** «Reassessment of Embedded Derivatives» (Regulation 1171/30.11.2009).

  The above amendment, which was issued on 12.3.2009, clarifies the accounting treatment of the embedded derivatives when a hybrid instrument is reclassified out of the fair value through profit or loss category. According to the above amendment, an entity shall assess whether an embedded derivative is required to be separated from the host contact when the entity first becomes a party to the contact. Subsequent reassessment is prohibited unless there is either:

  i. a change in the terms of the contact that significantly modifies the cash flows that otherwise would be required under the contact or

  ii. a reclassification of a financial asset out of the fair value through profit or loss category.

  The adoption of this amendment did not have an impact on the Group's financial statements.

- **Improvements to International Accounting Standards** (Regulation 70/23.1.2009)

  As part of the improvements project the International Accounting Standards Board issued on 22 May 2008, certain, non urgent but necessary amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2009, with the exception the amendment of IFRS 5 which is effective for period beginning on or after 1.7.2009.

  The adoption of these improvements did not have a significant impact on the Group's financial statements.

- **Interpretation 12** • «Service concession arrangements» (Regulation 254/25.3.2009)

  The interpretation, issued on 30 November 2006, clarifies issues relating to the recognition and valuation of assets arising from service concession agreements of public infrastructure.

  This interpretation does not apply to the Group's activities.

- **Interpretation 13** • «Customer loyalty programs» (Regulation 1262/16.12.2008)

  This interpretation, issued on 28 June 2007, addresses the accounting of customer loyalty programs offered by entities to customers as an incentive to increase sales or revenues. In particular, it states that the value of credits awarded to customers must be separated from the initial sale and be recognized as revenue when the credits are redeemed. In cases where the entity collects amounts on behalf of third parties who grant reward points to the entity's customers, these should be accounted for as a liability to third parties.

  The adoption of this interpretation did not have a significant impact on the Group's financial statements.

- **Interpretation 15** «Agreements for the construction of real estate» (Regulation 636/22.7.2009)

  This interpretation, issued on 3 July 2008, provides guidance on how to determine whether an agreement for the construction of real estate or agreements with buyers before the completion of real estate construction is within the scope of IAS 11 (construction contracts) or IAS 18 Revenue (as contracts to provide services or sell goods).

  The adoption of this interpretation did not have any impact on the Group's financial statements.

- **Interpretation 16** «Hedges of a net investment in a foreign operation» (Regulation 460/4.6.2009)

  This interpretation, issued on 3 July 2008, provides clarifications regarding the application of hedge accounting of the net investment in a foreign operation which has different functional currency from that of the parent.

  This interpretation did not have a significant impact on the Group's financial statements.

Apart from the above Standards and Interpretations, the European Union adopted the following standards and interpretations, which are effective for annual periods beginning after 1.1.2009 and which have not been early adopted by the Group.

- **Amendment of International Accounting Standard 27** «Consolidated and Separate Financial Statements» and **International Financial Reporting Standard 3** «Business combinations» (Regulations 494-495/3.6.2009)

Effective for annual periods beginning on or after 1.7.2009

The main changes from the amended standards issued on 10 January 2008 are summarized as follows:

i. in cases of changes in ownership interests of subsidiaries with which control is obtained or lost, the value of the investment existed prior to the change of ownership interest or the remaining ownership interest, should be measured at fair value with changes recognized in profit and loss account.

ii. Upon initial recognition non-controlling interest might be measured at fair value. In addition non-controlling interest should absorb the total losses incurred attributable to their interest.

iii. Any contingent consideration of an entity is recognized as a liability and measured at fair value.

iv. Costs incurred by the acquirer are not included in the cost of a business combination but are expensed.

Finally, changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Group has already implemented the above accounting treatment.

Amendment of International Financial Reporting Standard 1 «First time adoption of International Financial Reporting Standards» (Regulation 1136/25.11.2009)

Effective for annual periods beginning on or after 1.7.2009.

On 27 November 2008 IASB published a revised edition with changes in the structure of this standard. The purpose of this change was to improve information and to facilitate implementation of future amendments.

The above amendment does not apply to the Group's financial statements.

- **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and Measurement» concerning eligible hedged items (Regulation 839/15.9.2009)

  Effective for annual periods beginning on or after 1.7.2009

  This amendment, issued on 31 July 2008, provides clarifications regarding the application of hedge accounting. It is clarified that in a fair value hedge or a cash flow hedge the following can be designated as hedged items:

  i. The partial change in fair value or cash flows of financial instruments

  ii. The change in cash flows related to inflation (under conditions)

  iii. The increase or decrease of cash flow or fair value in relation to a specific reference value (one-sided risk).

  The Group is examining whether there will be an impact from the adoption of the above amendment on the financial statements.

- **Amendment of International Accounting Standard 32** «Classification of Rights Issues» (Regulation 1293/23.12.2009)

  Effective for annual periods beginning on or after 1.2.2010

  According to the above amendment, which was issued on 8.10.2009, financial instruments that give their holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency should be classified as equity instruments, provided the entity offers this right pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

  The Group evaluates the potential effects of this amendment.

- **Interpretation 17** «Distribution of non-cash assets to owners» (Regulation 1142/26.11.2009)

  Effective for annual periods beginning on or after 1.7.2009

  This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners.

  The Group evaluates the potential effects of this interpretation.

- **Interpretation 18** • «Transfer of assets from customers» (Regulation 1164/27.11.2009)

  Effective for annual periods beginning on or after 1.7.2009

  This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above.

  This interpretation does not apply to Group activities.

In addition, the International Accounting Standards Board (IASB) has issued the following standards and interpretations which have not yet been adopted by the European Union and they have not also been early adopted by the Group.

- **International Financial Reporting Standard 9 •** «Financial Instruments»

  Effective for annual periods beginning on or after 1.1.2013

  On 12 November 2009, IFRS 9: «Financial Instruments» was issued by the International Accounting Standards Board. The new standard was issued as part of the first phase of the project for the replacement of IAS 39; therefore, the scope of the first phase is the classification and measurement of financial assets. According to the new standard, financial instruments should be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

  i. The entity's business model for managing the financial assets and

  ii. The contractual cash flow characteristics of the financial asset

  In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to the embedded derivatives, If the hybrid contact contains a host that is within the scope of this IFRS, the embedded derivative should not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

  The Group evaluates the potential effects of this standard.

  Amendments of International Financial Reporting Standard 1 «Additional Exemptions for First-time Adopters» and «Limited Exemption from Comparative IFRS7 Disclosures for First-time Adopters»

  On 23.7.2009 an amendment of IFRS 1 was issued, effective for annual periods beginning on or after 1.1.2010, with which the following exemptions are induced for first-time adopters:

  i. Entities are allowed not to reassess the determination of whether an arrangement contains a lease if the same assessment as that required by IFRIC 4 was made under previous GAAP and

  ii. Entities, in the oil and gas industry, are allowed to use their previous GAAP carrying amounts as deemed cost at the date of transition for oil and gas assets.

  In addition, on 28.1.2010, a new amendment of IFRS 1 was issued, effective for annual periods beginning on or after 1.7.2010, with which first-time adopters are permitted to use the same transition provisions, permitted for existing prepares of financial statements prepared in accordance with IFRSs, with regards to additional disclosures required by the amendment of IFRS 7, issued on 5.3.2009.

  These amendments do not apply to the Group financial statements.

- **Amendment of International Financial Reporting Standard 2 •** «Share-based payments-Group cash settled share-based payment transactions»

  Effective for annual periods beginning on or after 1.1.2010

  The aim of this amendment, which was issued on 18.6.2009, is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

  In particular, according to the amendment, an entity shall apply IFRS 2 in accounting for all share-based payment transactions, whether or not the entity can identify specifically some or all of the goods or services received. In addition, it is clarified that IFRS 2 should be applied for the accounting of share-based payment transactions which are settled by another group entity or a shareholder of any group entity on behalf of the entity receiving or acquiring the goods or services. The standard should be applied for both the entity which receives the goods or services and the entity which has the obligation to settle the transaction.

  The Group evaluates the potential effects of this amendment.

- **Amendment of International Accounting Standard 24** «Related Party Disclosures»

  Effective for annual periods beginning on or after 1.1.2011

  The revised IAS 24 amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.

  The Group evaluates the potential effects of this amendment.

- **Improvements to International Accounting Standards**

  As part of the improvements project, the International Accounting Standards Board issued, on 16 April 2009, certain amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2010.

  The adoption of these improvements is not expected to have a significant impact on the Group's financial statements.

- **Amendment of Interpretation 14** «Prepayment of a Minimum Funding Requirement»

  Effective for annual periods beginning on or after 1.1.2011

  The aim of this amendment is to remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than as an expense.

  The adoption of the amendment is not expected to have a significant impact on the Group's financial statements.

- **Interpretation 19** «Extinguishing Financial Liabilities with Equity Instruments»

  Effective for annual periods beginning on or after 1.7.2010

  According to IFRIC 19, which was issued on 26.11.2009, the issue of an entity's equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with IAS 39. The equity instruments issued to a creditor to extinguish all or part of a financial liability should be measured, at initial recognition, at the fair value, unless that fair value cannot be reliably measured. If only part of the financial liability is extinguished, the entity shall assess whether some of the consideration paid relates to a modification of the terms of the liability that remains outstanding. If part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the consideration paid shall be recognised in profit or loss. It should be noticed that the above Interpretation should be applied only in cases of renegotiation of the terms of the contract and not in the cases that the possibility to settle financial liabilities through the issuance of equity instruments is available in the original contact.

  The Group evaluates the potential effects of this interpretation.

1.2 Basis of consolidation

The consolidated financial statements include the parent company Alpha Bank, its subsidiaries, associates and joint ventures. The financial statements used to prepare the consolidated financial statements have been prepared as of 31.12.2009 and the accounting policies applied in their preparation, when necessary, were adjusted to ensure consistency with the Group accounting policies.

a. Subsidiaries

Subsidiaries are entities controlled, directly or indirectly, by the Bank. The Group assesses control based on voting rights which are presently excercisable and the power to govern the financial and operating policies of the entities. The financial statements of subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

Special purpose entities are consolidated when the substance of the relationship between the Bank or its subsidiaries and the entity indicates that the entity is controlled by the Bank or its subsidiaries. In assessing control, besides voting rights and the power to govern the financial and operating policies, the following circumstances may indicate a relationship in which, in substance, the Group controls the SPE:

i. the activities of the SPE are being conducted on behalf of the Group according to its specific business needs so that the Group obtains benefits from the SPE's operation,

ii. the Group has the decision-making powers to obtain the majority of the benefits of the activities of the SPE,

iii. the Group has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE.

iv. the Group retains the majority of the residual or ownership risk related to the SPE or its assets in order to obtain benefits from its activities.

The Group, based on voting rights or the above mentioned circumstances, controls special purposes entities which were set up to accommodate the securitization of financial assets and the issuance of debt.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. When the cost of acquisition exceeds the fair value of the Group's share of the identifiable net assets acquired, the excess is recorded as goodwill and is tested for impairment annually. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

When the Group's interest in a subsidiary increases as a result of an acquisition, the difference between the consideration paid and the share of net assets acquired is recognized directly in retained earnings.

Sales of ownership interests in subsidiaries that do not result in a loss of control for the Group, are accounted for as equity transactions and the gain or loss arising from the sale is recognized directly in retained earnings.

b. Associates

Associates are entities over which the Group has significant influence but not control. Significant influence is generally presumed to exist when the Group holds, directly or indirectly, between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate.

The Group's share of the associate's profit or loss and other comprehensive income is separately recognized in the income statement and in the statement of comprehensive income, accordingly.

c. Joint ventures

According to IAS 31, joint ventures are those entities over whose activities, the Group has joint control, established by contractual agreement whereby two or more parties undertake an economic activity.

In the consolidated financial statements the Group's interests in joint ventures are accounted for using the proportionate consolidation method.

Inter company transactions are eliminated, unless the transaction provides evidence of impairment of the asset transferred, in which case, it is recognized in the consolidated balance sheet.

A detailed list of all Group subsidiaries, associates and joint ventures, as well as the Group's ownership interest in them, is provided in note 39.

1.3 Segment reporting

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of recourses between the Group's operating segments and the assessment of their performance.

Based on the above, as well as the Group's administrative structure and activities, the following operating segments have been determined:

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- South Eastern Europe
- Other

Since the Group operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:

- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 40.

1.4 Transactions in foreign currency and translation of foreign operations

a. Transactions in foreign currency

The consolidated financial statements are presented in Euro, which is the functional currency and the currency of the country of incorporation of the parent company Alpha Bank.

Items included in the financial statements of the subsidiaries are measured using the currency of the country of incorporation or the currency of the primary economic environment in which the company operates or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency of each subsidiary at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

b. Translation of foreign operations

The financial statements of all group entities that have a functional currency that is different from the presentation currency of the Group financial statements are translated as follows:

i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.

ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange difference from the retranslation and those arising from other monetary items designated as a part of the net investment in the entity are recorded in equity. When a foreign subsidiary is sold, the exchange differences are recognized in the income statement as part of the gain or loss on sale.

1.5 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents consists of:

a. Cash on hand

b. Non-restricted placements with Central Banks and

c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances due from banks are amounts that mature within three months of the balance sheet date.

1.6 Classification and measurement of financial instruments

Initial recognition

The Group recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Upon initial recognition the Group measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Subsequent measurement of financial assets

The Group classifies its financial assets as:

• Loans and receivables

• Held-to-maturity investments

• Financial assets at fair value through profit or loss

• Available-for-sale financial assets

For each of the above categories the following apply:

a) Loans and receivables

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market can be classified as loans and receivables. The Group has classified the following as loans and receivables:

i. loans to customers

ii. amounts paid to acquire a portion or the total of series of bonds that are not quoted in an active market

iii. all receivables from customers, banks etc.

This category is measured at amortized cost using the effective interest rate method and is periodically tested for impairment based the procedures described in note 1.13.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date, so that the present value of cash flows is equal to the carrying amount of the financial instrument including fees or transaction costs.

b) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold until maturity can be classified as Held-to-maturity investments.

The Group has classified bonds and other debt securities in this category.

Held-to-maturity investments are measured at amortized cost using the effective interest rate method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the present value of the estimated future cash flows discounted at the original effective interest rate, and the difference is recognised in profit and loss.

c) Financial assets at fair value through profit or loss

Financial assets included in this category are:

i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

   The Group has included in this category bonds, treasury bills and a limited number of shares.

ii. Financial assets the Group designated, at initial recognition, as at fair value through profit and loss.

This classification is used in the following circumstances:

- When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
- When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortized cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through the profit or loss).
- When the financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Group had not designated any financial assets as at fair value through profit and loss.

d) Available-for-sale

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

The Group has included in this category bonds, debt securities, shares and mutual fund units.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity, are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. In case of impairment, the cumulative loss already recognised in equity, is reclassified in profit and loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss if it can objectively be related to an event occurring after the impairment loss was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit and loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.7. apply.

Reclassification of financial assets

Reclassification of non-derivative financial assets is permitted as follows:

i. Reclassification out of the held-for-trading category to the loans and receivable category, investments held-to-maturity category or available-for-sale category is permitted only in rare circumstances and the financial assets are no longer held for sale in the foreseeable future.

ii. Reclassification out of the held-for-trading category to either loans and receivables, or available-for-sale is permitted only if the financial assets meet the definition of loans and receivables and there is the intention to hold them for the foreseeable future or until maturity.

iii. Reclassification out of the available-for-sale category to the loans and receivables category, is permitted for financial assets that would have met the definition of loans and receivables and the entity has the intent to hold the financial asset for the foreseeable future or until maturity.

iv. Reclassification out of the available-for-sale category to the held-to-maturity category, is permitted for financial assets that meet the relevant characteristics and the entity has the intent and ability to hold that financial asset until maturity.

Reclassification out of the held-to-maturity category to other categories is not permitted. Any sale or reclassification of a more than insignificant amount of held-to-maturity investment would result in the reclassification of all held-to-maturity investments as available-for-sale. This would prohibit the classification of any securities as held for maturity for the current and the following two financial years.

Permitted reclassifications of the above categories iii (further analyzed in note 16) and iv have been made by the Group.

Derecognition of financial assets

The Group derecognizes financial assets when:

- the cash flows from the financial assets expire.
- when it transfers the contractual right to receive the cash flows of the financial assets and at the same time it transfers both risks and rewards of ownership.
- when loans or investments in securities are no longer recoverable and consequently written off.

In the case of transactions, where despite the transfer of the contractual right to recover the cash flows from financial assets, both the risk and rewards remain with the Group no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Group in such transactions are discussed further in notes 1.19 and 1.20.

In the case of transactions, whereby the Group neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Group's continuing involvement. If the Group does not retain control of the assets then they are derecognised, and in their position the Group recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

Subsequent measurement of financial liabilities

The Group classifies financial liabilities in the following categories for measurement purposes:

a) Financial liabilities measured at fair value through profit or loss

i. This category includes financial liabilities held for trading, that is:

  - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or

- derivatives not used for hedging purposes.

Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measurement according to the principles set out in note 1.7.

ii. this category also includes financial liabilities which are designated by the Group as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).

The Group has not designated, upon initial recognition, any financial liabilities as at fair value through profit or loss.

b) Financial liabilities carried at amortized cost

The liabilities classified in this category are measured at amortized cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Group and other loan liabilities are classified in this category.

If cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.7.

Derecognition of financial liabilities

The Group derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expire.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only in cases when the Group has both the legal right and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

1.7 Derivative financial instruments and hedge accounting

Derivative financial instruments

Derivatives are financial instruments that upon inception have a minimal or zero value that subsequently changes in accordance with a particular underlying instrument (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In the cases when derivatives are embedded in other financial instruments, such as bonds, loans, deposits, borrowed funds etc and the host contract is not itself carried at fair value through profit or loss, then they are accounted for as separate derivatives when the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. These embedded derivatives are measured at fair value and are recognized as derivative assets or liabilities.

In the cases where derivatives are embedded in financial instruments that are measured at fair value through profit or loss, the changes in the fair value of the derivative are included in the fair value change of the combined instrument and recognized in gains less losses on financial transactions.

The Group uses derivatives as a means of exercising Asset-Liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Group uses derivatives for trading purposes to exploit short-term market fluctuations, within the Group risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions.

When the Group uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction, and that the effectiveness of the hedge is monitored on an ongoing basis at each balance sheet date.

We emphasize the following:

a. Synthetic Swaps

The parent company (Alpha Bank), in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY with a simultaneous forward purchase of JPY to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, foreign exchange differences and other gains less losses on financial transactions.

b. FX Swaps

These types of swaps are entered into primarily to hedge the exposures arising from customer loans and deposits.

As there is no documentation to support hedge accounting they are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest, foreign exchange differences, in order to match with the interest element resulting from the deposits and loans, and other gains less losses on financial transactions.

Hedge accounting

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied.

Documentation of the hedge relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and it is repeated at each reporting date.

a. Fair value hedges

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged. Changes in the fair value of both the hedging instrument and the hedged item in respect of the specific risk being hedged are recognized in the income statement.

When the hedge relationship no longer exists, the hedged items are remeasured based on the classification and valuation principles set out in note 1.6.

Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used, up to the point that the hedge relationship ceases to be effective, is amortized to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Group uses interest rate swaps (IRS's) to hedge risks relating to borrowings, bonds, loans and fixed rate term deposits.

b. Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective portion is recognized in profit or loss. The accounting treatment of the hedged item does not change.

There were no instances that would require cash flow hedge accounting.

c. Hedges of net investment in a foreign operation

The Group uses foreign exchange derivatives or borrowings to hedge foreign exchange risks arising from investment in foreign operations.

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

1.8 Property, plant and equipment

This caption includes: land, buildings used by branches or for administrative purposes, additions and improvements of leased property and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directed attributable to the acquisition of the asset.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

• Buildings: up to 50 years.

• Additions to leased fixed assets and improvements: duration of the lease.

• Equipment and vehicles: 3 to 50 years.

Land is not depreciated but it tested for impairment.

The right to use of land for indefinite period that is held by Alpha Real Estate D.O.O. Belgrade, a subsidiary of the Group, is recorded as land and is not depreciated.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

1.9 Investment property

The Group includes in this category buildings or portions of buildings together with their respective portion of land that is held to earn rental income.

Investment property is measured at cost, which includes all expenditures directly attributable to the acquisition.

After initial recognition investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method, are the same as those applied to property, plant and equipment.

1.10 Goodwill and other intangible assets

Goodwill

Goodwill represents the difference between the cost of an acquisition and the fair value of the net identifiable assets of an entity acquired, as at the acquisition date.

Positive goodwill arising from acquisitions after 1/1/2004 is recorded to "Goodwill and other intangible assets" if it relates to the acquisition of a subsidiary. Goodwill on acquisitions of associates is included in "Investment in associates".

At the end of each fiscal year recognized goodwill is tested for impairment.

Negative goodwill is recognized in profit or loss.

Other intangible assets

The Group has included in this caption:

a) Intangible assets (deposit base, relationships with customers and brand name) which were recognized from the acquisition of the Serbian Bank Jubanka A.D. Beograd (currently Alpha Bank Srbija A.D.) in accordance with IFRS 3.

The intangible assets are carried at cost less accumulated amortization. The amortization is charged over the estimated useful life of each asset which is as follows:

• Deposit base and customer relationships: 6 years

• Brand name: 2 years

b) Software is carried at cost less accumulated amortization. Amortization is charged over the estimated useful life of software which the Group has estimated between 3 to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred.

c) Brand names and other rights are carried at cost less accumulated amortization. The amortization is charged over the estimated useful life which the Group has estimated to 5 years.

Intangible assets are measured at cost less accumulated amortization calculated using the straight line method, excluding those with indefinite useful life, which are not amortized. All intangible assets are tested for impairment.

No residual value is estimated for intangible assets.

1.11 Leases

The Group enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Group is the lessor

i. Finance leases:

For finance leases where the Group is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments, and the aggregate amount of lease payments, is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.13.

ii. Operating leases:

When the Group is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

b) When the Group is the lessee

i. Finance leases:

For finance leases, where the Group is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if this is not available the Group's borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Group is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

ii. Operating leases:

For operating leases, the Group as a lessee does not recognize the leased asset but charges in general administrative expenses, the lease payments on an accrual basis.

1.12 Insurance activities

a) Insurance reserves

The insurance reserves are the current estimates of future cash flows arising from insurance life and non-life contracts.

The reserves consist of:

i. Mathematical reserves

The insurance reserves for the term life contracts (e.g. term, comprehension, investment) are calculated on actuarial principles using the present value of future liabilities less the present value of premiums to be received.

The calculations are based on technical assumptions (mortality tables, interest rates) in accordance with the respective supervisory authorities on the date the contract was signed.

If the carrying amount of the insurance reserves is inadequate, the entire deficiency is provided for.

ii. Unearned premiums reserves

They represent part of net premiums earned which cover proportionally the period from the balance sheet date to the termination of the period the net premium covers.

iii. Outstanding claims reserves

They concern liabilities on claims occurred and reported but not yet paid at the balance sheet date. These claims are determined on a case-by-case basis based on existing information (loss adjustors' reports, doctors' reports, court decisions etc) at the balance sheet date.

Provisions are also determined for claims incurred but not reported at the balance sheet date (IBNR), the calculation of these provisions is based on the estimated average cost of claim.

iv. Reserves for investments held on behalf and at risk of the insurance policy holders

These reserves are accounted for as assets and liabilities at the current value of the associated investments.

b) Revenue recognition

Revenue from life and non-life insurance contracts is recognized when it becomes payable.

c) Reinsurance

The reinsurance premiums ceded and the respective ceded portion of the insurance reserves follow the terms of the relevant reinsurance agreements.

d) Distinction of insurance products

In accordance with IFRS 4 contracts that do not transfer significant insurance risk are characterized as investment and/or service contracts, and their accounting treatment is covered by IAS 32 and IAS 39 for financial instruments, and IAS 18 for revenue.

Based on the above the following were separated from insurance services:

i. The individual unit-linked contracts with zero insured capital,

ii. Group pension fund contracts under unit-linked management,

iii. Group contract services provided for which the Group acts as intermediate (e.g. motor assistance and accident care).

e) Liability adequacy test

In accordance with IFRS 4 an insurer shall assess at each reporting date whether its recognized insurance reserves are adequate less deferred acquisition costs to cover the risk arising from the insurance contracts.

If that assessment shows that the carrying amount of its insurance reserves is inadequate, the entire deficiency is recognized against profit or loss.

The methodology applied for life insurance was based on current estimates of all future cash flows from insurance contracts and of related handling costs. These estimates were based on assumptions representing current market conditions and regarding mortality, cancellations, future changes and allocation of administrative expenses, medical inflation relating to medical changes and the discount rate. The guaranteed return included in certain insurance contracts has also been taken into account in estimating cash flows.

For the liability adequacy test of claims reserves, the triangulation method (chain-ladder/link ratio) was used which is based on the assumption that the proportional relation occurred in past years between the amounts of cumulative claims (paid and outstanding) will be repeated in the future. Data of the last five years were used for the calculation of the relevant test.

1.13 Impairment losses on loans and advances

The Group assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

a. Establishment of events that provide objective evidence that a loan is impaired (trigger events)

The loans and advances with payment of interest or principal overdue by more than 90 days represent the majority of the loans which are tested for impairment by the Group.

In addition an impairment test may be performed for accounts with delays less than 90 days, or accounts with no delay when:

i. procedures for forced recovery and settlement of debts, with more burdensome conditions on the Group, have been initiated or

ii. the Group has information that indicates that the financial position of the borrower is deteriorating (reduced sales, gross margins, profit etc.) or other events (bankruptcy filing, extra-ordinary events such as floods, fire, etc at the installations of the borrower) which occurred after the date of initial recognition and which are considered to affect the ability of the borrower to adhere to the agreed repayment schedule.

Finally, an impairment test is performed on loans and advances granted to sectors of the economy or geographical regions which are experiencing problems that arose after the date of initial recognition of the loans.

b. The criteria of assessment on an individual or collective basis

The outstanding balance is the basic factor in determining whether the assessment of impairment will be performed on an individual basis or on a collective basis.

In determining the amount for each entity of the Group numerous factors are considered such as the composition of the loan portfolio, the specific circumstances of the market and experience obtained from the management of the portfolio.

More specifically for the Group's parent company Alpha Bank the separation point is the amount of € 1 million.

c. Establishment of groups of assets with similar risk characteristics

In those instances whereby based on the amount outstanding the assessment of impairment is performed on a collective basis of assets with similar risk characteristics, with respect to credit risk, the collective groups were determined as follows:

i. buckets arising from ageing analysis of loans and advances to customers.

ii. the type of loan (consumer, credit cards, mortgage etc.) for retail loans.

Based on detailed internal data the above groups are either expanded or combined in the event that this is justified from the historical data.

d. Methodology in determining future cash flows from impaired loans

The Group has accumulated a significant amount of historical data of the last six years, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

On the basis of this data the amount of the impairment is determined on both an individual and collective basis taking into account the time value of money.

The cash flows are discounted at the loans' original effective interest rate.

e. Interest income recognition

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

f. Impairment recognition

Amounts of impaired loans are recognized on allowance accounts until the Group decides to write off these amounts.

g. Recoveries

If in a subsequent period after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in profit and loss.

1.14 Deferred taxation

Deferred taxation is the tax that will be paid, or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. Deferred tax is provided for temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rate (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

1.15 Non-current assets held for sale

Non-current assets or disposal groups that are expected to be recovered primarily through sale, along with the related liabilities, are classified as held-for-sale.

These items consist of assets acquired through the enforcement of security over customer loans and advances.

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting policy. Thereafter they are measured at the lower of their carrying amount and fair value less cost of sale.

Any loss arising from the above measurement is recorded in profit or loss. This loss which can be reversed in the future, is allocated to assets in the disposal group that are within the scope of the measurement requirements of the Standard. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Property in this category is not depreciated, however, it is reviewed for impairment at each reporting date.

Gains or losses from the sale of these assets are recognized in the income statement.

1.16 Employee benefits

The Group has both defined benefit and defined contribution plans.

A defined contribution plan is where the Group pays fixed contributions into a separate entity and the Group has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the entity of the Group.

The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

The liability recognized in the consolidated financial statements in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs.

The amount determined by the above comparison may be negative, a receivable. The amount of the receivable recognised in the financial statements cannot exceed the total of

a) any cumulative unrecognized net actuarial losses and past service cost, and

b) the present value of any economic benefits available to the Group entity in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there in no deep market in corporate bonds.

Cumulative actuarial gains and losses arising from experience adjustments and changes, and actuarial assumption variations to the extent that they exceed 10 per cent of the greater of the accrued obligation or the fair value of plan assets, are amortized over a period equal to the average remaining working lives of the employees.

Past-service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In the second case, the past service costs are amortized on a straight line basis over the vesting period.

1.17 Share options granted to employees

The Group rewards the performance of its executives and managers by granting share options. The number of granted share options, the price and the exercise date are decided from the Board of Directors in accordance to Shareholders' Meeting approvals.

The fair value calculated at grant date, is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Group and the reserve in equity from previously recognized fair value of the exercised options is transferred to share premium.

1.18 Provisions

A provision is recognized if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows. The discount rate applied reflects current market assessments of the time value of money required to settle the obligation. Cash payments are recorded to provisions to the extent that they relate to the specific provision. At each reporting period provisions are re-assessed.

Provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The expense recognized in profit or loss relating to the provision may be presented net of the amount of the reimbursement.

1.19 Sale and repurchase agreements and securities lending

The Group enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized as investments.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the consolidated balance sheet and are measured in accordance with the accounting policy of the category that they have been classified in and are presented as investments.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed by the Group under securities lending agreements are not recognized in the consolidated balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

1.20 Securitization

The Group securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the assessment of control of the special purpose entity is considered, based on the circumstances mentioned in note 1.2, so as to examine whether it should be consolidated. In addition, the contractual terms and the economic substance of transactions are considered, in order to decide whether the Group should proceed with the derecognition of the securitised financial assets, as referred in note 1.6.

1.21 Equity

Distinction between debt and equity

Financial instruments issued by Group companies to obtain funding are classified as equity when, based on the substance of the transaction, the Group does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when Group companies are required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

Share premium

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Group.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

Retained earnings

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders in General Meeting.

1.22 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest rate method. Interest on impaired financial assets is determined on their balance after impairment using the effective interest rate.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

As at the reporting date no borrowing costs have been capitalised.

1.23 Fee and commission income

Fee and commission income is recognized in the income statement on the accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument which is measured at amortized cost, such as loans and advances, are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

1.24 Dividend Income

Dividend income from investments in shares is recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Group has invested in.

1.25 Gains less losses on financial transactions

Gains less losses on financial transactions include the fair value changes of financial assets measured at fair value through profit and loss, gains or losses on their disposal and the exchange differences arising from the translation of financial instruments denominated in foreign currencies. Impairment losses on bonds are also included in gains less losses on financial transactions.

Differences that may arise between the carrying amount of financial liabilities settled or transferred and the consideration paid, are also recognised in gains less losses on financial transactions.

1.26 Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or it has been classified as held for sale and represents:

- a major line of Group's business; or
- a geographical area of operations; or
- a subsidiary acquired exclusively with a view to resale.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation are presented separately (as a separate line in equity).

The post tax profit or loss from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations.

The comparative financial statements are restated only for the income statement and the cash flow statement.

1.27 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

INCOME STATEMENT

2. Net interest income

	From 1 January to	
Interest and similar income	**31.12.2009**	**31.12.2008**
Due from banks	76,416	201,868
Loans and advances to customers	2,617,010	3,289,190
Securitized loans	319,208	74,635
Securities held for trading	6,858	7,523
Available for sale securities	163,755	140,852
Held to maturity securities	111,823	46,025
Securitized instruments	50,068	
Derivative financial instruments	512,953	636,022
Other	16,581	10,820
Total	**3,874,672**	**4,406,935**
Interest expense and similar charges		
Due to banks	(188,094)	(255,019)
Due to customers	(1,035,354)	(942,971)
Debt securities in issue and other borrowed funds	(236,031)	(681,282)
Derivative financial instruments	(554,481)	(622,881)
Other	(98,113)	(106,180)
Total	**(2,112,073)**	**(2,608,333)**
Net interest income	**1,762,599**	**1,798,602**

3. Net fee and commission income

	From 1 January to	
	31.12.2009	**31.12.2008**
Loans	79,878	71,650
Letters of guarantee	44,971	40,398
Imports-Exports	11,509	15,588
Credit cards	54,830	83,466
Fund transfers	69,359	88,389
Mutual funds	31,143	51,757
Advisory fees and securities transaction fees	5,933	4,955
Other	81,200	108,211
Total	**378,823**	**464,414**

4. Dividend income

	From 1 January to	
	31.12.2009	**31.12.2008**
Available for sale securities	2,646	2,591
Total	**2,646**	**2,591**

5. Gains less losses on financial transactions

	From 1 January to	
	31.12.2009	**31.12.2008**
Foreign exchange differences	45,450	64,378
Securities held for trading		
- Bonds	(1,678)	(10,967)
- Shares	(711)	(1,586)
Investment securities:		
- Bonds	132,758	48,167
- Shares	(748)	(31,154)
- Other securities	(26)	(58)
Sale of participations		1,903
Derivative financial instruments	(7,371)	(79,757)
Other financial instruments	3,848	2,226
Total	**171,522**	**(6,848)**

6. Other income

	From 1 January to	
	31.12.2009	**31.12.2008**
Insurance activities	5,642	6,026
Hotel activities	34,991	41,758
Operating lease income	10,552	6,133
Sale of fixed assets	1,633	7,485
Other	14,612	18,542
Total	**67,430**	**79,944**

Income from insurance activities is analyzed as follows:

	From 1 January to	
	31.12.2009	**31.12.2008**
Non-life Insurance		
Premiums and other related income	16,467	12,726
Less:		
- Reinsurance premiums ceded	(4,487)	(3,986)
- Commissions	(986)	(1,107)
- Claims from policyholders	(6,109)	(6,244)
Reinsurers' participation	167	562
Net income from non-life insurance	**5,052**	**1,951**
Life Insurance		
Premiums and other related income	11,279	10,039
Less:		
- Reinsurance premiums ceded	(1,285)	(784)
- Commissions	(1,333)	(1,254)
- Claims from policyholders	(8,964)	(4,716)
Reinsurers' participation	893	790
Net income from life insurance	**590**	**4,075**
Total	**5,642**	**6,026**

7. Staff costs

	From 1 January to	
	31.12.2009	**31.12.2008**
Wages and salaries	403,174	432,975
Social Security contributions	96,188	90,455
Common Insurance Fund of Bank Employees	18,496	20,417
Employee defined benefit obligation (note 29)	9,753	6,163
Other	37,855	39,478
Total	**565,466**	**589,488**

The total employees of the Group as at 31.12.2009 were 15,163 (31.12.2008: 15,619) of which 8,246 (31.12.2008: 8,421) are employed in Greece and 6,917 (31.12.2008: 7,198) are employed abroad.

Defined contribution plans

All the employees of the Group in Greece receive their main pension from the Social Insurance Fund (IKA). Specifically for the Bank's employees the following apply:

a) The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is TAPILTAT, a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if the fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and it is accounted for as such. The Bank has applied for membership in ETAT (Common Insurance Fund of Bank Employees) for it's employees who are insured in TAPILTAT (Pension Plan for employees of Ionian – Popular Bank and other Banks).

b) Employees of former Ioniki and Popular Bank of Greece are insured for the lump sum benefit in the Bank Employee and Companies Common Benefit Plan (TAYTEKO) which is a defined contribution plan.

c) All employees of the Bank receive medical benefits from the Bank Employee and Companies Common Benefit Plan (TAYTEKO). This plan has been accounted for as a defined contribution plan.

d) Employees of former Alpha Credit Bank are insured, for supplementary pension, in the Common Insurance Fund of Bank Employees after the absorption of TAP since 1.1.2008 according to article 10, Law 3620/2007. The Bank pays to E.T.A.T. fixed contribution percentage over employee salaries in addition to the installment that relates to the total cost of joining ETAT which amounts to €543 million.

Defined benefit plans

An analysis of liabilities arising from defined benefit plans are set out in note 29.

8. General administrative expenses

	From 1 January to	
	31.12.2009	**31.12.2008**
Rent of buildings	60,343	51,872
Rent and maintenance of EDP equipment	27,080	25,534
EDP expenses	45,668	45,536
Marketing and advertisement expenses	44,833	51,652
Telecommunications and postage	40,830	39,400
Third party fees	57,916	57,368
Consultants fees	9,142	9,983
Contribution to Deposit Guarantee Fund	20,811	16,785
Insurance	11,160	14,823
Consumables	11,246	11,334
Electricity	11,865	11,130
Agency fees	5,560	7,443
Taxes (VAT, real estate etc)	54,823	53,468
Other	138,907	99,295
Total	**540,184**	**495,623**

9. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.12.2009	31.12.2008
Impairment losses on loans and advances to customers (note 16)	698,600	601,285
Impairment loss of participation		5,100
Reversal of impairment losses from due from banks (note 13)	(4)	(24)
Provisions to cover credit risk relating to off balance sheet items (note 31)	(4,335)	(42,178)
Recoveries	(17,918)	(22,432)
Total	**676,343**	**541,751**

10. Income tax

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 25%. According to Law 3697/08 the tax rate is reduced by one percent each year starting from 2010 until the rate reaches 20% in 2014 and thereafter.

In accordance with article 26 of Law 3634/2008 income tax is imposed for the fiscal year 2007, at the current tax rate (25%), on profits which previously were not subject to tax until distributed or capitalized (interest on Greek government bonds, gains from the sale of listed shares etc.). Dividend income is not subject to tax since it has been already taxed at the corporate level. The same applies to profit arising from transfer of receivables for securitization purposes according to article 14 of Law 3156/2003.

Dividends distributed by entities established in Greece and approved by the General Meetings of Shareholders held after 1.1.2009 are subject to a withholding tax of 10% with no further tax obligation for the beneficiary (Law 3697/2008).

During 2009, tax audit of the Bank for the fiscal years 2006 and 2007 was completed. From the above mentioned tax audit additional taxes were imposed amounting to €8.2 million.

According to Article 2 of Law 3808/2009 a lump sum of extraordinary tax was imposed on companies whose total net income for 2008 exceeded €5 million. Total tax paid for all companies of the Group amounted to €42.4 million.

The tax rates of years 2008 and 2009 of the subsidiaries and the Bank's branches operating aborad, are as follows:

	Fiscal year 2008 %	Fiscal year 2009 %
Cyprus	10	10
Bulgaria	10	10
Serbia	10	10
Romania	16	16
FYROM	10	10 [1]
Albania	10	10
Ukraine	25	25
Jersey	20	10
United Kingdom	28	28
Luxembourg	29.63	28.59

The income tax expense is analysed as follows:

	From 1 January to	
	31.12.2009	31.12.2008
Current	90,967	126,940
Deferred	19,370	(14,754)
Total	**110,337**	**112,186**
Extraordinary tax (Law 3808/2009)	42,403	

[1] From 1.1.2009 non distributable profits are not subject to tax. When distributed they are taxed at the rate applicable on the date of distribution.

Deferred tax recognized in the income statement is attributable to the temporary differences the effects of which are analyzed as follows:

	From 1 January to	
	31.12.2009	31.12.2008
Depreciation and fixed asset write-offs	3,757	3,185
Fixed assets revaluation		(8,236)
Valuation of loans	(7,703)	91,511
Suspension of interest accruals	31,896	40,108
Loans impairment	(45,690)	(49,360)
Employee defined benefit obligations	11,869	29,224
Valuation of derivatives	30,554	(84,493)
Effective interest rate	11,856	15,586
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	210	(10,119)
Valuation of bonds	(2,732)	10,067
Valuation of other securities	4,750	(7,951)
Carry forward of unused tax losses	299	(434)
Other temporary differences	(19,696)	(43,842)
Total	**19,370**	**(14,754)**

Reconciliation of effective and nominal tax rate:

	From 1 January to			
	31.12.2009		31.12.2008	
	%		%	
Profit before income tax		**501,817**		**625,633**
Income tax (nominal tax rate)	23.42	117,522	22.01	137,727
Increase/(decrease) due to:				
Additional tax on income of fixed assets	0.06	299	0.09	538
Non taxable income	(5.81)	(29,136)	(4.58)	(28,625)
Non deductible expenses	4.74	23,772	1.71	10,708
Other temporary differences	(0.42)	(2,120)	(1.30)	(8,162)
Income tax (effective tax rate)	**21.99**	**110,337**	**17.93**	**112,186**

The applicable income tax rate of 23.42% for 2009 and 22.01% for 2008 is the weighted average nominal tax rate based on the nominal income tax rate and the profit before tax of the Group's subsidiaries.

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	31.12.2009			31.12.2008		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities reserve	74,124	(17,010)	57,114	(221,647)	49,649	(171,998)
Exchange differences on translating foreign operations	(23,245)		(23,245)	(132,924)		(132,924)
Total	**50,879**	**(17,010)**	**33,869**	**(354,571)**	**49,649**	**(304,922)**

11. Earnings per share

a. Basic

Basic earnings per share are calculated by dividing the profit after income tax for the period, attributable to ordinary equity owners of the Bank, by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by Group companies, during the period.

b. Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Group does not have diluted potential ordinary shares and additionally, based on the preference shares terms of issuance (note 32a), basic and dilutive earnings per share should not differ.

	From 1 January to	
	31.12.2009	**31.12.2008**
Profit attributable to ordinary equity owners of the Bank	349,814	512,067
Less: Return on preference shares of the Hellenic Republic (Law 3723/2008)	(58,750)	
	291,064	512,067
Weighted average number of outstanding ordinary shares	451,781,227	445,768,714
Basic earnings per share (in €)	0.64	1.15
Diluted earnings per share (in €)	0.64	1.15

Earnings per share for the period 1.1.-31.12.2008 have been adjusted compared to published ones', in order to become comparable due to the Bank's share capital increase through cash payment on 30.11.2009, and the issuance of 123,292,996 new common registered shares with a privilege issue price of €8.00 each.

ASSETS

12. Cash and balances with Central Banks

	31.12.2009	31.12.2008
Cash	415,158	491,410
Cheques receivable	86,661	99,212
Balances with Central Banks	2,012,845	2,860,325
Total	**2,514,664**	**3,450,947**
Less: Deposits pledged to Central Banks	(1,719,697)	(2,252,477)
Total	794,967	1,198,470

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 2% of customer deposits.

These deposits bear interest at the refinancing rate as set by the European Central Bank which as at 31.12.2009 was 1% (31.12.2008: 2.50%).

Cash and cash equivalents (as presented for the purposes of the cash flow statement)

	31.12.2009	31.12.2008
Cash and balances with Central Banks	794,967	1,198,470
Sale and repurchase agreements (Reverse Repos)	3,983,852	523,863
Short-term placements with other banks	1,408,364	1,291,303
Total	**6,187,183**	**3,013,636**

13. Due from banks

	31.12.2009	31.12.2008
Placements with other banks	2,250,828	1,878,105
Sale and repurchase agreements (Reverse Repos)	3,983,852	523,863
Loans to credit institutions	181,124	435,869
Less:		
Allowance for impairment losses	(7,649)	(7,867)
Total	**6,408,155**	**2,829,970**

Allowance for impairment losses

Balance 1.1.2008	**6,697**
Changes for the period 1.1 - 31.12.2008	
Decrease of impairment losses from due from banks (note 9)	(24)
Foreign exchange differences	1,194
Balance 31.12.2008	**7,867**
Changes for the period 1.1 - 31.12.2009	
Decrease of impairment losses from due from banks (note 9)	(4)
Foreign exchange differences	(214)
Balance 31.12.2009	**7,649**

14. Securities held for trading

	31.12.2009	31.12.2008
Government bonds	68,224	78,457
Other debt securities:		
- Listed	1,662	543
- Non-listed	410	457
Shares:		
- Listed	304	1,678
Total	**70,600**	**81,135**

15. Derivative financial instruments (assets and liabilities)

	31.12.2009		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	1,471,472	4,693	20,517
Currency swaps	3,306,967	41,956	24,479
Cross currency swaps	593,840	23,691	44,058
Currency options	18,218	104	280
Currency options embedded in customer products	12,410	116	
Total non-listed	**5,402,907**	**70,560**	**89,334**
b. Interest rate derivatives			
Interest rate swaps	15,804,576	247,208	226,232
Interest rate options (caps)	768,834	6,245	6,092
Total non-listed	**16,573,410**	**253,453**	**232,324**
c. Commodity derivatives			
Commodity swaps	1,161	425	424
Total non-listed	**1,161**	**425**	**424**
d. Index derivatives			
Options	743	5	
Futures	352	7	26
Total listed	**1,095**	**12**	**26**
e. Credit derivatives			
Credit default swaps embedded in debt securities	255,929		20,637
Total non-listed	**255,929**		**20,637**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	68,354	120	6,344
Cross currency swaps	225,293	10,095	
Total non-listed	**293,647**	**10,215**	**6,344**
b. Interest rate derivatives			
Interest rate swaps	6,189,882	12,513	254,843
Total non-listed	**6,189,882**	**12,513**	**254,843**
Grand total	**28,718,031**	**347,178**	**603,932**

	31.12.2008		
	Contract nominal amount	Fair Value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	2,417,331	101,825	97,943
Currency swaps	3,444,037	49,595	95,481
Cross currency swaps	380,931	54,369	7,850
Currency options	151,341	2,246	2,207
Currency options embedded in customer products	4,083	59	
Total non-listed	**6,397,723**	**208,094**	**203,481**
b. Interest rate derivatives			
Interest rate swaps	14,983,030	208,482	263,290
Interest rate options (caps)	810,214	4,057	3,268
Total non-listed	**15,793,244**	**212,539**	**266,558**
Options	20,000	30	
Total listed	**20,000**	**30**	
c. Commodity derivatives			
Commodity swaps	5,078	2,942	2,933
Total non-listed	**5,078**	**2,942**	**2,933**
d. Index derivatives			
Otc options	10,000	423	
Total non-listed	**10,000**	**423**	
Futures	1,536	59	19
Options	6,284	34	
Total listed	**7,820**	**93**	**19**
e. Credit derivatives			
Credit default swaps embedded in debt securities	304,445		45,521
Total non-listed	**304,445**		**45,521**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	89,522	5,882	1,696
Cross currency swaps	237,831	21,865	
Total non-listed	**327,353**	**27,747**	**1,696**
b. Interest rate derivatives			
Interest rate swaps	3,124,810	24,616	285,138
Total non-listed	**3,124,810**	**24,616**	**285,138**
c. Index derivatives			
Index swaps	30,998	8,542	
Total non-listed	**30,998**	**8,542**	
Grand total	**26,021,471**	**485,026**	**805,346**

16. Loans and advances to customers

	31.12.2009	31.12.2008
Individuals		
Mortgages:		
- Non-securitized	11,040,759	10,822,806
- Securitized	2,713,146	2,715,262
Consumer:		
- Non-securitized	3,404,039	3,183,581
- Securitized	1,464,555	1,485,843
Credit cards	1,277,859	1,285,118
Other	78,501	119,399
Total	19,978,859	19,612,009
Companies:		
Corporate loans		
- Non-securitized	26,878,943	29,779,390
- Securitized	3,196,024	
Leasing		
- Non-securitized	849,967	1,448,224
- Securitized	486,072	
Factoring	634,977	599,888
Total	32,045,983	31,827,502
Receivables from insurance and re-insurance activities	10,430	9,950
Other receivables	1,007,475	531,235
	53,042,747	**51,980,696**
Less:		
Allowance for impairment losses [1]	(1,642,808)	(1,275,994)
Total	**51,399,939**	**50,704,702**

Allowance for impairment losses

Balance 1.1.2008	**840,594**
Changes for the period 1.1 - 31.12.2008	
Change in present value of impairment reserve	64,453
Foreign exchange differences	(8,106)
Impairment losses for the fiscal year (note 9)	601,285
Loans written-off during the fiscal year	(222,232)
Balance 31.12.2008	**1,275,994**
Changes for the period 1.1 - 31.12.2009	
Change in present value of impairment reserve	81,545
Foreign exchange differences	10,585
Impairment losses for the fiscal year (note 9)	698,600
Loans written-off during the fiscal year	(423,916)
Balance 31.12.2009	**1,642,808**

The Bank and Alpha Leasing A.E. securitized mortgage, consumer, corporate loans and financial leases through special purpose entities controlled by them. Additionally, they provide guarantee to the holders of the bonds issued. Thus, the Group retains all risks deriving from the above mentioned financial instruments.

In accordance with amendments to IAS 39, in the third quarter of 2008 the Group reclassified securities of €21.7 million from the available for sale portfolio to the loans portfolio. These securities are not traded in an active market and the Group has the intention to hold them in the foreseeable future. The above securities are impaired as of 31.12.2008 by €17.3 million. Their carrying amount as at 31.12.2009 amounts to €1.5 million and their fair value to €1.3 million.

[1] *In addition to the allowance for impairment losses, an additional provision of € 521 (31.12.2008: €3,627) has been recorded to cover credit risk relating to off balance sheet items. The total provision recorded to cover credit risk amounts to €1,643,329 (31.12.2008: €1,279,621).*

The finance lease receivables by duration are as follows:

	31.12.2009	31.12.2008
Up to 1 year	410,493	456,651
From 1 year to 5 years	546,021	716,826
More than 5 years	597,551	785,959
	1,554,065	**1,959,436**
Non accrued finance income	(218,026)	(511,212)
Total	**1,336,039**	**1,448,224**

The net amount of financial lease receivables by duration are as follows:

	31.12.2009	31.12.2008
Up to 1 year	374,047	374,042
From 1 year to 5 years	453,958	502,288
More than 5 years	508,034	571,894
Total	**1,336,039**	**1,448,224**

17. Investment securities

a. Available for sale

	31.12.2009	31.12.2008
Government bonds	724,897	366,804
Other debt securities		
- Listed	549,559	89,994
- Non-listed	10,133	169,328
Shares		
- Listed	39,598	40,465
- Non-listed	37,190	36,597
Other variable yield securities	56,785	49,338
Total	**1,418,162**	**752,526**

During 2009 the Group has recognized impairment for its available for sale bond portfolio of €31,121 which is included in the account "Gains less losses on financial transactions" (31.12.2008: €4,020).

b. Held to maturity

	31.12.2009		31.12.2008	
	Cost	Fair value	Cost	Fair value
Government bonds:				
- Non securitized	2,623,896	2,404,625	1,805,579	1,697,446
- Securitized	58,869	59,045		
Other debt securities:				
- Non securitized:				
Listed	1,240,838	1,076,727	2,558,601	2,144,857
Non-listed	14,995	14,151	124,529	121,637
- Securitized:				
Listed	949,521	897,213		
Non-listed				
Less:				
Allowance for impairment losses	(19,626)			
Total	**4,868,493**	**4,451,761**	**4,488,709**	**3,963,940**

The increase in the held to maturity non securitized government securities is due to the acquisition of Greek State bonds amounted to €0.9 billion, equal to the value of the preference shares issued in the name of the Greek State in accordance with the regulations of Law 3723/2008.

The Bank during 2009, has securitized bonds through a special purpose entity controlled by the Bank.

During 2009 the Group has recognized impairment for its held to maturity bond portfolio for the amount of €19,626, which is included in the account "Gains less losses on financial transactions".

18. Investments in associates

	From 1 January to	
	31.12.2009	**31.12.2008**
Opening balance	59,260	5,320
Purchase / Recognition of participation	1,020	46,954
Returns of capital (note 45h, 45p)	(6,585)	
Dividends received	(17)	(11)
Share of profit / (loss)	(2,963)	6,997
Closing balance	**50,715**	**59,260**

Purchase represent the acquisition of the company Kritis Gi – Tsatsakis A.V.E.E as included in note 45(s).

The Group's investments in associates are analyzed as follows:

Name	**Country of incorporation**	**Group's ownership interest %** 31.12.2009	31.12.2008
a. Evisak A.E	Greece	27.00	27.00
b. AEDEP Thessalias & Stereas Ellados [1]	Greece	50.00	50.00
c. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
d. EL.P.ET. Balcan A.E.	Greece	26.71	26.71
e. Kritis Gi - Tsatsakis A.V.E.E. (note 45s)	Greece	22.95	

The Group's share in equity and profit and loss of each associate is set out below:

Name	**Group's share on equity 31.12.2009**	**Share of profit/(loss) 31.12.2009**
a. Evisak A.E	932	17
Less: Impairment of Evisak A.E.	(915)	
b. AEDEP Thessalias & Stereas Ellados [1]	74	
c. A.L.C. Novelle Investments Ltd	3,233	(32)
d. EL.P.ET. Balcan A.E.	46,887	(2,432)
e. Kritis Gi - Tsatsakis A.V.E.E. (note 45s)	504	(516)
Total	**50,715**	**(2,963)**

[1] *It is a non profit company.*

19.Investment property

	Land and Buildings
Balance 1.1.2008	
Cost	78,526
Accumulated depreciation	(4,966)
1.1.2008 - 31.12.2008	
Net book value 1.1.2008	73,560
Foreign exchange differences	(90)
Additions	466
Reclassification to "Property, plant and equipment" (1)	(6,450)
Depreciation charge for the period	(611)
Net book value 31.12.2008	66,875
Balance 31.12.2008	
Cost	72,244
Accumulated depreciation	(5,369)
1.1.2009 - 31.12.2009	
Net book value 1.1.2009	66,875
Foreign exchange differences	(59)
Additions	1,069
Disposals	(2)
Reclassification from "Property, plant and equipment" (2)	5,555
Depreciation charge for the period	(770)
Net book value 31.12.2009	72,668
Balance 31.12.2009	
Cost	79,570
Accumulated depreciation	(6,902)

The fair value of investment property as at 31.12.2009 as determined by independent evaluators amounted to €85,813.

(1) *The reclassification of amount € 6,450, during 2008 to property, plant and equipment relates to a building that the Bank decided to own use.*
(2) *The reclassification of € 5,555, during 2009 from property, plant and equipment concerns a building that has been leased.*

20. Property, plant and equipment

	Land and buildings	Leased equipment	Equipment	Total
Balance 1.1.2008				
Cost	1,283,906	5,414	414,199	1,703,519
Accumulated depreciation	(230,544)	(2,342)	(297,358)	(530,244)
1.1.2008 - 31.12.2008				
Net book value 1.1.2008	1,053,362	3,072	116,841	1,173,275
Foreign exchange differences	(10,174)	(400)	(3,294)	(13,868)
Additions	93,192		54,108	147,300
Disposals	(842)	(930)	(1,145)	(2,917)
Additions from companies consolidated for the first time in 2008	1,465		1,115	2,580
Reclassification from "Investment property" (note 19)	6,450			6,450
Reclassification from "Equipment"	4,038	345	(4,383)	
Depreciation charge for the period	(26,840)	(280)	(31,460)	(58,580)
Net book value 31.12.2008	1,120,651	1,807	131,782	1,254,240
Balance 31.12.2008				
Cost	1,373,990	2,814	454,795	1,831,599
Accumulated depreciation	(253,339)	(1,007)	(323,013)	(577,359)
1.1.2009 - 31.12.2009				
Net book value 1.1.2009	1,120,651	1,807	131,782	1,254,240
Foreign exchange differences	(5,771)	(97)	(1,622)	(7,490)
Additions	39,949	12,743	27,323	80,015
Disposals	(4,291)	(3,106)	(1,303)	(8,700)
Additions from companies consolidated for the first time in 2009	10,594			10,594
Reclassification to "Investment property" (note 19)	(5,861)	420	(114)	(5,555)
Derpeciation charge for the period	(28,327)	(2,387)	(33,939)	(64,653)
Net book value 31.12.2009	1,126,944	9,380	122,127	1,258,451
Balance 31.12.2009				
Cost	1,404,715	12,191	471,015	1,887,921
Accumulated depreciation	(277,771)	(2,811)	(348,888)	(629,470)

As at 31 December 2009 “Land and Buildings” include owned fixed assets of € 1,006,584. The fair value of these assets as determined by independent evaluators the same date was € 1,093,380.

21. Goodwill and other intangible assets

	Goodwill	Software	Other intangible	Total
Balance 1.1.2008				
Cost	58,008	181,273	25,785	265,066
Accumulated amortization		(120,527)	(10,042)	(130,569)
1.1.2008 - 31.12.2008				
Net book value 1.1.2008	58,008	60,746	15,743	134,497
Foreign exchange differences	(7,272)	(640)	(479)	(8,391)
Additions		44,499	17,947	62,446
Disposals		(183)		(183)
Reclassifications		3,453	(3,453)	
Additions from companies consolidated for the first time in 2008	1,551	49	1	1,601
Impairment losses	(251)			(251)
Amortization charge for the period		(25,089)	(4,669)	(29,758)
Net book value 31.12.2008	52,036	82,835	25,090	159,961
Balance 31.12.2008				
Cost	52,036	227,612	37,983	317,631
Accumulated amortization		(144,777)	(12,893)	(157,670)
1.1.2009 - 31.12.2009				
Net book value 1.1.2009	52,036	82,835	25,090	159,961
Foreign exchange differences	(3,225)	(523)	(497)	(4,245)
Additions		33,887	15,295	49,182
Disposals		(109)	(338)	(447)
Reclassifications		(61)	61	
Amortization charge for the period		(21,415)	(4,927)	(26,342)
Net book value 31.12.2009	48,811	94,614	34,684	178,109
Balance 31.12.2009				
Cost	48,811	260,424	51,718	360,953
Accumulated amortization		(165,810)	(17,034)	(182,844)

The annual impairment test performed on the goodwill arising from the acquisition of Alpha Bank Srbija A.D. confirmed that no adjustment to the carrying amount is necessary. Specifically, the value in use and the fair value less costs to sell were determined to be higher than the carrying amount of the subsidiary presented in the consolidated financial statements and therefore no impairment loss exists to the goodwill which has been arised even after the recognition of other intangible assets.

Other intangible assets which were recognized upon acquisition of the above mentioned bank that relate to the deposit base, and customer relationships, do not present any indication of impairment and will be fully depreciated within the fiscal year 2010. The brand name and the software have been fully amortized during 2008 and no longer used.

22. Deferred tax assets and liabilities

	31.12.2009	31.12.2008
Deferred tax assets	293,289	333,499
Deferred tax liabilities	(202,492)	(197,779)
Total	**90,797**	**135,720**

Deferred tax assets and liabilities arise from:

	1.1.2009 - 31.12.2009				
		Recognized in			
	Balance 1.1.2009	Income Statement	Equity	Foreign Exchange Differences	Balance 31.12.2009
Depreciation and fixed assets write-offs	744	(3,757)	36		(2,977)
Tax revaluation of fixed assets	8,236				8,236
Valuation of loans	(71,708)	7,703			(64,005)
Suspension of interest accruals	(93,428)	(31,896)			(125,324)
Impairment of loans	27,382	45,690			73,072
Valuation of derivative financial instruments	84,496	(30,554)			53,942
Tax losses carried forward	4,763	(299)			4,464
Other temporary differences	73,437	19,696	(1,558)		91,575
Effective interest rate	(13,374)	(11,856)			(25,230)
Employee defined benefit obligations	82,546	(11,869)			70,677
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(7,553)	(210)			(7,763)
Valuation of other securities	13,203	(4,750)	(3,912)		4,541
Valuation of bonds	26,544	2,732	(19,884)		9,392
Exchange differences on translating foreign operations	432			(235)	197
Total	**135,720**	**(19,370)**	**(25,318)**	**(235)**	**90,797**

	1.1.2008 - 31.12.2008				
		Recognized in			
	Balance 1.1.2008	Income Statement	Equity	Foreign Exchange Differences	Balance 31.12.2008
Depreciation and fixed assets write-offs	4,104	(3,185)	(175)		744
Tax revaluation of fixed assets		8,236			8,236
Valuation of loans	19,803	(91,511)			(71,708)
Suspension of interest accruals	(53,320)	(40,108)			(93,428)
Impairment of loans	(21,978)	49,360			27,382
Valuation of derivative financial instruments	3	84,493			84,496
Tax losses carried forward	4,329	434			4,763
Other temporary differences	28,037	43,842	1,558		73,437
Effective interest rate	2,212	(15,586)			(13,374)
Employee defined benefit obligations	111,770	(29,224)			82,546
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(17,672)	10,119			(7,553)
Valuation of other securities		7,951	5,252		13,203
Valuation of bonds	(1,838)	(10,067)	38,449		26,544
Exchange differences on translating foreign operations				432	432
Total	**75,450**	**14,754**	**45,084**	**432**	**135,720**

23. Other Assets

	31.12.2009	31.12.2008
Investments on behalf of life insurance policyholders	23,723	21,486
Prepaid expenses	17,601	18,344
Accrued income	3,866	7,078
Tax advances and withholding taxes	223,881	186,578
Receivables from employee defined benefit plan (note 29)	45,905	47,311
Additional contribution to Deposit Guarantee Fund (Law 3714/2008)	114,649	52,290
Other	170,359	216,212
Total	**599,984**	**549,299**

In accordance with article 6 of Law 3714/7.11.2008 the amount of the Bank's deposits guaranteed by the deposit guarantee fund, increased from €20,000 to €100,000 per depositor. The contribution paid by banks to deposit guarantee fund also increased.

The Law 3746/16.2.2009 concerning the "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" provides that the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008 will be included in a special assets group whose elements are jointly included in the proportion of each participant in the credit institutions.

24. Non-current assets held for sale

As at 31.12.2009 "Non-current assets held for sale" include land and buildings amounting to €115,615 (31.12.2008: €53,574) and office equipment amounting to €25 (31.12.2008: €231).

As at 31.12.2009 the fair value of "Non-current assets held for sale" as determined by independent evaluators amounted to €121,371.

LIABILITIES

25. Due to banks

	31.12.2009	31.12.2008
Deposits:		
- Current accounts	96,599	426,525
- Term deposits		
European Central Bank	10,285,015	5,187,133
Other credit institutions	1,555,206	1,364,140
Sale and repurchase agreements (Repos)	490,203	934,078
Borrowing funds	808,416	1,051,920
Total	**13,235,439**	**8,963,796**

26. Due to customers (including debt securities in issue)

	31.12.2009	31.12.2008
Deposits:		
- Current accounts	7,372,548	6,340,839
- Saving accounts	8,713,036	7,985,913
- Term deposits	24,729,568	24,872,206
Debt securities in issue	1,929,937	3,151,516
Sale and repurchase agreements (Repos)	8,283	34,742
	42,753,372	**42,385,216**
Cheques payables	162,322	161,561
Total	**42,915,694**	**42,546,777**

27. Debt securities in issue and other borrowed funds

a. Short term

i. Securities (ECP)

Balance 1.1.2009	**130,030**
Changes for the period 1.1 – 31.12.2009	
New issues	1,193,235
Maturities/Redemptions	(1,236,024)
Accrued interest	4,007
Foreign exchange differences	(1,837)
Balance 31.12.2009	**89,411**

The new issues in Euro pay an average spread of 15 to 40 basis points over Euribor of the respective period.

ii. Issues guaranteed by the Greek State (Law 3723/2008)

Balance 1.1.2009	
Changes for the period 1.1 – 31.12.2009	
New issues	992,750
Maturities/Redemptions	(1,000,000)
Commissions/expenses	4,144
Balance 31.12.2009	**(3,106)**

According to article 2 of the Law 3723/2008 for the enhancement of the economy's liquidity, the Bank issued the following securities, guaranteed by the Greek State:

- On 12.2.2009, senior debt amounting to € 500 million, with a nine month duration, bearing an interest rate of 2.85%, which matured on 12.11.2009.
- On 4.6.2009, senior debt amounting to € 500 million, with a six month duration, bearing an interest rate of three month Euribor plus a spread of 25 basis points, which matured on 4.12.2009.
- On 29.4.2009, senior debt amounting to € 1 billion, with a three year duration, bearing an interest rate of three month Euribor plus a spread of 200 basis points, which is held by the Bank and is not presented in the «Debt securities in issue and other borrowed funds». The unamortized balance of costs that have been capitalized amount to € (3,106).

b. Long term

i. Senior debt securities

Balance 1.1.2009	**9,287,581**
Changes for the period 1.1 – 31.12.2009	
New issues	2,419,095
(Purchases)/sales by Group companies	(661,857)
Maturities/Redemptions	(4,849,838)
Fair value change due to hedging	431
Accrued interest	(19,703)
Foreign exchange differences	(8,521)
Balance 31.12.2009	**6,167,188**

The following securities are included in the new issues:

- Nominal value of € 750 million maturing on 17.9.2012, bearing a fixed interest rate of 3.875%.
- Nominal value of € 500 million maturing on 9.6.2011, bearing a fixed interest rate 4.625%.
- Nominal value of € 500 million maturing on 18.9.2014, bearing a floating interest rate of three month Euribor plus a spread of 70 basis points, with an issuer call option exercisable on interest payment dates starting from 18.9.2011.
- Nominal value of € 250 million maturing on 12.2.2013, bearing a fixed semi annual interest rate of 4.4%.
- Two issues of € 100 million nominal value each, maturing on 13.12.2010 and 14.6.2011 respectively, bearing a fixed three month interest rate of 2.5% which gradually increases by 50 basis points on a semi-annual basis.
- Nominal value of € 100 million maturing on 15.3.2011, bearing a fixed three month interest rate of 2.5%, with an issuer call option exercisable on interest payment dates starting from 15.3.2010.

- Nominal value of €20 million maturing on 15.9.2012, bearing a three month interest rate which is equal to twice the three month Euribor if Euribor is below the barrier of 3% and fixed interest rate of 4.5% if Euribor is above the barrier of 3%.
- Nominal value of €20 million maturing on 18.12.2012, with an issuer call option exercisable on a quarterly basis and bearing a fixed interest rate of 2.6% which gradually increases by 70 basis points after the first year and 100 basis points after the second year.
- Amount of €44.3 million that relates to the participation of third parties outside the Group in senior debt securities with a nominal value of €131.285 million and a two year duration, bearing a fixed interest rate of 3.4% issued by APE Investment Property A.E. according to Law 3156/2003 through a private placement.

ii. Subordinated debt

Balance 1.1.2009	**975,090**
Changes for the period 1.1 – 31.12.2009	
(Purchases)/sales by Group companies	24,832
Maturities/Redemptions	(156,000)
Fair value changes due to hedging	(2,042)
Accrued interest	(3,897)
Foreign exchange differences	(12,663)
Balance 31.12.2009	**825,320**

- On 23.1.2009, 5 years after issuance, the Bank redeemed 10 year subordinated debt amounting to €200 million. From the amount of €200 million, €50 million has already been repaid on 31.12.2008.
- On 27.10.2009, the Bank cancelled an Upper Tier II debt amounting to €105 million issued on 27.7.2007 with notional amount of €130 million. Up to the beginning of 2009 the Group had already purchased €99 million.
- On 16.11.2009 the Bank cancelled 10 year subordinated debt amounting to €50 million of the amount of €350 million issued on 1.2.2007. The Group had already repaid the entire amount of the loan up to the beginning of 2009.

Of the above debt securities in issue amounted to €7,078,813 an amount of €1,929,938 (31.12.2008: €3,151,516) held by Bank customers has been reclassified to "Due from customers". Therefore the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 31 December 2009, amounts to €5,148,875 (31.12.2008: €7,241,185).

Bonds of €8.5 billion from the securitization of bonds, consumer, corporate and finance lease loans as well as the issuance of covered bonds with a secured portfolio that constists of collateralized mortgage loans, are not presented in "debt securities in issue and other borrowed funds" since these securities, issued by Group companies, are held by the Group [1].

The aforementioned amount of €8.5 billion includes bonds issued within 2009 through the special purpose entities Talanto Plc, covered by bond portfolio, Epihiro Plc, covered by corporate loans and Irida Plc, covered by financial leases. Part of these bonds that have been rated by credit rating agencies have been accepted as collateral by the Bank of Greece for monetary policy purposes.

28. Liabilities for current income tax and other taxes

	31.12.2009	31.12.2008
Current income tax	81,809	86,849
Other taxes	26,678	41,213
Total	**108,487**	**128,062**

[1] *Financial disclosure regarding covered bond issues, as determined by the 2620/28.08.09 directive of Bank of Greece, will be published at the Bank's website.*

29. Employee defined benefit obligations

The total amounts recognized in the financial statements for employee defined benefit obligations are presented in the table below:

	Balance Sheet 31.12.2009 Liability/(Asset)	Income statement 1.1. - 31.12.2009 Expense/(Income)	Balance Sheet 31.12.2008 Liability/(Asset)	Income statement 1.1. - 31.12.2008 Expense/(Income)
TAP – Lump sum benefit	(45,905)	3,008	(47,311)	3,008
TAPILT				(3,733)
Alpha Bank Cyprus Ltd	43,137	6,589	37,673	6,438
Other Companies	4,713	156	5,089	450
Total		**9,753**		**6,163**

Balance sheet and income statement amounts are analyzed per fund and benefit as follows:

i. Bank

a. Supplementary Pension Fund (TAP) of former Alpha Credit Bank Employees

After TAP was absorbed by the Common Insurance Fund of Bank Employees for the supplementary pension (Article 10, Law 3620/2007), TAP obligation is restricted to paying a lump-sum benefit to retiring employees, which is guaranteed by the Bank.

The amounts in balance sheet are analyzed as follows:

	31.12.2009	31.12.2008
Present value of defined benefit obligations	129,848	128,895
Fair value of plan assets	(151,969)	(156,268)
Deficit/(Surplus)	**(22,121)**	**(27,373)**
Unrecognized actuarial losses	(23,784)	(19,938)
Asset in balance sheet	**(45,905)**	**(47,311)**

Amounts included in income statement are as follows:

	From 1 January to	
	31.12.2009	31.12.2008
Current service cost	3,699	4,751
Interest cost	6,960	6,391
Expected return on plan assets	(7,970)	(8,134)
Actuarial losses recognized during the fiscal year	319	
Total (included in staff costs)	**3,008**	**3,008**

The movement in present value of accrued liabilities is as follows:

	2009	2008
Opening balance	**128,895**	**127,035**
Current service cost	3,699	4,751
Interest cost	6,960	6,391
Employee contributions	1,433	1,396
Benefits paid	(9,517)	(6,912)
Benefits paid directly by the Bank	(1,602)	(1,130)
Expenses	(20)	(5)
Actuarial losses/(Gains)		(2,631)
Closing balance	**129,848**	**128,895**

The movement in fair value of Plan assets is as follows:

	2009	2008
Opening balance	**156,268**	**162,031**
Expected return	7,970	8,134
Employee contributions	1,433	1,396
Benefits paid	(9,517)	(6,912)
Expenses	(20)	(5)
Actuarial losses	(4,165)	(8,376)
Closing balance	**151,969**	**156,268**

The Plan assets include deposits with Alpha Bank of €28.6 million, receivables from Alpha Bank of €31.1 million, bonds issued by Alpha Credit Group Plc of €82.6 million, Alpha Bank shares of €6.4 million and other receivables of €3.3 million.

The movement of the receivable is as follows:

Balance 1.1.2008	**(49,189)**
Accrued expense	3,008
Benefits paid directly by the Bank	(1,130)
Balance 31.12.2008	**(47,311)**
Changes for the period 1.1 - 31.12.2009	
Accrued expense	3,008
Benefits paid directly by the Bank	(1,602)
Balance 31.12.2009	**(45,905)**

The principal actuarial assumptions used are the following:

	31.12.2009	31.12.2008
Discount rate	6.4%	5.8%
Expected return on Plan assets	5.0%	5.0%
Future salary increases	4.0%	3.5%

b. Ionian and Popular Bank Insurance Fund (TAPILT – Welfare Sector)

Due to the incorporation of the Ionian and Popular Bank Insurance Fund (TAPILT – Welfare Sector), that paid the lump sum benefit to all employees of former Ioniki Bank, with the Bank Employee and Companies Common Benefit Plan (TAYTEKO) on 1.10.2008, the liability was written off.

ii. Group Companies

a. Alpha Bank Cyprus Ltd

Personnel receive a lump sum benefit on retirement which is calculated based on the years of service and salary.

Amounts included in balance sheet are as follows:

	31.12.2009	31.12.2008
Present value of defined benefit obligations	52,961	44,860
Unrecognized actuarial losses	(9,824)	(7,187)
Recognized liability	**43,137**	**37,673**

Amounts included in income statement are as follows:

	From 1 January to	
	31.12.2009	31.12.2008
Current service cost	3,918	4,042
Interest cost	2,550	2,186
Net actuarial losses recognized in the fiscal year	121	210
Total (included in staff costs)	**6,589**	**6,438**

The movement of the present value of accrued benefit arises as follows:

	2009	2008
Opening balance	**37,673**	**33,320**
Current service cost	3,918	4,042
Interest cost	2,550	2,186
Actuarial losses recognized in the fiscal year	121	210
Benefits paid	(1,125)	(2,085)
Closing balance	**43,137**	**37,673**

The principal actuarial assumptions used are the following:

	31.12.2009	31.12.2008
Discount rate	5.21%	5.75%
Future salary increases	6.25%	6.50%

b. Other Companies

The employees of the subsidiaries in Greece with indefinite employment contracts receive a lump sum payment on retirement, which is defined by Law 2112/1920. In the subsidiary Alpha Bank Srbija A.D., the employees receive a lump sum payment on retirement, which equals three salaries of Serbian State employees. The liability arises as follows:

	31.12.2009	31.12.2008
Liability in balance sheet	**4,713**	**5,089**

	From 1 January to	
	31.12.2009	31.12.2008
Expense (included in staff costs)	**156**	**450**

30. Other liabilities

	31.12.2009	31.12.2008
Dividends payable	9,046	9,965
Liabilities to third parties	213,970	233,364
Liabilities to Common Insurance Fund of Bank Employees (1)	469,615	518,400
Brokerage services	10,000	22,872
Deferred income	53,676	59,090
Accrued expenses	79,081	83,143
Liabilities from credit cards	242,890	228,789
Other	226,584	194,664
Total	**1,304,862**	**1,350,287**

(1) In accordance with article 10 of Law 3620/2007 TAP members joined the Common Insurance Fund of Bank Employees (ETAT) as of 1.1.2008,at a cost of the Bank amounting € 543 million. This amount plus interest is attributable in ten equal annual installments.

31. Provisions

	31.12.2009	31.12.2008
Insurance provisions	45,309	39,770
Provisions to cover credit risk and other provisions	9,748	13,493
Total	**55,057**	**53,263**

a. Insurance provisions

	31.12.2009	31.12.2008
Non-life insurance		
Unearned premiums	5,537	5,163
Outstanding claim reserves	4,477	4,109
Total	10,014	9,272
Life insurance		
Mathematical reserves	9,144	7,635
Outstanding claim reserves	2,428	1,377
Total	11,572	9,012
Reserves for investments held on behalf and at risk of life insurance policy holders	**23,723**	**21,486**
Total	**45,309**	**39,770**

b. Provisions to cover credit risk and other provisions

Balance 1.1.2008	**54,374**
Changes for the period 1.1. – 31.12.2008	
Reversal of provisions to cover credit risk relating to off-balance sheet items (note 9)	(42,178)
Other provisions charged to profit and loss	2,190
Provisions used during the period	(443)
Foreign Exchange differences	(450)
Balance 31.12.2008	**13,493**
Changes for the period 1.1. – 31.12.2009	
Reversal of provisions to cover credit risk relating to off-balance sheet items (note 9)	(4,335)
Other provisions charged to profit and loss	3,896
Provisions used during the period	(849)
Reversal of provisions	(2,303)
Foreign exchange differences	(154)
Balance 31.12.2009	**9,748**

The amount of other provisions charged to profit and loss is included in “Other expenses” of the income statement.

EQUITY

32. Share Capital

	Number of Common Shares	Number of Preference Shares	Paid-in capital
Opening balance 1.1.2008	**410,976,652**		**1,602,809**
Share capital increase through the capitalization of the share premium reserve of € 184,033 and part of taxed retained earnings of € 144,748, with an increase of the nominal value of each share from € 3.90 to € 4.70 (Decision of Shareholders' meeting held on 3 April 2008)			328,781
Balance 31.12.2008	**410,976,652**		**1,931,590**
Share capital increase through the issuance of new preference, non voting, paper and redeemable shares, according to Law 3723/2008		200,000,000	940,000
Share capital increase through cash payment with the issuance of new common, registered, voting, non paper shares of nominal value € 4.70 each and issue price € 8.00 each	123,292,996		579,477
Balance 31.12.2009	**534,269,648**	**200,000,000**	**3,451,067**

a) In the context of Law 3723/2008 relating to the enhancement of economy's liquidity, the Extraordinary General Meeting of the Shareholders of the Bank, held on 12.1.2009, approved:

- A share capital increase of € 940 million in accordance with the requirements of the above law, with cancellation of preemptive rights of existing shareholders and the issuance of 200,000,000 new preference, registered, non-voting, paper and redeemable shares with a nominal and price offering of € 4.70.
- The authorization to the Board of Directors to specify the terms of issuance of the preference shares.
- The amendment of Article 5 of the Bank's Articles of Incorporation pertaining to the share capital increase and the adaptation of the Articles of Incorporation to the terms of Law 3723/2008.

In implementation of the above decision of the Bank's Extraordinary General Meeting of Shareholders, and pursu¬ant to decisions 2/24004/0025/31.3.2009 and 2/35006/0023A/14.5.2009 of the Minister of Economy and Finance, a subscription agreement was concluded between the Bank and the Greek State on 14.5.2009. On 21.5.2009, the amount of the capital increase was fully subscribed by the Greek State following the transfer from the latter to the Bank of Greek Government bonds with nominal value of € 940 million, a 5 year duration, bearing a floating rate of interest. Furthermore, the Board of Directors of the Bank issued a multiple title deed for the total number of prefer¬ence shares (200,000,000 shares), in the name of the Greek State, with the following main characteristics:

- They provide the right to a fixed return equal to 10% on the nominal value of each share, in priority to the common shareholders, regardless of distributions to the common shareholders. This right of distribution is non-cumulative and subject to the availability of distributable funds and the approval of the General Meeting of the common shareholders of the Bank.
- In the event of liquidation, the preference shares have priority on the proceeds of the liquidation over the Bank's common shareholders.
- The Bank has the right to redeem the preference shares, either partially or in full, at their offer price, in exchange for cash or Greek Government Bonds of equal value, subject to the prior approval of the Bank of Greece.
- In accordance with the decision of the Minister of Economy and Finance preference shares, within five years from their issuance, can be converted into common shares under certain conditions and subject to the approval of the Bank of Greece.

According to a draft law submitted to the Parliament by the Ministry of Finance on 16 March 2010 the coupon of the preference shares has a step up feature of 2% annually, if after five years following the issuance, the credit institutions have not redeem the preference shares.

Taking into account the aforementioned characteristics of the preference shares the Bank has recognized the preference shares as part of its equity and the related accrued return as of 31.12.2009 amounts to € 58.8 million before tax.

The Bank's Ordinary General Meeting of Shareholders held on 23.6.2009, approved and ratified the resolution by the Extraordinary General Meeting of Shareholders convened on 12.1.2009, regarding the increase of the share capital and the modification of the Bank's Articles of Incorporation and was informed of, and accepted, the report by the appointed committee for the evaluation of the bonds contributed and issued by the Greek State for the participation in the share capital increase approved by the Extraordinary General Meeting of Shareholders of 12.1.2009.

b) The Board of Directors of the Bank, after the approval of the Second General Shareholders Meeting held on 6.6.2006, in its meeting held on 19.10.2009 decided unanimously among others on a share capital increase for the maximum amount of €579,477 through cash payment and the issuance of 123,292,996 new common, registered shares of nominal value €4.70 each and issue price €8.00 each.

The Ministry of Economy, Competitiveness and Shipping on 30.11.2009 with decision K2-12294 approved the Bank's share capital increase.

33. Share premium

Opening balance 1 January 2008	184,033
Share capital increase through the capitalization of share premium	(184,033)
Balance 31.12.2008	
Share capital increase - share premium from the issue of common shares	406,867
Balance 31.12.2009	**406,867**

In 2009 the share capital increase and the issuance of 123,292,996 new common registered shares of nominal value €4.70 and issue price €8.00 resulted in a total difference that amounted to €406,867 between the shares' nominal value and issue price. The difference was credited in "Share Premium" account.

34. Reserves

Reserves are analyzed as follows:

a. Statutory reserve

	31.12.2009	**31.12.2008**
Statutory reserve	477,164	460,184

According to the Bank's articles of association (article 26) as amended in May 2008, the Bank is required to transfer 5% of its annual net profit to the statutory reserve, until the reserve amounts to one third of share capital. This reserve can only be used to offset losses according to article 44 of Law 2190/1920.

For the remaining companies of the Group the statutory reserve is formed according to local regulations.

b. Available for sale securities reserve

	2009	**2008**
Opening balance 1.1	**(173,773)**	**(1,775)**
Net change in fair value of available for sale securities, after income tax	200,551	(205,653)
Net change in fair value of available for sale securities transferred to profit and loss	(143,437)	33,655
Balance 31.12	**(116,659)**	**(173,773)**

c. Exchange differences on translating foreign operations

	31.12.2009	**31.12.2008**
Exchange differences on translating foreign operations	(121,252)	(98,007)
Total reserves (a)+(b)+(c)	**239,253**	**188,404**

35. Retained earnings

a) According to paragraph 3 of article 1 of Law 3723/2008 referring to the enhancement of economy's liquidity, dividend distribution to shareholders of credit institutions, participating in the above program, cannot exceed 35% as stated in Law 148/1967.

The 20708/B.1175/23.4.2009 decision of Minister of Economy and Finance clarified that in the case of existence of distributable profits, the distribution of dividends is limited from zero up to maximum of 35% of profits. Additionally for the fiscal year 2008 and according to article 28 of Law 3576/2009, dividends may only be distributed in the form of shares and not in cash.

Following the above, the General Meeting of Shareholders held on 23.6.2009 decided not to distribute dividends for the fiscal year 2008.

b) Included in "Retained Earnings" on 31.12.2009 are the costs from the share capital increase as mentioned in note 32, amounting to €53,240 after deducting the relevant attributable income tax of €13,311.

36. Treasury shares

The Bank, pursuant to the decisions of General Meeting of Shareholders held on 3.4.2008, purchased, during the period 1.1 - 16.2.2009, 457,601 treasury shares at a cost of €2,665 (€5.83 per share).

On 31.8.2009, the Bank completed the sale of 6,140,959 treasury shares the cost of which amounted to €71,650, through a private placement, which represented 1.49% of its issued common voting shares. The result of the above mentioned transaction has been recognized directly to Retained earnings account of equity.

The number of treasury shares and the cost are analyzed as follows:

	Number of shares	Cost	Percentage
Balance 31.12.2008	5,683,358	68,985	1.38%
Purchases 1.1 - 16.2.2009	457,601	2,665	0.11%
Sale 31.8.2009	(6,140,959)	(71,650)	(1.49)%
Balance 31.12.2009	-	-	-

It is noted that in accordance with article 28 of Law 3756/31.3.2009, credit institutions, participating in the enhancement of the Greek economy's liquidity program (Law 3723/2008), are not allowed to purchase treasury shares during their participation in the program.

37. Hybrid securities

Alpha Group Jersey Ltd, a wholly owned subsidiary of the Bank, has issued the following hybrid securities:

- On 5 December 2002 an amount of €200 million preferred securities with interest step up clause, which represent Lower Tier 1 capital for the Group.
- These are perpetual securities and may be redeemed by the issuer after the expiration of 10 years. The issuer has the discretion not to pay a dividend on the conditions that the Bank does not pay a dividend to common Shareholders.

They carry interest at 3-month Euribor plus a margin of 2.65%. If redemption option is not exercised by the issuer, the margin is increased by 1.325% reaching 3.975% in total. The preferred securities are listed on the Luxembourg Stock Exchange.

- On 5 December 2003 an amount of €100 million preferred securities were issued with the same characteristics as those issued on 5 December 2002.
- On 18 February 2005 an amount of €600 million preferred securities without an interest step up clause, which also represent Lower Tier 1 capital for the Group since they fulfill the requirements of securities with interest step up clause as described above. The expenses of the issue amounted to €12 million.

Non-cumulative dividend of preferred securities carry fixed interest at 6% for the first 5 years and thereafter interest is determined based on the formula 4x(CMS10-CMS2) with a ceiling and floor rate of 10% and 3.25% respectively. CMS10 and CMS2 represent the Euribor of interest rate swaps of 10 and 2 years, respectively.

	31.12.2009	31.12.2008
Hybrid securities		
Perpetual with 1st call option in 2012	300,000	300,000
Perpetual with 1st call option in 2015	588,000	588,000
Total	**888,000**	**888,000**
Securities held from Group companies	(304,213)	(694)
Total	**583,787**	**887,306**

ADDITIONAL INFORMATION

38. Contingent liabilities and commitments

a) Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. No provision has been recorded because after consultation with legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Bank.

There are no pending legal cases or issues in progress which may have a material impact on the financial statements or operations of the other companies of the Group. The Group recorded a provision amounting to €4.9 million for pending legal cases or issues in progress.

b) Tax issues

In December 2009 the tax audit for the fiscal years 2006 and 2007 was completed. The Bank's branches in Bulgaria, Albania and London have been audited by the tax authorities for the years up to and including 2007. The Group's subsidiaries have been audited by the tax authorities up to and including the year indicated in the table below:

Name	Fiscal year
Banks	
1. Alpha Bank London Ltd	2007
2. Alpha Bank Cyprus Ltd	2007
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank AD Skopje	1997
5. Alpha Bank Jersey Ltd	2007
6. Alpha Bank Srbija A.D.	2001
7. OJSC Astra Bank (commencement of operation 2008)	*
Leasing Companies	
1. Alpha Leasing A.E.	2007
2. Alpha Leasing Romania S.A.	2007
3. ABC Factors A.E.	2005
4. Alpha Asset Finance C.I. Ltd (commencement of operation 2005)	*
Investment Banking	
1. Alpha Finance A.E.P.E.Y.	2007
2. Alpha Finance US Corporation	2001
3. Alpha Finance Romania S.A. (tax audit is in progress for fiscal years from 2003 - 2007)	2002
4. Alpha Ventures A.E.	2006
5. Alpha Ventures Capital Management (commencement of operation 2008)	*
Asset Management	
1. Alpha Asset Management A.E.D.A.K.	2003
2. ABL Independent Financial Advisers Ltd	2007
Insurance	
1. Alpha Insurance Agents A.E.	2006
2. Alpha Insurance Cyprus Ltd	2006
3. Alpha Insurance Brokers S.R.L.	2005
4. Alphalife A.A.E.Z. (commencement of operation 2007)	*
Real Estate and Hotel	
1. Alpha Astika Akinita A.E.	2005
2. Ionian Hotel Enterprises A.E.	2005
3. Oceanos A.T.O.E.E.	2006
4. Alpha Real Estate D.O.O. Beograd	2008
5. Alpha Astika Akinita D.O.O.E.L. Skopje	2007
6. Alpha Real Estate Bulgaria E.O.O.D.	2006
7. Chardash Trading E.O.O.D. (commencement of operation 2006)	*

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

Name	Fiscal year
Special purpose and holding entities	
1. Alpha Credit Group Plc	2007
2. Alpha Group Jersey Ltd	2007
3. Alpha Group Investments Ltd	2007
4. Ionian Holdings A.E.	2006
5. Messana Holdings S.A.	2008
6. Ionian Equity Participations Ltd (commencement of operation 2006)	*
7. ABL Holdings Jersey Ltd	2006
8. Alpha Covered Bonds Plc (commencement of operation 2008)	*
9. Katanalotika Plc (commencement of operation 2008)	*
10.Talanto Plc (commencement of operation 2009)	*
11.Epihiro Plc (commencement of operation 2009)	*
12.Irida Plc (commencement of operation 2009)	*
Other companies	
1. Alpha Bank London Nominees Ltd	**
2. Alpha Trustees Ltd	2002
3. Flagbright Ltd	**
4. Alpha Advisory Romania S.R.L.	1998
5. Evremathea A.E.	2006
6. Kafe Alpha A.E. (commencement of operation 2006)	*
7. Ionian Supporting Services A.E. (commencement of operation 2007)	*
8. Real Car Rental A.E. (commencement of operation 2009)	*

Additional taxes and penalties may be imposed for the unaudited years.

c) Operating leases

The Group's minimum future lease payments are:

	31.12.2009	31.12.2008
▶ less than one year	56,358	48,624
▶ between one and five years	179,472	162,958
▶ more than five years	272,136	134,604
Total	**507,966**	**346,186**

The minimum future lease revenues are:

	31.12.2009	31.12.2008
▶ less than one year	5,928	6,056
▶ between one and five years	17,441	19,267
▶ more than five years	6,426	6,901
Total	**29,795**	**32,224**

d) Off balance sheet liabilities

The Group pursuant to its normal operations, is binded by contractual commitments, that in the future may result to changes in its asset structure. These commitments are monitored in off balance sheet accounts. The contractual commitments, that the Group has undertaken relate to letters of credit, letters of guarantee, undrawn credit facilities.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment of the third party bind by the agreement on behalf of the Group's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Group for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

** *These companies are not subject to tax audits.*

Undrawn credit facilities are loan agreements that may not be fulfilled immediately or may be partially fulfilled. The amount presented in the table below represents part of the agreed loan agreements and credit limits which remains unused.

The Group's off balance sheet items are summarized below:

	31.12.2009	31.12.2008
Letters of credit	243,782	191,937
Letters of guarantee	5,650,394	5,652,060
Undrawn loan agreements and credit limits	17,511,502	18,040,379
Total	**23,405,678**	**23,884,376**

e) Assets pledged

	31.12.2009	31.12.2008
Loans to customers	4,099,152	964,490
Securities from Reverse Repos	5,277,100	400,000
Securities held for trading	45,000	60,964
Investment securities	9,351,190	5,632,896
Total	**18,772,442**	**7,058,350**

- From loans to customers:
  - i. An amount of €1,870 million has been pledged as collateral to the Bank of Greece in accordance with the Monetary Policy Council Act No 54/27.2.2004 as in force, and following its amendment by Monetary Policy Council Act 61/6.12.2006. With this act the Bank of Greece accepts as collateral, for monetary policy purposes and intraday credit non marketable assets, which should meet the terms and conditions of the above act.
  - ii. An amount of €2,229.2 million has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State in accordance with Law 3723/2008.
- From the securities from Reverse Repos and investment securities portfolio an amount of €5.5 billion derives from the securitization of bonds, mortgage, consumer and corporate loans. The above securities and other securities held by the Bank are presented net of the securities issued by special purpose entities.
- All the aforementioned securities derived from reverse repos, trading and investment portfolio are pledged as collateral to Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET) and in the European Central Bank's main refinancing operations.

f) Other pledges:

On 7.5.2008 the Bank completed a new Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of the American Law, which will be offered to institutional investors. The issuer will be Alpha Group Jersey Ltd, a wholly owned subsidiary of the Bank. The Notes will be guaranteed by the Bank and will be traded in Luxembourg Stock Exchange. The program is valid but for the time being it remains inactive.

In accordance with article 3 of Law 3723/2008, securities amounting to €1,138 million, issued by the Greek State, have been offered to the Bank through a bilateral agreement. These securities have been pledged by the European Central Bank to enhance the Bank's liquidity.

39. Group Consolidated Companies

The consolidated financial statements apart from the parent company ALPHA BANK include the following entities:

A. SUBSIDIARIES

Name	Country of Incorporation	Group's ownership interest % 31.12.2009	31.12.2008
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A.	Romania	99.91	99.91
4. Alpha Bank AD Skopje	FYROM	100.00	100.00
5. Alpha Bank Jersey Ltd	Jersey	100.00	100.00
6. Alpha Bank Srbija A.D.	Serbia	100.00	100.00
7. OJSC Astra Bank (note 45j)	Ukraine	97.01	93.33
Leasing companies			
1. Alpha Leasing A.E.	Greece	100.00	100.00
2. Alpha Leasing Romania S.A.	Romania	99.99	99.99
3. ABC Factors A.E. (note 45f)	Greece	100.00	100.00
4. Alpha Asset Finance C.I. Ltd	Jersey	100.00	100.00
Investment Banking			
1. Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2. Alpha Finance US Corporation (note 45r)	USA	100.00	100.00
3. Alpha Finance Romania S.A.	Romania	99.98	99.98
4. Alpha Ventures A.E.	Greece	100.00	100.00
5. Alpha Ventures Capital Management	Greece	100.00	100.00
Asset Management			
1. Alpha Asset Management A.E.D.A.K. (note 45m)	Greece	100.00	100.00
2. Alpha Private Investment Services A.E.P.E.Y. (note 45m)	Greece		100.00
3. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
Insurance			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Insurance Brokers S.R.L.	Romania	99.91	99.91
4. Alphalife A.A.E.Z.	Greece	100.00	100.00
Real estate and hotel			
1. Alpha Astika Akinita A.E.	Greece	90.30	88.59
2. Ionian Hotel Enterprises A.E.	Greece	96.98	96.64
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Alpha Real Estate D.O.O. Beograd	Serbia	90.30	88.59
5. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	90.30	88.59
6. Alpha Real Estate Bulgaria E.O.O.D. (note 45c)	Bulgaria	90.30	88.59
7. Chardash Trading E.O.O.D. (note 45k)	Bulgaria	90.30	
Special purpose and holding entities			
1. Alpha Credit Group Plc (note 45q)	United Kingdom	100.00	100.00
2. Alpha Group Jersey Ltd	Jersey	100.00	100.00
3. Alpha Group Investments Ltd	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Messana Holdings S.A.	Luxembroug	100.00	100.00
6. Ionian Equity Participations Ltd (note 45d)	Cyprus	100.00	100.00
7. ABL Holdings Jersey Ltd	Jersey	100.00	100.00
8. Alpha Covered Bonds Plc	United Kingdom	100.00	100.00
9. Katanalotika Plc	United Kingdom		
10.Talanto Plc (note 45b)	United Kingdom		
11.Epihiro Plc (note 45e)	United Kingdom		
12.Irida Plc (note 45n)	United Kingdom		
Other companies			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Flagbright Ltd	United Kingdom	100.00	100.00
4. Alpha Advisory Romania S.R.L.	Romania	99.98	99.98
5. Evremathea A.E.	Greece	100.00	100.00
6. Kafe Alpha A.E.	Greece	100.00	100.00
7. Ionian Supporting Services A.E.	Greece	100.00	100.00
8. Real Car Rental A.E. (note 45a)	Greece	100.00	

B. JOINT VENTURES

Name	Country of Incorporation	Group's ownership interest % 31.12.2009	31.12.2008
1. Cardlink A.E.	Greece	50.00	50.00
2. APE Fixed Assets A.E.	Greece	60.10	60.10
3. APE Commercial Property A.E.	Greece	72.20	72.20
4. APE Investment Property A.E. (notes 45g, 45i & 45l, 45o)	Greece	67.42	67.42
5. Alpha TANEO A.K.E.Σ.	Greece	51.00	51.00

C. ASSOCIATES

Name	Country of Incorporation	Group's ownership interest % 31.12.2009	31.12.2008
1. Evisak A.E.	Greece	27.00	27.00
2. AEDEP Thessalias and Stereas Ellados A.E.	Greece	50.00	50.00
3. A.L.C. Novelle Investments Ltd (note 45h)	Cyprus	33.33	33.33
4. EL.P.ET. Valkaniki A.E. (note 45p)	Greece	26.71	26.71
5. Kritis Gi – Tsatsakis A.V.E.E. (note 45s)	Greece	22.95	

The subsidiaries are fully consolidated, joint ventures are consolidated under the proportionate method, while the associates are accounted under the equity method.

The consolidated financial statements do not include the Commercial Bank of London Ltd which is a dormant company and HSO Europe BV and Prismatech Hellas S.A, which have been fully impaired and are in the process of liquidation.

The Group hedges the foreign exchange risk arising from the net investment in Alpha Bank London Ltd and Alpha Finance US Corporation through the use of the FX swaps and interbank deposits in the functional currency of the above subsidiaries.

40. Segment reporting

a. Analysis by operating segment

(Amounts in millions of Euro)

	1.1 - 31.12.2009						
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Group
Net interest income	822.8	388.9	12.8	121.0	415.7	1.4	1.762.6
Net fee and commission income	158.8	84.1	45.8	27.1	64.0	(1.0)	378.8
Other income	6.5	10.7	2.1	122.5	45.1	51.6	238.5
Total income	**988.1**	**483.7**	**60.7**	**270.6**	**524.8**	**52.0**	**2,379.9**
Total expenses	**(618.9)**	**(133.6)**	**(40.5)**	**(38.7)**	**(306.7)**	**(63.4)**	**(1,201.8)**
Impairment losses	(256.4)	(257.2)			(162.7)		(676.3)
Profit before income tax	**112.8**	**92.9**	**20.2**	**231.9**	**55.4**	**(11.4)**	**501.8**
Income tax							(152.7)
Profit after income tax							**349.1**
Assets	23,344.9	19,586.5	1,622.1	13,187.0	11,200.0	655.5	69,596.0
Liabilities	34,298.0	2,990.8	1,990.7	16,644.2	6,942.5	756.6	63,622.8
Capital expenditure	40.1	11.6	1.1	3.5	34.6	26.6	117.5
Depreciation and Amortization	33.6	9.7	1.8	1.3	27.2	18.2	91.8

(Amounts in millions of Euro)

	1.1 - 31.12.2008						
	Retail	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South-Eastern Europe**	**Other**	**Group**
Net interest income	1,093.8	322.9	15.3	21.8	342.6	2.2	1,798.6
Net fee and commission income	185.9	86.0	65.3	43.2	85.7	(1.7)	464.4
Other income	14.2	12.0	1.6	(15.4)	68.9	1.4	82.7
Total income	**1,293.9**	**420.9**	**82.2**	**49.6**	**497.2**	**1.9**	**2,345.7**
Total expenses	**(595.3)**	**(129.9)**	**(51.2)**	**(40.7)**	**(295.7)**	**(65.5)**	**(1,178.3)**
Impairment losses	(278.9)	(172.6)	(0.3)	(0.1)	(89.9)		(541.8)
Profit before income tax	**419.7**	**118.4**	**30.7**	**8.8**	**111.6**	**(63.6)**	**625.6**
Income tax							(112.2)
Profit after income tax							**513.4**
Assets	23,605.0	19,925.4	1,800.4	8,722.7	10,532.6	683.9	65,270.0
Liabilities	34,267.3	2,898.1	1,935.3	13,825.5	6,880.7	1,522.4	61,329.3
Capital expenditure	80.8	30.1	2.1	6.7	85.3	5.2	210.2
Depreciation and Amortization	37.3	10.4	2.0	1.8	23.4	14.0	88.9

i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad except from South-Eastern Europe countries.

The Group through its extended branch network offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards to the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division (Corporate) and shipping corporations operating in Greece and abroad except from South Eastern Europe countries.

The Group offers working capital facilities, corporate loans, and letters of guarantee.

This sector also includes the leasing products which are offered through Alpha Leasing A.E. and factoring services to third parties through ABC Factors A.E.

iii. Asset Management / Insurance

Consists of a wide range of asset management services through Group’s private banking units and Alpha Asset Management A.E.D.A.K. In addition, commissions are included due to the wide range of insurance products to individuals and companies through AXA insurance, which is the corporate successor of the subsidiary Alpha Insurance A.E.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered either by the Bank or specialized Group companies (Alpha Finance A.E.P.E.Y., Alpha Ventures A.E.). It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South-Eastern Europe

Consists of the Bank's branches and subsidiaries of the Group operating in South Eastern Europe.

vi. Other

This segment consists of the non-financial subsidiaries of the Group and Bank's income and expenses that are not related to its operating activities.

b. Analysis by geographical sector

(Amounts in millions of Euro)

	1.1 - 31.12.2009		
	Greece	**Other countries**	**Group**
Net interest income	1,326.3	436.3	1,762.6
Net fee and commission income	313.6	65.2	378.8
Other income	190.8	47.7	238.5
Total income	**1,830.7**	**549.2**	**2,379.9**
Total expenses	**(884.7)**	**(317.1)**	**(1,201.8)**
Impairment losses	(513.6)	(162.7)	(676.3)
Profit before income taxes	**432.4**	**69.4**	**501.8**
Income tax			(152.7)
Profit after income tax			**349.1**
Assets	54,971.0	14,625.0	69,596.0

(Amounts in millions of Euro)

	1.1 - 31.12.2008		
	Greece	**Other countries**	**Group**
Net interest income	1,437.5	361.1	1,798.6
Net fee and commission income	375.4	89.0	464.4
Other income	11.5	71.2	82.7
Total income	**1,824.4**	**521.3**	**2,345.7**
Total expenses	**(869.1)**	**(309.2)**	**(1,178.3)**
Impairment losses	(402.0)	(139.8)	(541.8)
Profit before income taxes	**553.3**	**72.3**	**625.6**
Income tax			(112.2)
Profit after income tax			**513.4**
Assets	51,234.4	14,035.6	65,270.0

41. Financial risk management

The Group has established a systematic and solid risk management framework for the reliable measurement of risk. Considering the stability and continuity of its operations, management places high priority on the goal of implementing and continuously improving this framework, in order to minimize potential negative effects on Group's financial results.

The Board of Directors of the Bank has overall responsibility for the improvement and oversight of the Risk Management framework. Risk Management Committee meets on a monthly basis and reports its activities to the Board of Directors. The Risk Management Committee is responsible for the implementation and monitoring compliance with the risk management policies. The Bank re-assesses the effectiveness of the risk management framework on a regular basis in order to ensure compliance with international best practices.

Risk management's divisions operate within the Group under the supervision of the Group's Chief Risk Officer and have been assigned with the responsibility of implementing the risk management framework, according to the directions of the Risk Management Committee.

41.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is considered the most significant risk for the Group, and its continuous monitoring is management's first priority.

The Group in order to effectively manage credit risk has developed specific methodologies and systems to measure credit risk. These systems and methodologies are continuously evolving so as to provide to the maximum extent possible current and productive support in the decisions making process of the business units in order to avoid possible adverse consequences on the results of the Group.

The main tool for the measurement of credit risk is the credit risk grading system established in Alpha Bank Group. Current systems use both quantitative and qualitative criteria of measurement and also criteria of transactional behavior in order to report customer probability of default and loss given default. Respective models are continuously improved in order for the total loan portfolio to be included in the new system of internal grading imposed by capital adequacy. The credit grading system consists of nine basic grades. Additionally, the Group uses ratings provided by External Credit Assessment Institutions (ECAI).

Credit risk rating also determine both credit limits and collaterals and it is systematically reassessed on a three up to twelve month basis. The reassessment is based on the customer's credit worthiness and on any new information and events that may have a significant impact on the level of credit risk.

The grading systems are subject to continuous quality control to ensure at all times proactive ability.

At the same time the Group performs stress testing exercises concerning credit risk on a regular basis. Based on respective stress testing an estimation is provided of the size of financial losses that could occur under extreme transactional behavior of the clients or of economic environment. On regular basis large exposures are monitored and management and the Board of Directors are informed.

The Group assesses on regular basis whether there is objective evidence of impairment.

The Group assesses at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically the above mentioned procedures include the following steps:

a) Establishment of events that provide objective evidence that a loan is impaired (trigger events).

b) The criteria for assessment on an individual or collective basis.

c) Establishment of groups of assets with similar risk characteristics.

d) Methodology in determing future cash flows from impaired loans.

e) Interest income recognition

f) Impairment recognition

g) Recoveries/ Receivable from loans impaired

In note 1.13 "Impairment losses on loans and advances" the accounting principles applied for loan impairment are described in detail.

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2009			31.12.2008		
	Exposure before impairment	**Impairment**	**Net exposure to credit risk**	**Exposure before impairment**	**Impairment**	**Net exposure to credit risk**
A. Credit risk exposure relating to balance sheet items						
Balances with Central Banks	**2,012,845**		**2,012,845**	**2,860,325**		**2,860,325**
Due from banks	**6,415,804**	**7,649**	**6,408,155**	**2,837,837**	**7,867**	**2,829,970**
Loans and advances to customers:						
Individuals:						
▪ Mortgages	13,753,905	126,318	13,627,587	13,538,068	94,384	13,443,684
▪ Consumer	4,868,594	178,790	4,689,804	4,669,423	195,228	4,474,195
▪ Credit cards	1,277,859	51,078	1,226,781	1,285,118	56,154	1,228,964
▪ Other	78,501		78,501	119,400		119,400
Total	**19,978,859**	**356,186**	**19,622,673**	**19,612,009**	**345,766**	**19,266,243**
Corporate loans:						
▪ Companies	30,074,967	1,215,632	28,859,335	29,779,390	863,259	28,916,131
▪ Leasing	1,336,039	36,516	1,299,523	1,448,224	29,101	1,419,123
▪ Factoring	634,977	3,624	631,353	599,888	3,215	596,673
▪ Other receivables	1,017,905	30,850	987,055	541,185	34,653	506,532
Total	**33,063,888**	**1,286,622**	**31,777,266**	**32,368,687**	**930,228**	**31,438,459**
Derivative financial instruments	347,178		347,178	485,026		485,026
Securities held for trading:						
▪ Government bonds	68,224		68,224	78,458		78,458
▪ Other debt securities	2,376		2,376	2,677		2,677
Total	**70,600**		**70,600**	**81,135**		**81,135**
Available for sale securities:						
▪ Available for sale (Government bonds)	724,897		724,897	366,804		366,804
▪ Available for sale (other)	728,406	35,141	693,265	389,742	4,020	385,722
Total	**1,453,303**	**35,141**	**1,418,162**	**756,546**	**4,020**	**752,526**
Held to maturity securities:						
▪ Held to maturity (Governement bonds)	2,682,765		2,682,765	1,805,579		1,805,579
▪ Held to maturity (other)	2,205,354	19,626	2,185,728	2,683,130		2,683,130
Total	**4,888,119**	**19,626**	**4,868,493**	**4,488,709**		**4,488,709**
Total amount of balance sheet items exposed to credit risk (a)	**68,230,596**	**1,705,224**	**66,525,372**	**63,490,274**	**1,287,881**	**62,202,393**
Other balance sheet items not exposed to credi risk	3,070,675		3,070,675	3,067,561		3,067,561
Total Assets	**71,301,271**	**1,705,224**	**69,596,047**	**66,557,835**	**1,287,881**	**65,269,954**
B. Credit risk exposure relating to off balance sheet items:						
Letters of guarantee and letters of credit	5,894,176	521	5,893,655	5,843,997	3,627	5,840,370
Undrawn loan agreements and credit limits [1]	17,511,502		17,511,502	18,040,379		18,040,379
Total amount of off balance sheet items exposed to credit risk (b)	**23,405,678**	**521**	**23,405,157**	**23,884,376**	**3,627**	**23,880,749**
Total credit risk exposure (a+b)	**91,636,274**	**1,705,745**	**89,930,529**	**87,374,650**	**1,291,508**	**86,083,142**

[1] *Undrawn loan agreements and credit limits as of 31.12.2009 include an amount of € 913.8 million (31.12.2008 € 1,051.6 million) which are committed limits that cannot be cancelled in cases where it becomes apparent that the counterparty will fail to meet their contractual obligations.*

LOANS AND ADVANCES TO CUSTOMERS – Analysis of past due amounts

	31.12.2009			
	Neither past due nor impaired	**Past due but not impaired**	**Impaired**	**Total**
Loans and advances to individuals				
▪ Mortgage				
Performing loans	11,763,755			11,763,755
Past due 1 - 90 days		1,268,212		1,268,212
Past due > 90 days			721,938	721,938
	11,763,755	**1,268,212**	**721,938**	**13,753,905**
▪ Credit cards, consumer and other loans				
Performing loans	5,013,611			5,013,611
Past due 1 - 90 days		842,299		842,299
Past due > 90 days			369,044	369,044
	5,013,611	**842,299**	**369,044**	**6,224,954**
Corporate loans				
Performing loans	27,957,509		645,024	28,602,533
Past due 1 - 90 days		2,380,073	167,999	2,548,072
Past due > 90 days		283,426	1,629,857	1,913,283
	27,957,509	**2,663,499**	**2,442,880**	**33,063,888**
Total portfolio				
Performing loans	44,734,875		645,024	45,379,899
Past due 1 - 90 days		4,490,584	167,999	4,658,583
Past due > 90 days		283,426	2,720,839	3,004,265
Total	**44,734,875**	**4,774,010**	**3,533,862**	**53,042,747**

	31.12.2008			
	Neither past due nor impaired	**Past due but not impaired**	**Impaired**	**Total**
Loans and advances to individuals				
▪ Mortgage				
Performing loans	11,701,254			11,701,254
Past due 1 - 90 days		1,410,752		1,410,752
Past due > 90 days			426,062	426,062
	11,701,254	**1,410,752**	**426,062**	**13,538,068**
▪ Credit cards, consumer and other loans				
Mortgage	4,969,771			4,969,771
Past due 1 - 90 days		781,971		781,971
Past due > 90 days			322,199	322,199
	4,969,771	**781,971**	**322,199**	**6,073,941**
Corporate loans				
Mortgage	27,536,637		421,406	27,958,043
Past due 1 - 90 days		3,000,557	114,479	3,115,036
Past due > 90 days		230,380	1,065,228	1,295,608
	27,536,637	**3,230,937**	**1,601,113**	**32,368,687**
Total portfolio				
Performing loans	44,207,662		421,406	44,629,068
Past due 1 - 90 days		5,193,280	114,479	5,307,759
Past due > 90 days		230,380	1,813,489	2,043,869
Total	**44,207,662**	**5,423,660**	**2,349,374**	**51,980,696**

LOANS AND ADVANCES TO CUSTOMERS – Neither past due nor impaired

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Low risk	11,763,755	5,013,611	26,637,265	43,414,631
Under surveillance			1,320,244	1,320,244
Total	**11,763,755**	**5,013,611**	**27,957,509**	**44,734,875**

	31.12.2008			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Low risk	11,701,254	4,969,771	26,577,295	43,248,320
Under surveillance			959,342	959,342
Total	**11,701,254**	**4,969,771**	**27,536,637**	**44,207,662**

This category includes loans that have indications that the counterparty will not be able to meet their contractual obligations, accounts were a settlement was agreed during the last 12 months, and they are subsequently meet their obligations. These loans amounted to €616.1 million as at 31.12.2009 (31.12.2008: €167.7 million)

LOANS AND ADVANCES TO CUSTOMERS – Past due but not impaired

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Past due 1 - 90 days	1,268,212	842,299	2,380,073	4,490,584
Past due > 90 days			283,426	283,426
Total	**1,268,212**	**842,299**	**2,663,499**	**4,774,010**
Fair value of collaterals	**1,072,057**	**48,743**	**2,364,177**	**3,484,977**

	31.12.2008			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Past due 1 - 90 days	1,410,752	781,971	3,000,557	5,193,280
Past due > 90 days			230,380	230,380
Total	**1,410,752**	**781,971**	**3,230,937**	**5,423,660**
Fair value of collaterals	**1,225,880**	**51,001**	**2,887,881**	**4,164,762**

LOANS AND ADVANCES TO CUSTOMERS – Impaired

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Carrying amount before impairment	721,938	369,044	2,442,880	3,533,862
Allowance of impairment	(126,318)	(229,868)	(1,286,622)	(1,642,808)
Carrying amount	**595,620**	**139,176**	**1,156,258**	**1,891,054**
Fair value of collaterals	**638,168**	**33,125**	**2,121,577**	**2,792,870**

	31.12.2008			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Carrying amount before impairment	426,062	322,199	1,601,113	2,349,374
Allowance of impairment	(94,384)	(251,382)	(930,228)	(1,275,994)
Carrying amount	**331,678**	**70,817**	**670,885**	**1,073,380**
Fair value of collaterals	**381,926**	**28,166**	**1,300,868**	**1,710,960**

BALANCES WITH CENTRAL BANKS -DUE FROM BANKS - DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES - Analysis per rating

	31.12.2009						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity sale securities	Total
AAA		1,278,807			24,275	140,087	1,443,169
AA+ to AA-	52,770	313,117	10,573	5,149	43,480	179,981	605,070
A+ to A-	917,352	3,247,626	237,873	58,643	555,020	3,477,446	8,493,960
BBB+ to BBB-	805,950	1,477,519	1,170	76	558,463	659,611	3,502,789
Lower than BBB-	236,773	45,409	79,026	6,505	138,617	402,085	908,415
Unrated		53,326	18,536	227	133,448	28,909	234,446
Exposure before impairment	**2,012,845**	**6,415,804**	**347,178**	**70,600**	**1,453,303**	**4,888,119**	**15,187,849**

	31.12.2008						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity sale securities	Total
AAA			30,310		1,359	170,391	202,060
AA+ to AA-	46,588	520,029	1,261		49,725	306,390	923,993
A+ to A-	1,214,147	1,055,286	252,091	68,462	285,250	3,059,931	5,935,167
Lower than A-	1,599,590	1,262,522	2,786	12,673	420,212	951,997	4,249,780
Unrated			198,578				198,578
Exposure before impairment	**2,860,325**	**2,837,837**	**485,026**	**81,135**	**756,546**	**4,488,709**	**11,509,578**

BALANCES WITH CENTRAL BANKS -DUE FROM BANKS –DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis of past due amounts

	31.12.2009						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity sale securities	Total
Neither past due nor impaired	2,012,845	6,408,155	347,178	70,600	1,404,694	4,860,651	15,104,123
Past due but not impaired							
Impaired		7,649			48,609	27,468	83,726
Exposure before impairment	**2,012,845**	**6,415,804**	**347,178**	**70,600**	**1,453,303**	**4,888,119**	**15,187,849**
Less: Allowance for impairment losses		(7,649)			(35,141)	(19,626)	(62,416)
Net exposure	**2,012,845**	**6,408,155**	**347,178**	**70,600**	**1,418,162**	**4,868,493**	**15,125,433**

	31.12.2008						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity sale securities	Total
Neither past due nor impaired	2,860,325	2,829,970	485,026	81,135	744,825	4,488,709	11,489,990
Past due but not impaired							
Impaired		7,867			11,721		19,588
Exposure before impairment	**2,860,325**	**2,837,837**	**485,026**	**81,135**	**756,546**	**4,488,709**	**11,509,578**
Less: Allowance for impairment losses		(7,867)			(4,020)		(11,887)
Net exposure	**2,860,325**	**2,829,970**	**485,026**	**81,135**	**752,526**	**4,488,709**	**11,497,691**

In the following tables are presented the financial assets exposed to credit risk by industry sectors of the counter-parties.

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2009										
	Financial Institutions and other financial services	**Manufacturing**	**Construction and real estate**	**Wholesale and retail trade**	**Public sector**	**Transportation**	**Shipping**	**Hotels - Tourism**	**Other sectors**	**Individuals**	**Total**
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	2,012,845										2,012,845
Due from banks	6,415,804										6,415,804
Loans and advances to customers:											
Individuals:											
▪ Mortgage										13,753,905	13,753,905
▪ Credit cards and consumer loans										6,146,453	6,146,453
▪ Other receivables										78,501	78,501
Total										**19,978,859**	**19,978,859**
Corporate loans:											
▪ Companies	1,362,945	6,255,372	5,433,912	6,945,091	716,609	2,411,097	1,589,387	2,086,128	4,292,331		31,092,872
▪ Leasing	89,648	196,002	347,424	367,294	72	33,103	47,430	66,862	188,204		1,336,039
▪ Factoring		308,836	21,055	216,786		5,815		1,455	81,030		634,977
Total	**1,452,593**	**6,760,210**	**5,802,391**	**7,529,171**	**716,681**	**2,450,015**	**1,636,817**	**2,154,445**	**4,561,565**		**33,063,888**
Derivative financial instruments	170,071	13,035	35,707	10,180	55,698		13,510	19,669	29,308		347,178
Securities held for trading	1,769	193		414	68,224						70,600
Available for sale securities	613,051	10,835	31,381	48,352	724,897				24,787		1,453,303
Held to maturity securities	1,922,393	103,553	48,566	130,842	2,682,765						4,888,119
Total carrying amount of balance sheet items exposed to credit risk (a)	**12,588,526**	**6,887,826**	**5,918,045**	**7,718,959**	**4,248,265**	**2,450,015**	**1,650,327**	**2,174,114**	**4,615,660**	**19,978,859**	**68,230,596**
Other balance sheet items not exposed to credit risk									3,070,675		3,070,675
Total assets	**12,588,526**	**6,887,826**	**5,918,045**	**7,718,959**	**4,248,265**	**2,450,015**	**1,650,327**	**2,174,114**	**7,686,335**	**19,978,859**	**71,301,271**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	164,793	1,113,170	2,360,749	1,247,569	3,043	79,130	42,674	30,089	852,959		5,894,176
Undrawn loan agreements, credit limits and other credit liabilities									17,511,502		17,511,502
Total carrying amount of off balance sheet items exposed to credit risk (b)	**164,793**	**1,113,170**	**2,360,749**	**1,247,569**	**3,043**	**79,130**	**42,674**	**30,089**	**18,364,461**		**23,405,678**
Total credit risk exposure (a+b)	**12,753,319**	**8,000,996**	**8,278,794**	**8,966,528**	**4,251,308**	**2,529,145**	**1,693,001**	**2,204,203**	**22,980,121**	**19,978,859**	**91,636,274**

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2008										
	Financial Institutions and other financial services	Manufacturing	Construction and real estate	Wholesale and retail trade	Public sector	Transportation	Shipping	Hotels - Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	2,860,325										2,860,325
Due from banks	2,837,837										2,837,837
Loans and advances to customers:											
Individuals:											
▪ Mortgage										13,538,068	13,538,068
▪ Credit cards and consumer loans										5,954,541	5,954,541
▪ Other receivables										119,400	119,400
Total										**19,612,009**	**19,612,009**
Corporate loans											
▪ Companies	921,906	5,958,662	5,248,953	7,135,998	238,705	2,276,743	1,635,567	2,236,160	4,667,881		30,320,575
▪ Leasing	13,745	252,693	410,402	384,897	264	29,612		86,505	270,106		1,448,224
▪ Factoring	43,571	263,141	4,229	225,176		5,194		1,965	56,612		599,888
Total	**979,222**	**6,474,496**	**5,663,584**	**7,746,071**	**238,969**	**2,311,549**	**1,635,567**	**2,324,630**	**4,994,599**		**32,368,687**
Derivative financial instruments	412,272								72,754		485,026
Securities held for trading				439	73,936				6,760		81,135
Available for sale securities	209,351		26,104	46,443	336,569				138,079		756,546
Held to maturity securities	2,297,517	119,100	123,459	72,213	1,876,420						4,488,709
Total carrying amount of balance sheet items exposed to credit risk (a)	**9,596,524**	**6,593,596**	**5,813,147**	**7,865,166**	**2,525,894**	**2,311,549**	**1,635,567**	**2,324,630**	**5,212,192**	**19,612,009**	**63,490,274**
Other balance sheet items not exposed to credit risk									3,067,561		3,067,561
Total assets	**9,596,524**	**6,593,596**	**5,813,147**	**7,865,166**	**2,525,894**	**2,311,549**	**1,635,567**	**2,324,630**	**8,279,753**	**19,612,009**	**66,557,835**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	25,970	1,155,465	2,036,526	1,093,243	10,207	57,051	56,981	105,181	1,303,373		5,843,997
Undrawn loan agreements, credit limits and other credit liabilities									18,040,379		18,040,379
Total carrying amount of off balance sheet items exposed to credit risk (b)	**25,970**	**1,155,465**	**2,036,526**	**1,093,243**	**10,207**	**57,051**	**56,981**	**105,181**	**19,343,752**		**23,884,376**
Total credit risk exposure (a+b)	**9,622,494**	**7,749,061**	**7,849,673**	**8,958,409**	**2,536,101**	**2,368,600**	**1,692,548**	**2,429,811**	**24,555,944**	**19,612,009**	**87,374,650**

41.2. Market risk

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indexes, equity prices and commodities. Losses may also occur either from the trading portfolio or from the banking book.

i. Trading portfolio

The market risk is measured by the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of 1 and 10 days, depending on the time required to liquidate the portfolio.

1 day value at risk, 99% confidence level (2 years historical data)

	2009					2008
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total	Total
31 December	520,617	61,823	1,664,300	(598,275)	1,648,465	1,675,362
Average daily value (annual)	295,149	915,108	1,702,063	(854,369)	2,057,951	2,070,271
Maximum daily value (annual)	214,940	3,211,629	2,372,289	(2,214,689)	3,584,169	3,723,894
Minimum daily value (annual)	602,312	82,920	1,326,831	(675,980)	1,336,083	580,590

The above items concern the Bank. The Group's subsidiaries and branches have limited trading positions, which are immaterial compared to the positions of the Bank. As a result the market risk effect deriving from these positions is immaterial.

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters.

Within the scope of policy-making for financial risk management by the Assets and Liabilities Management Committee (ALCO), exposure limits and maximum loss (stop loss) for various products of the trading portfolio have been set. In particular limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions.
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options.
- Price risk regarding position in shares, index Futures and options.
- Credit risk regarding interbank transactions, corporate bonds and emerging market government bonds.

Positions held in these products are monitored during the day and are examined as to the corresponding limit percentage cover and limit excess.

ii. Other financial instruments of assets and liabilities

Apart from the trading portfolio market risk may also arise from the Banking Book. This risk is foreign currency risk and interest rate risk.

a. Foreign currency risk

Group companies take on the risk arising from the fluctuations in foreign exchange rates.

The General Management of the Bank sets limits on the level of exposure by currency and in total for both overnight and intra-day positions.

The total position arises from the net on balance sheet position and derivatives forward position as presented in the tables below:

	31.12.2009								
	USD	**GBP**	**CHF**	**JPY**	**RON**	**RSD**	**Other F/C**	**EURO**	**Total**
ASSETS									
Cash and balances with Central Banks	11,122	2,594	798	26	191,143	63,806	122,453	2,122,722	2,514,664
Due from banks	(167,771)	183,956	249,751	(3,824)	169,986	30,195	90,283	5,855,579	6,408,155
Securities held for trading					15		6,096	64,489	70,600
Derivative financial assets								347,178	347,178
Loans and advances to customers	2,166,088	658,236	2,212,391	48,616	572,362	79,271	280,633	45,382,342	51,399,939
Investment Securities									
- Available for sale	71,452	616	479		337,000	13,502	105,787	889,326	1,418,162
- Held to maturity	348,442							4,520,051	4,868,493
Investments in associates	(1)	39						50,677	50,715
Investment property						1,020		71,648	72,668
Property, plant and equipment	34	2,312			57,201	56,507	60,418	1,081,979	1,258,451
Goodwill and other intangible assets		110			3,408	54,004	9,615	110,972	178,109
Deferred tax assets		11			1,284	4,293	4	287,697	293,289
Other assets	2,163	2,123	(41)		4,868	7,234	21,186	562,451	599,984
Non-current assets held for sale							516	115,124	115,640
Total Assets	**2,431,529**	**849,997**	**2,463,378**	**44,818**	**1,337,267**	**309,832**	**696,991**	**61,462,235**	**69,596,047**
LIABILITIES									
Due to banks and customers	4,686,583	428,872	24,976	961,237	902,939	113,657	587,428	48,445,441	56,151,133
Derivative financial liabilities								603,932	603,932
Debt securities in issue and other borrowed funds	320,632	5,107	85,573	227,446	81,955		54,796	4,373,366	5,148,875
Liabilities for current income tax and other taxes		899			1,896	208	84	105,400	108,487
Deferred tax liabilities					6,762	539	1,057	194,134	202,492
Employee defined benefit obligations						611		47,239	47,850
Other liabilities	1,610	1,435	983	533	9,616	2,258	3,199	1,285,228	1,304,862
Provisions	8				35	3,728	10	51,276	55,057
Total liabilities	**5,008,833**	**436,313**	**111,532**	**1,189,216**	**1,003,203**	**121,001**	**646,574**	**55,106,016**	**63,622,688**
Net balance sheet position	(2,577,304)	413,684	2,351,846	(1,144,398)	334,064	188,831	50,417	6,356,219	5,973,359
Derivatives forward foreign exchange position	2,568,811	(403,159)	(2,358,200)	1,142,752	(68,028)	(3,609)	77,327	(975,341)	(19,447)
Total Foreign Exchange Position	**(8,493)**	**10,525**	**(6,354)**	**(1,646)**	**266,036**	**185,222**	**127,744**	**5,380,878**	**5,953,912**
Undrawn loan agreements and credit limits	168,219	70,062	1			66,241	16,024	17,190,955	17,511,502

	31.12.2008								
	USD	GBP	CHF	JPY	RON	RSD	Other F/C	EURO	Total
Total Assets	4,469,235	673,933	2,328,008	64,148	1,042,502	363,858	541,079	55,787,191	65,269,954
Total Liabilities	4,727,233	479,547	114,647	1,437,213	1,068,022	120,800	695,036	52,686,759	61,329,257
Net balance sheet position	(257,998)	194,386	2,213,361	(1,373,065)	(25,520)	243,058	(153,957)	3,100,432	3,940,697
Derivatives forward foreign exchange position	261,345	(180,386)	(2,220,769)	1,370,877	113,924	(9,820)	288,704	388,160	12,035
Total Foreign Exchange Position	**3,347**	**14,000**	**(7,408)**	**(2,188)**	**88,404**	**233,238**	**134,747**	**3,488,592**	**3,952,732**
Undrawn loan agreements and credit limits	161,786	102,107	237			49,252	23,770	17,703,227	18,040,379

The high exposure in other currencies is due to our participation in Ukraine.

The net foreign exchange position as at 31.12.2009 presents the following sensitivity analysis.

Currency	Exchange rate variation scenario against Euro (%)	Impact on net income before tax	Impact on equity
USD	Appreciation of USD 5%	(447)	
	Depreciation of USD 5%	404	
GBP	Appreciation of GBP 5%	553	
	Depreciation of GBP 5%	(502)	
CHF	Appreciation of CHF 5%	(335)	
	Depreciation of CHF 5%	302	
RON	Appreciation of RON 5%		14,001
	Depreciation of RON 5%		(12,669)
MKD	Appreciation of MKD 5%		1,357
	Depreciation of MKD 5%		(1,229)
RSD	Appreciation of RSD 5%		9,748
	Depreciation of RSD 5%		(8,821)
UAH	Appreciation of UAH 5%		4,639
	Depreciation of UAH 5%		(4,198)

b. Interest rate risk

Gap analysis is performed in order to examine the interest rate risk of assets and liabilities. Assets and liabilities are allocated into time bands according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments.

Gap Analysis is presented in the table below:

	31.12.2009							
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	1,768,270						746,394	2,514,664
Due from banks	6,015,937	248,531			136,493	7,108	86	6,408,155
Securities held for trading	11,650		30,448	17,532	10,923	47		70,600
Derivative financial assets	347,178							347,178
Loans and advances to customers	31,457,216	8,295,761	4,928,877	2,176,659	3,609,776	931,650		51,399,939
Investment Securities								
- Available for sale	98,379	512,044	73,139	230,814	397,368	37,419	68,999	1,418,162
- Held to maturity	565,505	997,505	2,600,575	53,539	275,799	375,570		4,868,493
Investments in associates							50,715	50,715
Investment property							72,668	72,668
Property, plant and equipment							1,258,451	1,258,451
Goodwill and other intangible assets							178,109	178,109
Deferred tax assets							293,289	293,289
Other assets							599,984	599,984
Non-current assets held for sale							115,640	115,640
Total Assets	**40,264,135**	**10,053,841**	**7,633,039**	**2,478,544**	**4,430,359**	**1,351,794**	**3,384,335**	**69,596,047**
LIABILITIES								
Due to banks	1,513,797	1,498,675	218,720	10,004,175	72			13,235,439
Derivatives financial liabilities	603,932							603,932
Due to customers	26,211,011	7,975,823	4,559,743	2,287,839	1,877,525	3,753		42,915,694
Debt securities in issue and other borrowed funds	1,030,905	3,441,147	566,468	1,766	59,976	48,613		5,148,875
Liabilities for current income tax and other taxes							108,487	108,487
Deferred tax liabilities							202,492	202,492
Employee defined benefit obligations							47,850	47,850
Other liabilities							1,304,862	1,304,862
Provisions							55,057	55,057
Total Liabilities	**29,359,645**	**12,915,645**	**5,344,931**	**12,293,780**	**1,937,573**	**52,366**	**1,718,748**	**63,622,688**
EQUITY								
Share capital							3,451,067	3,451,067
Share premium							406,867	406,867
Reserves							239,253	239,253
Retained earnings							1,274,961	1,274,961
Minority interest							17,424	17,424
Hybrid securities		583,787						583,787
Total Equity		**583,787**					**5,389,572**	**5,973,359**
Total Liabilities and Equity	**29,359,645**	**13,499,432**	**5,344,931**	**12,293,780**	**1,937,573**	**52,366**	**7,108,320**	**69,596,047**
GAP	**10,904,490**	**(3,445,591)**	**2,288,108**	**(9,815,236)**	**2,492,786**	**1,299,428**	**(3,723,985)**	
CUMULATIVE GAP	**10,904,490**	**7,458,899**	**9,747,007**	**(68,229)**	**2,424,557**	**3,723,985**		

	31.12.2008							
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	2,701,103						749,844	3,450,947
Due from banks	2,260,624	301,609	80,983	25,677	153,613	7,464		2,829,970
Securities held for trading	4,253	246	67,233	3,704	275	5,424		81,135
Derivative financial assets	485,026							485,026
Loans and advances to customers	27,996,110	7,494,753	4,685,497	2,419,609	7,123,900	984,833		50,704,702
Investment Securities								
- Available for sale	65,624	159,788	74,904	108,048	225,729	38,795	79,638	752,526
- Held to maturity	667,966	1,182,592	1,682,605	139,956	354,213	461,377		4,488,709
Investments in associates							59,260	59,260
Investment property							66,875	66,875
Property, plant and equipment							1,254,240	1,254,240
Goodwill and other intangible assets							159,961	159,961
Deferred tax assets							333,499	333,499
Other assets							549,299	549,299
Non-current assets held for sale							53,805	53,805
Total Assets	**34,180,706**	**9,138,988**	**6,591,222**	**2,696,994**	**7,857,730**	**1,497,893**	**3,306,421**	**65,269,954**
LIABILITIES								
Due to banks	7,042,377	1,761,626	112,372	38,363	6,850	2,208		8,963,796
Derivatives financial liabilities	805,346							805,346
Due to customers	27,722,621	8,260,079	3,480,953	1,638,603	1,297,102	147,419		42,546,777
Debt securities in issue and other borrowed funds	3,241,006	3,368,875	407,946	10,573	212,785			7,241,185
Liabilities for current income tax and other taxes							128,062	128,062
Deferred tax liabilities							197,779	197,779
Employee defined benefit obligations							42,762	42,762
Other liabilities							1,350,287	1,350,287
Provisions							53,263	53,263
Total Liabilities	**38,811,350**	**13,390,580**	**4,001,271**	**1,687,539**	**1,516,737**	**149,627**	**1,772,153**	**61,329,257**
EQUITY								
Share capital							1,931,590	1,931,590
Share premium								
Reserves							188,404	188,404
Retained earnings							969,815	969,815
Treasury shares							(68,985)	(68,985)
Minority interest							32,567	32,567
Hybrid securities		887,306						887,306
Total Equity		887,306					3,053,391	3,940,697
Total Liabilities and Equity	38,811,350	14,277,886	4,001,271	1,687,539	1,516,737	149,627	4,825,544	65,269,954
GAP	**(4,630,644)**	**(5,138,898)**	**2,589,951**	**1,009,455**	**6,340,993**	**1,348,266**	**(1,519,123)**	
CUMULATIVE GAP	**(4,630,644)**	**(9,769,542)**	**(7,179,591)**	**(6,170,136)**	**170,857**	**1,519,123**		

GAP Analysis allows an immediate calculation of changes in net interest income and equity for available for sale securities upon application of alternative scenarios, such as changes in market interest rates or changes in the Bank's and in Group subsidiaries base interest rates.

Currency	Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net interest income (annual)	Sensitivity of equity
EUR	+ 50 basis points	54,792	(5,417)
	- 50 basis points	(54,792)	5,504
USD	+ 50 basis points	959	(816)
	- 50 basis points	(2,270)	837
GBP	+ 50 basis points	298	(3)
	- 50 basis points	(298)	3
CHF	+ 50 basis points	(65)	
	- 50 basis points	19	

41.3 Liquidity risk

Liquidity risk relates to the Group's ability to maintain sufficient funds to cover its planned or extraordinary obligations.

A substantial portion of the Group's assets are funded with customer deposits and bonds issued by the Group. This type of funding comprises two categories:

a) Customer deposits for working capital purposes

Deposits for working capital purposes consist of savings accounts and sight deposits. Although these deposits may be withdrawn on demand the number of accounts and type of depositors ensure that unexpected fluctuations are limited and that these deposits constitute mostly a stable deposit base.

b) Customer deposits and bonds issued for investment purposes

Customer deposits and bonds issued for investment purposes concern customer term deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group.

According to Liquidity Gap Analysis, cash flows arising from all assets and liabilities are estimated and allocated into time bands, depending on when they occur, with the exception of securities portfolios. In the case of such portfolios, which can be easily liquidated, they are allocated in the first period using relevant haircuts.

The Liquidity Gap Analysis is given in the table below. It should be noted that term deposits are presented with their contractual due date, although behavioural analysis of term deposits has indicated that 80% of term deposits are renewed when they mature and are therefore considered stable deposit base.

	31.12.2009					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	2,514,664					2,514,664
Due from banks	5,876,456	299,657	6,790	135,607	89,645	6,408,155
Securities held for trading	67,070				3,530	70,600
Derivative financial assets	347,178					347,178
Loans and advances to customers	1,956,099	2,238,200	2,426,132	3,370,226	41,409,282	51,399,939
Investment securities						
- Available for sale	1,343,649				74,513	1,418,162
- Held to maturity	3,407,945				1,460,548	4,868,493
Investments in associates					50,715	50,715
Investment property					72,668	72,668
Property, plant and equipment					1,258,451	1,258,451
Goodwill and other intangible assets					178,109	178,109
Deferred tax assets					293,289	293,289
Other assets	6,534		17,095	220,308	356,047	599,984
Non-current assets held for sale					115,640	115,640
Total Assets	**15,519,595**	**2,537,857**	**2,450,017**	**3,726,141**	**45,362,437**	**69,596,047**
LIABILITIES						
Due to banks	1,040,260	927,718	328,232	10,286,062	653,167	13,235,439
Derivatives financial liabilities	603,932					603,932
Due to customers (including debt securities in issue)	9,430,125	8,127,841	5,044,269	3,641,915	16,671,544	42,915,694
Debt securities in issue held by institutional investors and other borrowed funds	276,512	601,180	483,932	469,676	3,317,575	5,148,875
Liabilities for current income tax and other taxes	108,487					108,487
Deferred tax liabilities					202,492	202,492
Employee defined benefit obligations					47,850	47,850
Other liabilities	1,052,309	56,395	24,057	57,159	114,942	1,304,862
Provisions					55,057	55,057
Total Liabilities	**12.511,625**	**9,713,134**	**5,880,490**	**14,454,812**	**21,062,627**	**63,622,688**
Total Equity					**5,973,359**	**5,973,359**
Total Liabilities and Equity	**12,511,625**	**9,713,134**	**5,880,490**	**14,454,812**	**27,035,986**	**69,596,047**
Liquidity GAP	**3,007,970**	**(7,175,277)**	**(3,430,473)**	**(10,728,671)**	**18,326,451**	

	31.12.2008					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	3,450,947					3,450,947
Due from banks	2,056,270	373,224	151,816	20,725	227,935	2,829,970
Securities held for trading	77,078				4,057	81,135
Derivative financial assets	485,026					485,026
Loans and advances to customers	2,268,849	2,139,717	2,351,111	3,195,773	40,749,252	50,704,702
Investment securities						
- Available for sale	711,466				41,060	752,526
- Held to maturity	3,142,096				1,346,613	4,488,709
Investments in associates					59,260	59,260
Investment property					66,875	66,875
Property, plant and equipment					1,254,240	1,254,240
Goodwill and other intangible assets					159,961	159,961
Deferred tax assets					333,499	333,499
Other assets	180,083		23,513	9,527	336,176	549,299
Non-current assets held for sale					53,805	53,805
Total Assets	**12,371,815**	**2,512,941**	**2,526,440**	**3,226,025**	**44,632,733**	**65,269,954**
LIABILITIES						
Due to banks	7,000,709	855,933	141,197	411,071	554,886	8,963,796
Derivatives financial liabilities	805,346					805,346
Due to customers (including debt securities in issue)	12,411,831	7,654,310	3,660,407	2,682,524	16,137,705	42,546,777
Debt securities in issue held by institutional investors and other borrowed funds	867,792	439,780	413,359	1,185,401	4,334,853	7,241,185
Liabilities for current income tax and other taxes	128,062					128,062
Deferred tax liabilities					197,779	197,779
Employee defined benefit obligations					42,762	42,762
Other liabilities	998,317	71,577	60,690	61,182	158,521	1,350,287
Provisions					53,263	53,263
Total Liabilities	**22,212,057**	**9,021,600**	**4,275,653**	**4,340,178**	**21,479,769**	**61,329,257**
Total Equity					**3,940,697**	**3,940,697**
Total Liabilities and Equity	**22,212,057**	**9,021,600**	**4,275,653**	**4,340,178**	**25,420,466**	**65,269,954**
Liquidity GAP	**(9,840,242)**	**(6,508,659)**	**(1,749,213)**	**(1,114,153)**	**19,212,267**	

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their due date. Estimated interest payments are also included. Liabilities in foreign currency have been translated into Euro. Especially for derivatives, their outflows and inflows are estimated according to their contractual terms.

	31.12.2009						
		Nominal inflows / (outflows)					
	Total Balance Sheet	Less than 1 month	2 to 3 months	4 to 6 months	7 to 12 months	More than 1 year	Total
Non-derivative Liabilities							
Due to Banks	13,235,439	(1,186,939)	(930,606)	(353,769)	(10,136,034)	(1,689,036)	(14,296,384)
Due to customers	42,915,694	(10,527,217)	(8,186,945)	(5,093,013)	(3,624,701)	(16,212,643)	(43,644,519)
Debt securities in issue held by institutional investors and other borrowed funds	5,148,875	(69,236)	(433,973)	(511,705)	(558,951)	(5,914,612)	(7,488,477)
Other liabilities	1,304,862	(1,009,093)	(56,460)	(24,071)	(57,159)	(158,079)	(1,304,862)
Derivatives held for assets fair value hedge	221,248						
- Outflows		(30)	(3,049)	(47,868)	(46,938)	(1,418,719)	(1,516,604)
- Inflows		1,087	7,789	16,154	44,311	1,398,252	1,467,593
Derivatives held for trading	382,684						
- Outflows		(2,169,765)	(1,102,289)	(82,971)	(231,600)	(2,394,675)	(5,981,300)
- Inflows		2,089,129	1,104,960	69,627	177,592	2,671,272	6,112,580
Total	**63,208,802**	**(12,872,064)**	**(9,600,573)**	**(6,027,616)**	**(14,433,480)**	**(23,718,240)**	**(66,651,973)**
Off balance sheet items							
Unrecognized loans commitments		(913,850)					(913,850)
Financial guarantees		(39,774)	(46,007)	(40,051)	(42,211)	(168,171)	(336,214)
Total off balance sheet items		**(953,624)**	**(46,007)**	**(40,051)**	**(42,211)**	**(168,171)**	**(1,250,064)**

	31.12.2008						
		Nominal inflows / (outflows)					
	Total Balance Sheet	Less than 1 month	2 to 3 months	4 to 6 months	7 to 12 months	More than 1 year	Total
Non-derivative Liabilities							
Due to Banks	8,963,796	(7,013,654)	(884,500)	(147,975)	(464,957)	(522,770)	(9,033,856)
Due to customers	42,546,777	(13,564,585)	(7,718,609)	(3,531,239)	(2,657,075)	(18,854,052)	(46,325,560)
Debt securities in issue held by institutional investors and other borrowed funds	7,241,185	(734,783)	(613,375)	(727,883)	(1,632,978)	(6,472,087)	(10,181,106)
Other liabilities	1,337,970	(965,366)	(71,577)	(60,690)	(61,182)	(179,155)	(1,337,970)
Derivatives held for liabilities fair value hedge	47,551						
- Outflows		(1,370)	(7,392)	(9,935)	(23,734)	(355,462)	(397,893)
- Inflows		946	9,015	8,404	22,287	423,027	463,679
Derivatives held for assets fair value hedge	242,103						
- Outflows				(47,341)	(20,198)	(1,251,662)	(1,319,201)
- Inflows		5,266	8,971	16,381	33,500	1,209,036	1,273,154
Derivatives held for trading	515,692						
- Outflows		(2,202,465)	(1,477,314)	(148,858)	(253,383)	(1,536,747)	(5,618,767)
- Inflows		2,113,739	1,386,812	132,291	233,112	1,573,501	5,439,455
Total	**60,895,074**	**(22,362,272)**	**(9,367,969)**	**(4,516,845)**	**(4,824,608)**	**(25,966,371)**	**(67,038,065)**
Off balance sheet items							
Unrecognized loans commitments		(1,051,615)					(1,051,615)
Financial guarantees		(96,144)	(40,233)	(25,747)	(60,109)	(135,479)	(357,712)
Total off balance sheet items		**(1,147,759)**	**(40,233)**	**(25,747)**	**(60,109)**	**(135,479)**	**(1,409,327)**

41.4 Fair value of financial assets and liabilities

The table below presents the carrying amounts and the fair values of financial assets and liabilities which either are not carried at fair value in the financial statements or it's fair values are not disclosed in the corresponding notes.

The fair value of loans is estimated based on the interbank market yield curves adjusted with the credit spread of loans. The fair value of deposits is estimated based on the interbank market yield curves deducted with customers spread depending on form of the deposit.

Both loans and deposits future cash flows are discounted based on their duration and the respective interest rates.

	31.12.2009	
	Carrying amount	Fair value
ASSETS		
Loans and advances to customers	51,399,939	51,736,698
LIABILITIES		
Due to customers	42,915,694	42,925,178

For the remaining financial assets and lliabilities which are carried at amortized cost the fair values are not substantially different from the carrying amount.

Hierarchy of financial instruments measured at fair value

The table below analyses financial instruments measured at fair value by the level in fair value hierarchy based on the significance of the inputs used in making the fair value measurements as follows:

- Level 1 inputs: Quoted market price (unadjusted) in an active market,
- Level 2 inputs: Directly or indirectly observable inputs,
- Level 3 inputs: Not based on observable market data, but on the Group's assumptions.

	31.12.2009			
	Derivative financial assets	Securities held for trading	Available for sale securities	Derivative financial liabilities
Level 1	12	59,255	732,026	26
Level 2	342,599	11,345	626,268	598,908
Level 3	4,567		59,868	4,998
Total	**347,178**	**70,600**	**1,418,162**	**603,932**

Financial assets and liabilities measured at fair value in Level 3

A reconciliation for financial instruments measured at fair value in Level 3 is as follows:

	31.12.2009		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2009	**61,675**	**(7)**	**(1,090)**
Total gain or loss recognized in profit or loss	(20,907)	4,653	722
Total gain or loss recognized in equity	32,260		
Purchases/ Issues	256		
Sales/ Repayments/ Settlements	(13,416)	(79)	(4,630)
Balance 31.12.2009	**59,868**	**4,567**	**(4,998)**
Amounts included in the income statement for financial instruments held at the end of the reporting period	(27,524)	4,653	707

42. Capital management - Capital Adequacy

The policy of the Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The dividend policy is always examined in order to achieve the best balance between the higher return for the shareholder and the security affected by the sound capital position.

Share capital increases are performed through shareholders meeting or Board of Directors decisions in accordance with articles of association or relevant laws.

Specifically, the Shareholders' General Meeting held on 6 June 2006 gave the authority to the Board of Directors for the period of four years to approve a share capital increase in accordance with Law 2190/1920 article 13.

The Group is allowed to purchase treasury shares based on the terms and conditions of law.

The Group uses all modern methods to manage capital adequacy. It has issued hybrid and subordinated debt which are included as regulatory own-funds. The cost of these securities is lower than share capital and adds value to the shareholders.

In 2009, the Group, in order to effectively manage and increase its capital adequacy, implemented the following:

- Alpha Bank AE decided to participate in the enhancement of the Greek economy's liquidity program (Law 3723/2008) pursuant to Article 1 of Law 3723/2008 while implementing the Extraordinary General Meeting of Shareholders decision on 12.01.2009 which was approved and ratified by the Bank's Ordinary Meeting of Shareholders held on 23.06.2009, through the issuance of preference shares on 21.05.2009 that amounted to € 940 million
- Treasury shares that amounted to € 69 million were sold through private placement.
- The share capital increase that amounted to €986 million whose intended use of net proceeds would be the full redemption followed by cancellation of the above mentioned preference shares (Law 3723/2008) was completed.

The Group's capital adequacy is monitored by the Bank of Greece, to which the Bank reports on a quarterly basis.

The minimum capital adequacy ratios (Tier I and capital adequacy ratio) which the Group must adhere to are established by decisions of the Governor of the Bank of Greece.

The calculation of capital adequacy from 1 January 2008 is determined under the new regulatory framework (Basel II), which have been transposed into Greek law by Law 3601/2007. The new regulatory framework significantly amends the measurement of credit risk and introduces capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk of the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio is determined by comparing the Bank's regulatory own funds with the risks that the Group undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves, minority interest), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the investment portfolio, the market risk of the trading portfolio and the operational risk.

The current capital ratios (Tier I ratio and capital adequacy ratio) are much higher than the regulatory limits set by the Bank of Greece directive (4% and 8%, respectively) and the capital base is capable to support the business growth of the Bank in all areas for the next years.

	31.12.2009 (estimate)	**31.12.2008**
Tier I ratio	11.7%	8.0%
Capital adequacy ratio (Tier I + Tier II)	**13.3%**	**9.8%**

Elements concerning the disclosure of regulatory information for capital adequacy and risk management (Basel II, Pilar III - P.D./BOG 2592/07) will be published in Bank's website.

43. Related party transactions

The Bank and the Group companies entered into a number of transactions with related parties in the normal course of business. These transactions are performed at arms length and are approved by the Group's relevant committees.

a. The outstanding balances of the transactions with members of the Board of Directors, their close family members and the controlled by them entities are as follows:

	31.12.2009	31.12.2008
Assets		
Loans and advances to customers	162,151	172,472
Liabilities		
Due to customers	66,380	73,991
Debt securities in issue	19,067	20,096
Total	**85,447**	**94,087**
Letters of guarantee	10,213	21,392

	From 1 January to	
	31.12.2009	31.12.2008
Interest and similar income	6,825	10,295
Interest expense and similar charges	3,338	3,942

b. The outstanding balances with associates and the related results of these transactions are as follows:

	31.12.2009	31.12.2008
Assets		
Loans and advances to customers	42	
Liabilities		
Due to customers	2,560	406

	From 1 January to	
	31.12.2009	31.12.2008
Income		
Interest and similar income	5	16
Expenses		
Interest expense and similar charges	40	2
Other expenses	2,732	3,173

c. The Group Companies' Board of Directors and Executive General Managers' fees recorded in the income statement for 2009 amounted to €12,760 (31.12.2008: €13,021).

44. Auditors' fees

The total fees of "KPMG Certified Auditors A.E." legal auditor of the Bank for 2009, are analyzed as follows as stipulated in Article 43a of C.L. 2190/1920 and as amended by Article 30 of Law 3756/2009.

	31.12.2009
Fees for statutory audit	568
Fees for other audit related assignments	525
Fees for other non-audit assignments	11
Total	**1,104**

45. Corporate events

a. Real Car Rental A.E., established by the subsidiary Alpha Leasing A.E. is included in the consolidated financial statements of 31.3.2009 for the first time.

b. On 7.1.2009 Talanto Plc was established in the United Kingdom with primary activity the issuance of asset backed notes. The Company is a special purpose entity and is fully consolidated by the Bank as it serves specific Bank's needs.

c. On 20.2.2009 Alpha Immovables Bulgaria E.O.O.D., 100% subsidiary of Alpha Astika Akinita A.E., was renamed to Alpha Real Estate Bulgaria E.O.O.D.

d. On 16.3.2009 the Bank participated in the share capital increase of the 100% subsidiary Ionian Equity Participations Ltd by €4.1 million.

e. On 24.3.2009 the company Epihiro Plc was established with registered office in the United Kingdom and primary operating activity the issuance of asset backed notes. The Company is a special purpose entity and is fully consolidated by the Bank as it serves specific Bank's needs.

f. On 13.4.2009 the Bank participated in the increase of the share capital of its 100% owned subsidiary ABC Factors AE, by € 14 million.

g. On 12.6.2009 APE Investment Property A.E., company of ownership interest of the Bank, acquired 66.67% of the total number of shares of SY.MET A.E. for an amount of €7.5 million. The aforementioned company has a participation of 10% in the company Astakos Terminal A.E. and of 50% in the company Akarport A.E. These companies are consolidated in the current financial statements through APE Investment Property A.E.

	Carrying amount	Fair Value
ASSETS		
Cash and balances with Central Banks	9	9
Investments	3,222	14,039
Other assets	177	178
Total Assets	**3,408**	**14,226**
LIABILITIES		
Liabilities for current income tax and other taxes	289	289
Deferred tax liabilities		2,704
Other liabilities	102	103
Total Liabilities	**391**	**3,096**
EQUITY		
Total Equity	**3,017**	**11,130**
Total Liabilities and Equity	**3,408**	**14,226**
SY.MET A.E. portion of equity that was purchased (66.67%)		7,420
Purchase cost		7,479
Goodwill of the Company		**59**
Participation of the Group in the joint venture		67,42%
Goodwill of the Group		**40**
Purchase cost of the Group's participation in the joint venture		5,042
Cash and cash equivalent of the acquired company		(9)
Net cash outflow		**5,033**

The accounting recognition of the acquisition of SY.MET A.E. is shown in the table below:

h. On 22.6.2009 ALC. Novelle Investments Ltd. a participating company of the Banks subsidiary Ionian Equity Participations Ltd. reduced its share capital by €3.8 million.

i. On 26.7.2009, the Bank participated proportionally in the increase of the share capital of APE Investment Property A.E. by €8.4 million.

j. On 8.7.2009 the Bank purchased 38,619,000 shares or 3.68% of the subsidiary OJSC Astra Bank by €8.5 million which resulted in the increase of the Bank's participation to 97.01%.

k. On 24.7.2009 the Bank's subsidiary Alpha Astika Akinita A.E. completed the acquisition of Chardash Trading E.O.O.D. by €8.5 million. The aforementioned company is incorporated in Bulgaria that owns a plot in Sofia where the construction of offices will take place. These offices after their construction will be leased by Alpha Bank Bulgaria in order to accommodate the central management's offices. The overall investment is expected to amount to approximately €33 million.

The accounting recognition of the above acquisition is presented in the table below.

Chardash Trading E.O.O.D portion of equity that was purchased (100%)	8,522
Purchase cost	8,522
Goodwill of the Company	-
Purchase cost	8,522
Repayment of Alpha Bank loan from subsidiary	(5,700)
Cash and cash equivalents of the acquired company	
Net cash outflow	**2,822**

l. On 6.8.2009, APE Investment Property A.E., a company of ownership interest of the Bank, purchase the remaining 33.33% of SY.MET. A.E. shares for €3.6 million.

m. On 28.8.2009 the Boards of Directors of the subsidiaries of Alpha Asset Management A.E.D.A.K. and Alpha Private Investment Services A.E.P.E.Y. decided the merger through the absorption of the second by the first on 31.8.2009. On 23.12.2009 the merge was completed through the registration of the above mentioned corporate act in each counterparty's societe anonyme.

n. On 20.10.2009 Irida Plc, was established in the United Kingdom with primary activity the issuance of covered bonds. The company is a special purpose entity and is fully consolidated by the Group as it serves specific Group's needs.

o. On 27.10.2009 the Bank participated proportionately to the share capital increase of APE Investment Property A.E. by €3.0 million.

p. On 30.11.2009 the Bank's participating company EL.P.ET Valkaniki A.E. decreased its share capital by €20 million.

q. On 29.12.2009 the Bank participated in the share capital increase of its subsidiary Alpha Credit Group Plc. by €87 thousand.

r. On 29.12.2009 the Bank participated in the share capital increase of its subsidiary Alpha Finance US Corporation by €694 thousand.

s. On 31.12.2009 the Group recognized its participation in its associate Kritis Gi Tsatsakis ABEE that was incorporated in the Consolidated Financial Statements with the equity method.

46. Events after the balance sheet date

a. On 25.1.2010 the Bank participated in the share capital increase of its subsidiary Alpha Bank Romania S.A. by €69.8 million.

b. On 25.2.2010 the securitization of part of the credit cards loan portfolio and revolving consumer loans of the Bank amounting to €1.31 billion was completed through a special purpose entity PISTI 2010-1 PLC. The bond amounts to €602 million and was rated as AA from Standard & Poors credit rating agency.

c. In accordance with article 28 of Law 3576/2009 and the draft Law submitted to the Parliament for its amendment, which will come in force from 16.3.2010 after being voted, banks participating in the programs for the enhancement of economy's liquidity as at Law 3723/2008 can distribute dividend for the fiscal year 2009 only in the form of shares. Taking into account the aforementioned as well as the 20708/B.1175/23.4.2009 circular of the Minister of Economy and Finance, the Board of Directors will propose to the Bank's Ordinary General Meeting of Shareholders not to distribute dividend for the fiscal year 2009.

Athens, March 16, 2010

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE EXECUTIVE DIRECTOR	THE ACCOUNTING AND TAX MANAGER
YANNIS S. COSTOPOULOS I.D. No. X 661480	DEMETRIOS P. MANTZOUNIS I.D. No. I 166670	MARINOS S. YANNOPOULOS I.D. No. AH 064139	GEORGE N. KONTOS I.D. No. AB 522299

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Independent Auditors' Report
(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Report on the Financial Statements

We have audited the accompanying Financial Statements of ALPHA BANK A.E. (the "Bank") which comprise the Balance Sheet as of 31 December 2009 and the Statements of Income, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Bank as of 31 December 2009 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Athens, 29 March 2010

KPMG Certified Auditors A.E.

AM SOEL 114

Nick Vouniseas Certified Auditor Accountant AM SOEL 18701	Harry Sirounis Certified Auditor Accountant AM SOEL 19071

BANK FINANCIAL STATEMENTS

Income Statement

(Thousands of Euro)

	Note	From 1 January to 31.12.2009	From 1 January to 31.12.2008
Interest and similar income	2	3,339,178	4,118,961
Interest expense and similar charges	2	(1,994,966)	(2,768,455)
Net interest income	2	1,344,212	1,350,506
Fee and commission income		316,910	346,494
Commission expense		(38,178)	(29,418)
Net fee and commission income	3	278,732	317,076
Dividend income	4	105,037	74,937
Gains less losses on financial transactions	5	263,591	(20,584)
Other income	6	14,276	21,138
		382,904	75,491
Total income		**2,005,848**	**1,743,073**
Staff costs	7	(412,686)	(429,213)
General administrative expenses	8	(434,138)	(362,411)
Depreciation and amortization expenses	19, 20, 21	(56,072)	(57,592)
Other expenses		(2,946)	(3,072)
Total expenses		**(905,842)**	**(852,288)**
Impairment losses and provisions to cover credit risk	9	(532,300)	(495,382)
Profit before income tax		**567,706**	**395,403**
Income tax	10	(101,616)	(61,165)
Profit after income tax		**466,090**	**334,238**
Extraordinary tax (Law 3808/2009)	10	(37,433)	
Profit after income and extraordinary tax		**428,657**	**334,238**
Earnings per share:	11		
Basic and diluted (€ per share)		0.82	0.75

The attached notes (pages 117 to 187) form an integral part of these financial statements.

Balance Sheet

(Thousands of Euro)

	Note	31.12.2009	31.12.2008
ASSETS			
Cash and balances with Central Banks	12	1,425,965	1,724,081
Due from banks	13	13,461,442	8,420,793
Securities held for trading	14	66,946	86,880
Derivative financial assets	15	373,600	494,386
Loans and advances to customers	16	41,810,755	42,189,278
Investment securities			
- Available for sale	17	2,399,720	6,033,897
- Held to maturity	17	4,868,493	4,488,709
Investments in subsidiaries, associates and joint ventures	18	1,794,719	1,750,902
Investment property	19	48,325	42,195
Property, plant and equipment	20	639,222	649,452
Goodwill and other intangible assets	21	75,951	68,723
Deferred tax assets	22	313,798	316,069
Other assets	23	494,527	419,526
		67,773,463	66,684,891
Non-current assets held for sale	24	75,113	53,283
Total Assets		**67,848,576**	**66,738,174**
LIABILITIES			
Due to banks	25	15,291,428	10,883,969
Derivative financial liabilities	15	628,886	804,172
Due to customers	26	35,258,048	33,816,094
Debt securities in issue and other borrowed funds	27	10,405,582	17,395,646
Liabilities for current income tax and other taxes	28	88,549	97,855
Deferred tax liabilities	22	187,970	158,212
Other liabilities	30	1,208,773	1,204,462
Provisions	31	3,768	8,415
Total Liabilities		**63,073,004**	**64,368,825**
EQUITY			
Share Capital	32	3,451,067	1,931,590
Share premium	33	406,867	
Reserves	34	202,391	165,848
Retained earnings	35	715,247	340,896
Treasury shares	36		(68,985)
Total Equity		**4,775,572**	**2,369,349**
Total Liabilities and Equity		**67,848,576**	**66,738,174**

The attached notes (pages 117 to 187) form an integral part of these financial statements.

Statement of Comprehensive Income

(Thousands of Euro)

	Note	From 1 January to 31.12.2009	31.12.2008
Profit after income tax, recognized in the income statement		**428,657**	**334,238**
Other comprehensive income recognized directly in Equity :			
Change in available for sale securities reserve	10	25,529	(282,235)
Exchange differences on translating foreign operations	10	(175)	(130)
Income tax	10	(5,698)	68,091
Total of other comprehensive income recognized directly in Equity, after income tax	10	**19,656**	**(214,274)**
Total comprehensive income for the fiscal year, after income tax		**448,313**	**119,964**

The attached notes (pages 117 to 187) form an integral part of these financial statements.

Statement of Changes in Equity

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
Balance 1.1.2008		**1,602,809**	**184,033**	**333,892**	**619,483**		**2,740,217**
Changes for the period 1.1 - 31.12.2008							
Profit for the fiscal year, after income tax					334,238		334,238
Other comprehensive income recognized directly in Equity, after income tax	34			(214,144)	(130)		(214,274)
Total comprehensive income for the fiscal year, after income tax				**(214,144)**	**334,108**		**119,964**
Share capital increase by capitalization of share premium and retained earnings	32, 33	328,781	(184,033)		(144,748)		
Expenses relating to the share capital increase					(2,204)		(2,204)
Purchase of treasury shares						(410,390)	(410,390)
Sale of treasury shares					(54,291)	341,405	287,114
Dividends distributed					(362,199)		(362,199)
Appropriation to reserves	34			46,100	(46,100)		-
Other					(3,153)		(3,153)
Balance 31.12.2008		**1,931,590**	**-**	**165,848**	**340,896**	**(68,985)**	**2,369,349**

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
Balance 1.1.2009		**1,931,590**		**165,848**	**340,896**	**(68,985)**	**2,369,349**
Changes for the period 1.1 – 31.12.2009							
Profit for the fiscal year, after income and extraordinary tax					428,657		428,657
Other comprehensive income recognized directly in Equity, after income tax	34			19,831	(175)		19,656
Total comprehensive income for the fiscal year, after income tax				**19,831**	**428,482**		**448,313**
Share capital increase with the issuance of preference shares acquired by the Greek State	32	940,000					940,000
Share capital increase through cash payment	32, 33	579,477	406,867				986,344
Expenses relating to the share capital increase, after income tax	35				(39,929)		(39,929)
Appropriation to reserves	34			16,712	(16,712)		-
Purchase of treasury shares	36					(2,665)	(2,665)
Sale of treasury shares	36				2,510	71,650	74,160
Balance 31.12.2009		**3,451,067**	**406,867**	**202,391**	**715,247**	**-**	**4,775,572**

The attached notes (pages 117 to 187) form an integral part of these financial statements.

Statement of Cash Flows

(Thousands of Euro)

	Note	From 1 January to 31.12.2009	31.12.2008
Cash flows from operating activities			
Profit before income tax		567,706	395,403
Adjustments for:			
Depreciation of fixed assets	19, 20	37,662	35,393
Amortization of intangible assets	21	18,410	22,199
Impairment losses from loans and provisions		548,415	515,105
Other adjustments		(7,175)	
(Gains)/losses from investing activities		(267,696)	(138,148)
(Gains)/losses from financing activities		82,763	190,159
		980,085	**1,020,111**
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		(856,938)	(962,676)
Securities held for trading and derivative financial assets		140,720	67,988
Loans and advances to customers		(170,631)	(7,508,784)
Other assets		(83,195)	(138,900)
Net increase/(decrease) in liabilities relating to operating activities:			
Due to banks		4,407,459	5,246,407
Derivative financial liabilities		(175,286)	421,044
Due to customers		(6,266,823)	7,638,987
Other liabilities		(16,558)	90,179
Net cash flows from operating activities before taxes		**(2,041,167)**	**5,874,356**
Income taxes and other taxes paid		(89,370)	(101,736)
Net cash flows from operating activities		**(2,130,537)**	**5,772,620**
Cash flows from investing activities			
Investments to subsidiaries, associates and joint ventures		(38,757)	(235,758)
Proceeds from sale of subsidiaries, associates and joint ventures			195,721
Dividends received		104,927	74,937
Purchases of fixed and intangible assets		(90,715)	(133,172)
Disposals of fixed and intangible assets		9,261	25,556
Net (increase)/decrease in investment securities		4,389,790	(4,556,655)
Net cash flows from investing activities		**4,374,506**	**(4,629,371)**
Cash flows from financing activities			
Share capital increase	32, 33	986,344	
Expenses relating to the share capital increase		(53,240)	(2,204)
(Purchases)/sales of treasury shares		71,495	(122,140)
Dividends paid		(919)	(360,538)
Securitization of consumer loans		1,097,547	
Debt issue		1,000,000	
Repayment of debt securities and other borrowed funds		(1,448,967)	(477,410)
Expenses relating to debt issue		(12,630)	
Net cash flows from financing activities		**1,639,630**	**(962,292)**
Effect of exchange rate fluctuations on cash and cash equivalents		**1,996**	**1,239**
Net increase /(decrease) in cash and cash equivalents		3,885,595	182,196
Cash and cash equivalents at the beginning of the year	12	**4,539,124**	**4,356,928**
Cash and cash equivalents at the end of the year	12	**8,424,719**	**4,539,124**

The attached notes (pages 117 to 187) form an integral part of these financial statements.

Notes to the Financial Statements

GENERAL INFORMATION

At present, the Bank operates under the brand name of ALPHA BANK A.E. and with the sign of ALPHA BANK. The Bank's registered office is 40 Stadiou Street, Athens and it is listed as a societe anonyme with registration number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, Community, foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

In the context of Bank's participation to the requirements of Law 3723/2008, referring to the enhancement of economy's liquidity, the extraordinary General Meeting of Shareholders held on 12.1.2009 approved the following:

- The alteration of the number of members of the Bank's Board of Directors and the modification of Article 7 of the Articles of Incorporation.
- The election of a representative of the Greek State, as a new member of the Board of Directors in accordance with the above Law and conditional upon the participation of the Greek State in Bank's share capital.

Following to the above, the decision of the Minister of Economy and Finance has appointed Mr. George I. Mergos as a Greek State representative to Bank's Board of Directors.

Therefore the Board of Directors as at 31 December 2009 consists of:

CHAIRMAN (Executive Member)
Yannis S. Costopoulos

VICE CHAIRMAN (Non-Executive Independent Member)
Minas G. Tanes ***

EXECUTIVE MEMBERS

MANAGING DIRECTOR
Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS
Marinos S. Yannopoulos (CFO) ***
Spyros N. Filaretos (COO)
Artemis Ch. Theodoridis

NON-EXECUTIVE MEMBERS
Sophia G. Eleftheroudaki
Paul G. Karakostas *
Nicholaos I. Manessis **
Ioanna E. Papadopoulou

NON-EXECUTIVE INDEPENDENT MEMBERS
George E. Agouridis *
Pavlos A. Apostolides **
Thanos M. Veremis
Evangelos J. Kaloussis */***
Ioannis K. Lyras **

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*

NON-EXECUTIVE MEMBER (in accordance with the requirements of Law 3723/2008)
George I. Mergos

SECRETARY
Hector P. Verykios

The term of the Board of Directors ends in 2010 apart from the Greek State's representative whose term ends as stated in Law 3723/2008.

The Ordinary General Meeting of Shareholders, held on 23.6.2009, has appointed as auditors of the semi-annual and year end financial statements for 2009 the following:

Principal Auditors:	Nick E. Vouniseas
	Charalambos G. Sirounis
Substitute Auditors:	Nikolaos Ch. Tsiboukas
	John A. Achilas

of KPMG Certified Auditors A.E.

The Bank's shares have been listed in the Athens Stock Exchange since 1925. As at 31 December 2009 Alpha Bank was ranked fifth in terms of market capitalization.

The Bank is included in a series of international indices, such as S&P Europe 350, FTSE Med 100, DJ Euro Stoxx and FTSE4 Good.

Apart from the Greek listing, the shares of the Bank are listed in the London Stock Exchange in the form of international certificates (GDR's) and they are traded over the counter in New York (ADR's).

As at 31 December 2009 the Bank has 534,269,648 ordinary and 200,000,000 preference shares in issue (note 32).

During 2009 an average of 2,110,873 shares has been traded daily.

The credit rating of the Bank is evaluated by three international credit rating agencies:

- Moody's: A2
- Fitch Ratings: BBB+ (from 23.2.2010: BBB)
- Standard & Poor's: BBB

The financial statements have been approved by the Board of Directors on March 16, 2010.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

These financial statements relate to the fiscal year 1.1 – 31.12.2009 and they have been prepared:

a) in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and

b) on the historical cost basis except for the following assets and liabilities which were measured at fair value:

- Securities held for trading
- Derivative financial instruments
- Available-for-sale securities

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The estimates and judgments applied by the Bank in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate.

The estimates and assumptions are reviewed on an ongoing basis to take into account current conditions, and the effect of any revisions is recognized in the period in which the estimate is revised.

The accounting policies for the preparation of the financial statements have been consistently applied by the Bank to the years 2008 and 2009, after taking into account the following new International Accounting Standards and the amendments of International Accounting Standards as well as the new interpretations and their amendments issued by the International Accounting Standards Board (IASB) and adopted by the European Union and which are effective for annual periods beginning on or after 1.1.2009:

- **Amendment of International Accounting Standard 1** «Presentation of financial statements» (Regulation 1274/17.12.2008)

  On 6.9.2007, the International Accounting Standard Board (IASB) published the revised version of IAS 1 which introduces changes in the presentation of financial statements. The adoption of this amendment by the Bank resulted in the following changes:

  i. Preparation of an additional statement which includes the items of income and expense which are recognised either in the income statement or directly in equity (statement of comprehensive income).

  ii. The statement of changes in equity includes only the changes resulting from transactions with owners.

  iii. Disclosures are provided in the statement of comprehensive income and in the notes concerning the reclassification adjustments relating to components of other comprehensive income and the income tax relating to each component of other comprehensive income.

- **International Financial Reporting Standard 8** «Operating Segments» (Regulation 1358/21.11.2007)

  This standard replaces IAS 14 «Segment Reporting» and introduces changes in the definition of the operating segments, in the measurement of their financial data and in their presentation in the financial statements.

  The adoption of the standard did not have any impact on the presentation of the segment reporting in the Bank's financial statements.

- **Amendment of International Accounting Standard 23** «Borrowing costs» (Regulation 1260/10.12.2008)

  On 29 March 2007, the Board issued the revised IAS 23, which removes the option to expense directly borrowing costs attributable to the acquisition of assets that require a substantial period of time to be ready for use or sale. Such borrowing costs are capitalized as part of the cost of the asset.

  Its adoption did not have a significant impact on the Bank's financial statements.

- **Amendment of International Financial Reporting Standard 2** «Share based payments» (Regulation 1261/16.12.2008)

  This amendment issued on 17 January 2008 clarifies that the vesting conditions are distinguished to:

  i. Service conditions which are further distinguished to:

    - esting conditions that require to complete a specified period of service and
    - conditions that require performance targets

ii. Conditions that are not related to service.

In addition, for each of the above categories, the amendment defines when non-vesting conditions are taken into account in measuring the grant date fair value of the share-based payment as well as the respective accounting treatment.

The adoption of this amedment by the European Union and the Bank did not have a significant impact on the Bank's financial statements.

- **Amendment of International Accounting Standard 32** «Financial instruments: Presentation» and IAS 1 «Presentation of Financial Statements» (Regulation 53/21.1.2009)

  With the implementation of the above amendment, issued on 14 February 2008, financial instruments that give the holder of the financial instrument the right to require the issuer to repurchase or repay the financial instruments may be classified as equity if certain conditions are met. A similar classification, under certain conditions, is also possible for financial instruments where the holder is entitled to a pro-rata share of the net assets of the entity only on liquidation. This amendment requires additional disclosures on the financial statements.

  Its adoption did not have a significant impact on the Bank's financial statements.

- **Amendment of International Accounting Standard 27** «Consolidated and Separate Financial Statements» and the International Financial Reporting Standard 1 «First Time Adoption of International Financial Reporting Standards» regarding the cost of an investment in a subsidiary, associate and jointly controlled entity (Regulation 69/23.1.2009).

  With this amendment, issued by the Board on 22 May 2008, the cost of an investment in a subsidiary, associate or joint venture in the investor's separate financial statements will not be adjusted for distributions of profits relating to periods prior to acquisition. These profit appropriations will be accounted in the income statement as dividend income. This amendment also made changes to IAS 36 "Impairment of Assets", where indications of impairment on investments were included, based on the effect of dividend distribution on equity.

  With regards to the first time adopters of IFRS and in order to facilitate the issuance of financial statements, options are given on the cost measurement of an investment in a subsidiary, associate and jointly controlled entity based on either their fair value at the date of transition or their previous GAAP carrying amount.

  Its adoption did not have a significant impact on the Bank's financial statements.

- **Amendment of International Financial Reporting Standard 7** «Financial Statements: Disclosures» (Regulation 1165/27.11.2009).

  On 5.3.2009, the International Accounting Standards Board (IASB) issued the amendment of IFRS 7. The revised document requires enhanced disclosures about fair value measurements and liquidity risk. In particular, a classification of each class of financial instruments measured at fair value in the statement of financial position is required for disclosure purposes. Financial instruments are classified in three levels based on the inputs used in making the fair value measurements.

  - level 1 inputs: quoted prices (unadjusted) in active markets.
  - level 2 inputs : directly or indirectly observable inputs for the asset or the liability, other than those included within level 1.
  - level 3 inputs: inputs for the asset or liability that are not based on observable market data, but on the entity's assumptions.

  In addition, the above amendment induces changes with regards to the disclosures for the liquidity risk and in particular with regards to the maturity analysis of financial liabilities.

  The application of the amendment by the Bank had as a result the preparation of additional disclosures on the financial statements.

- **Amendment of International Accounting Standard 39** «Reclassification of Financial Assets: Effective Date and Transition» (Regulation 824/9.9.2009).

  With the above amendment, which was issued on 27.11.2008, clarifications are provided regarding the effective date and transition of the amendment of IAS 39 for the reclassification of the financial assets, which was issued on 13.10.2008.

  The adoption of this amendment by the Bank did not have an impact on the Bank's financial statements.

- **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and Measurement» and of Interpretation 9 «Reassessment of Embedded Derivatives» (Regulation 1171/30.11.2009).

  The above amendment, which was issued on 12.3.2009, clarifies the accounting treatment of the embedded derivatives when a hybrid instrument is reclassified out of the fair value through profit or loss category. According to the above amendment, an entity shall assess whether an embedded derivative is required to be separated from the host contact when the entity first becomes a party to the contact. Subsequent reassessment is prohibited unless there is either:

  i. a change in the terms of the contact that significantly modifies the cash flows that otherwise would be required under the contact or

  ii. a reclassification of a financial asset out of the fair value through profit or loss category.

  The adoption of this amendment did not have an impact on the Bank's financial statements.

- **Improvements to International Accounting Standards** (Regulation 70/23.1.2009)

  As part of the improvements project the International Accounting Standards Board issued on 22 May 2008, certain, non urgent but necessary amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2009.

  The adoption of these improvements did not have a significant impact on the Bank's financial statements.

- **Interpretation 12** «Service concession arrangements» (Regulation 254/25.3.2009)

  The interpretation, issued on 30 November 2006, clarifies issues relating to the recognition and valuation of assets arising from service concession agreements of public infrastructure.

  This interpretation does not apply to the Bank's activities.

- **Interpretation 13** «Customer loyalty programs» (Regulation 1262/16.12.2008)

  This interpretation, issued on 28 June 2007, addresses the accounting of customer loyalty programs offered by entities to customers as an incentive to increase sales or revenues. In particular, it states that the value of credits awarded to customers must be separated from the initial sale and be recognized as revenue when the credits are redeemed. In cases where the entity collects amounts on behalf of third parties who grant reward points to the entity's customers, these should be accounted for as a liability to third parties.

  The adoption of this interpretation did not have a significant impact on the Bank's financial statements.

- **Interpretation 15** «Agreements for the construction of real estate» (Regulation 636/22.7.2009)

  This interpretation, issued on 3 July 2008, provides guidance on how to determine whether an agreement for the construction of real estate or agreements with buyers before the completion of real estate construction is within the scope of IAS 11 (construction contracts) or IAS 18 Revenue (as contracts to provide services or sell goods).

  The adoption of this interpretation did not have any impact on the financial statements since it does not apply to the Bank.

- **Interpretation 16** «Hedges of a net investment in a foreign operation» (Regulation 460/4.6.2009)

  This interpretation, issued on 3 July 2008, provides clarifications regarding the application of hedge accounting of the net investment in a foreign operation which has different functional currency from that of the parent.

  This interpretation did not have a significant impact on the Bank's financial statements.

Apart from the above Standards and Interpretations, the European Union adopted the following standards and interpretations, which are effective for annual periods beginning after 1.1.2009 and which have not been early adopted by the Bank.

- **Amendment of International Accounting Standard 27** «Consolidated and Separate Financial Statements» and **International Financial Reporting Standard 3** «Business combinations» (Regulations 494-495/3.6.2009)

  Effective for annual period beginning on or after 1.7.2009

  The main changes from the amended standards issued on 10 January 2008 are summarized as follows:

  i. in cases of changes in ownership interests of subsidiaries with which control is obtained or lost, the value of the investment existed prior to the change of ownership interest or the remaining ownership interest, should be measured at fair value with changes recognized in profit and loss account.

ii. Upon initial recognition non-controlling interest might be measured at fair value. In addition non-controlling interest should absorb the total losses incurred attributable to their interest.

iii. Any contingent consideration of an entity is recognized as a liability and measured at fair value.

Costs incurred by the acquirer are not included in the cost of a business combination but are expensed.

Finally, changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Bank has already implemented the above accounting treatment.

- **Amendment of International Financial Reporting Standard 1** «First time adoption of International Financial Reporting Standards» (Regulation 1136/25.11.2009)

  Effective for annual periods beginning on or after 1.7.2009.

  On 27 November 2008 IASB published a revised edition with changes in the structure of this standard. The purpose of this change was to improve information and to facilitate implementation of future amendments.

  The above amendment does not apply to the Bank's financial statements.

- **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and Measurement» concerning eligible hedged items (Regulation 839/15.9.2009)

  Effective for annual periods beginning on or after 1.7.2009

  This amendment, issued on 31 July 2008, provides clarifications regarding the application of hedge accounting. It is clarified that in a fair value hedge or a cash flow hedge the following can be designated as hedged items:

  i. The partial change in fair value or cash flows of financial instruments

  ii. The change in cash flows related to inflation (under conditions)

  iii. The increase or decrease of cash flow or fair value in relation to a specific reference value (one-sided risk).

The Bank is examining whether there will be an impact from the adoption of the above amendment on the financial statements.

- **Amendment of International Accounting Standard 32** «Classification of Rights Issues» (Regulation 1293/23.12.2009)

  Effective for annual periods beginning on or after 1.2.2010

  According to the above amendment, which was issued on 8.10.2009, financial instruments that give their holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency should be classified as equity instruments, provided the entity offers this right pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

  The Bank evaluates the potential effects of this amendment.

- **Interpretation 17** «Distribution of non-cash assets to owners» (Regulation 1142/26.11.2009)

  Effective for annual periods beginning on or after 1.7.2009

  This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners.

  The Bank evaluates the potential effects of this interpretation.

- **Interpretation 18** «Transfer of assets from customers» (Regulation 1164/27.11.2009)

  Effective for annual periods beginning on or after 1.7.2009

  This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above.

  This interpretation does not apply to Bank's activities.

In addition, the International Accounting Standards Board (IASB) has issued the following standards and interpretations which have not yet been adopted by the European Union and they have not also been early adopted by the Bank.

- **International Financial Reporting Standard 9** «Financial Instruments»

Effective for annual periods beginning on or after 1.1.2013

On 12 November 2009, IFRS 9: «Financial Instruments» was issued by the International Accounting Standards Board. The new standard was issued as part of the first phase of the project for the replacement of IAS 39; therefore, the scope of the first phase is the classification and measurement of financial assets. According to the new standard, financial instruments should be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

i. The entity's business model for managing the financial assets and

ii. The contractual cash flow characteristics of the financial asset

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to the embedded derivatives, If the hybrid contact contains a host that is within the scope of this IFRS, the embedded derivative should not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

The Bank evaluates the potential effects of this standard.

- **Amendments of International Financial Reporting Standard 1** «Additional Exemptions for First-time Adopters» and «Limited Exemption from Comparative IFRS7 Disclosures for First-time Adopters»

On 23.7.2009 an amendment of IFRS 1 was issued, effective for annual periods beginning on or after 1.1.2010, with which the following exemptions are induced for first-time adopters:

i. Entities are allowed not to reassess the determination of whether an arrangement contains a lease if the same assessment as that required by IFRIC 4 was made under previous GAAP and

ii. Entities, in the oil and gas industry, are allowed to use their previous GAAP carrying amounts as deemed cost at the date of transition for oil and gas assets.

In addition, on 28.1.2010, a new amendment of IFRS 1 was issued, effective for annual periods beginning on or after 1.7.2010, with which first-time adopters are permitted to use the same transition provisions, permitted for existing prepares of financial statements prepared in accordance with IFRSs, with regards to additional disclosures required by the amendment of IFRS 7, issued on 5.3.2009.

These amendments do not apply to the Bank's financial statements.

- **Amendment of International Financial Reporting Standard 2** «Share-based payments-Group cash settled share-based payment transactions»

Effective for annual periods beginning on or after 1.1.2010

The aim of this amendment, which was issued on 18.6.2009, is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

In particular, according to the amendment, an entity shall apply IFRS 2 in accounting for all share-based payment transactions, whether or not the entity can identify specifically some or all of the goods or services received. In addition, it is clarified that IFRS 2 should be applied for the accounting of share-based payment transactions which are settled by another group entity or a shareholder of any group entity on behalf of the entity receiving or acquiring the goods or services. The standard should be applied for both the entity which receives the goods or services and the entity which has the obligation to settle the transaction.

The Bank evaluates the potential effects of this amendment.

- **Amendment of International Accounting Standard 24** «Related Party Disclosures»

Effective for annual periods beginning on or after 1.1.2011

The revised IAS 24 amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.

The Bank evaluates the potential effects of this amendment.

- **Improvements to International Accounting Standards**

As part of the improvements project, the International Accounting Standards Board issued, on 16 April 2009, certain amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2010

The adoption of these improvements is not expected to have a significant impact on the Bank's financial statements.

- **Amendment of Interpretation 14** «Prepayment of a Minimum Funding Requirement»

  Effective for annual periods beginning on or after 1.1.2011

  The aim of this amendment is to remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than as an expense.

  The adoption of the amendment is not expected to have a significant impact on the Bank's financial statements.

- **Interpretation 19 «Extinguishing Financial Liabilities with Equity Instruments»**

  Effective for annual periods beginning on or after 1.7.2010

  According to IFRIC 19, which was issued on 26.11.2009, the issue of an entity's equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with IAS 39. The equity instruments issued to a creditor to extinguish all or part of a financial liability should be measured, at initial recognition, at the fair value, unless that fair value cannot be reliably measured. If only part of the financial liability is extinguished, the entity shall assess whether some of the consideration paid relates to a modification of the terms of the liability that remains outstanding. If part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the consideration paid shall be recognised in profit or loss. It should be noticed that the above Interpretation should be applied only in cases of renegotiation of the terms of the contract and not in the cases that the possibility to settle financial liabilities through the issuance of equity instruments is available in the original contact.

  The Bank evaluates the potential effects of this interpretation.

1.2 Segment reporting

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of recourses between the Bank's operating segments and the assessment of their performance.

Based on the above, as well as the Bank's administrative structure and activities, the following operating segments have been determined:

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- South Eastern Europe
- Other

Since the Bank operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:

- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 38.

1.3 Transactions in foreign currency and translation of foreign operations

a. Transactions in foreign currency

The financial statements are presented in Euro, which is the functional currency and the currency of the country of incorporation of the Bank.

Items included in the financial statements of each of the foreign branches are measured at the functional currency of each branch which is the currency of the country of incorporation in which the branch operates or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

b. Translation of foreign operations

The results and financial position of all foreign branches that have a functional currency that is different from the presentation currency of the Bank's financial statements are translated as follows:

i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.

ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange differences from the above translation and those arising from other monetary items designated as a part of the net investment in a foreign entity are recorded in equity. These translation differences are recognized in the income statement when a foreign entity is sold.

1.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consists of:

a. Cash on hand

b. Non-restricted placements with Central Banks and

c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances due from banks are amounts that mature within three months of the balance sheet date.

1.5 Classification and measurement of financial instruments

Initial recognition

The Bank recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Upon initial recognition the Bank measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Subsequent measurement of financial assets

The Bank classifies its financial assets as:

- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

For each of the above categories the following apply:

a) Loans and receivables

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market can be classified as loans and receivables. The Bank has classified the following as loans and receivables:

i. loans to customers

ii. amounts paid to acquire a portion or the total of series of bonds that are not quoted in an active market

iii. all receivables from customers, banks etc.

This category is measured at amortized cost using the effective interest rate method and is periodically tested for impairment based the procedures described in note 1.12.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date, so that the present value of cash flows is equal to the carrying amount of the financial instrument including fees or transaction costs.

b) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold until maturity can be classified as Held to maturity investments.

The Bank has classified bonds and other debt securities in this category.

Held to maturity investments are measured at amortized cost using the effective interest rate method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the present value the of estimated future cash flows discounted at the original effective interest rate, and the difference is recognised in profit and loss.

c) Financial assets at fair value through profit or loss

Financial assets included in this category are:

i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

   The Bank has included in this category bonds, treasury bills and a limited number of shares.

ii. Financial assets the Bank designated, at initial recognition, as at fair value through profit and loss.

This classification is used in the following circumstances:

- When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
- When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortized cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through the profit or loss).
- When the financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Bank had not designated any financial assets as at fair value through profit and loss.

d) Available-for-sale

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

The Bank has included in this category bonds, debt securities, shares and mutual fund units.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity, are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. In case of impairment, the cumulative loss already recognised in equity, is reclassified in profit and loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss if it can objectively be related to an event occurring after the impairment loss was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit and loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.6. apply.

Reclassification of financial assets

Reclassification of non-derivative financial assets is permitted as follows:

i. Reclassification out of the held-for-trading category to the loans and receivable category, investments held to maturity category or available-for-sale category is permitted only in rare circumstances and the financial assets are no longer held for sale in the foreseeable future.

ii. Reclassification out of the held-for-trading category to either loans and receivables, or available-for-sale is permitted only if the financial assets meet the definition of loans and receivables and there is the intention to hold them for the foreseeable future or until maturity.

iii. Reclassification out of the available-for-sale category to the loans and receivables category, is permitted for financial assets that would have met the definition of loans and receivables and the entity has the intent to hold the financial asset for the foreseeable future or until maturity.

iv. Reclassification out of the available-for-sale category to the held to maturity category, is permitted for financial assets that meet the relevant characteristics and the entity has the intent and ability to hold that financial asset until maturity.

Reclassification out of the held-to-maturity category to other categories is not permitted. Any sale or reclassification of a more than insignificant amount of held-to-maturity investment would result in the reclassification of all held-to-maturity investments as available-for-sale. This would prohibit the classification of any securities as held-for-maturity for the current and the following two financial years.

Permitted reclassifications of the above categories iii (further analyzed in note 16) and iv have been made by the Bank.

Derecognition of financial assets

The Bank derecognizes financial assets when:

• the cash flows from the financial assets expire.

• when it transfers the contractual right to receive the cash flows of the financial assets and at the same time it transfers both risks and rewards of ownership.

• when loans or investments in securities are no longer recoverable and consequently written off.

In the case of transactions, where despite the transfer of the contractual right to recover the cash flows from financial assets, both the risk and rewards remain with the Bank no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Bank in such transactions are discussed further in notes 1.18 and 1.19.

In the case of transactions, whereby the Bank neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Bank's continuing involvement. If the Bank does not retain control of the assets then they are derecognised, and in their position the Bank recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

Subsequent measurement of financial liabilities

The Bank classifies financial liabilities in the following categories for measurement purposes:

a) Financial liabilities measured at fair value through profit or loss

i. This category includes financial liabilities held for trading, that is:

- financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
- derivatives not used for hedging purposes.

Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measurement according to the principles set out in note 1.6.

ii. this category also includes financial liabilities which are designated by the Bank as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).

The Bank has not designated, upon initial recognition, any financial liabilities as at fair value through profit or loss.

b) Financial liabilities carried at amortized cost

The liabilities classified in this category are measured at amortized cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Bank and other loan liabilities are classified in this category.

If cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.6.

Derecognition of financial liabilities

The Bank derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expire.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only in cases when the Bank has both the legal right and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

1.6 Derivative financial instruments and hedge accounting

Derivative financial instruments

Derivatives are financial instruments that upon inception have a minimal or zero value that subsequently changes in accordance with a particular underlying instrument (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In the cases when derivatives are embedded in other financial instruments, such as bonds, loans, deposits, borrowed funds etc and the host contract is not itself carried at fair value through profit or loss, then they are accounted for as separate derivatives when the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. These embedded derivatives are measured at fair value and are recognized as derivative assets or liabilities.

In the cases where derivatives are embedded in financial instruments that are measured at fair value through profit or loss, the changes in the fair value of the derivative are included in the fair value change of the combined instrument and recognized in gains less losses on financial transactions.

The Bank uses derivatives as a means of exercising asset-liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Bank uses derivatives for trading purposes to exploit short-term market fluctuations, within the Bank risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions.

When the Bank uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction, and that the effectiveness of the hedge is monitored on an ongoing basis at each balance sheet date.

We emphasize the following:

a. Synthetic Swaps

The Bank, in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY with a simultaneous forward purchase of JPY to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, foreign exchange differences and other gains less losses on financial transactions.

b. FX Swaps

These types of swaps are entered into primarily to hedge the exposures arising from customer loans and deposits.

As there is no documentation to support hedge accounting they are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest, foreign exchange differences, in order to match with the interest element resulting from the deposits and loans, and other gains less losses on financial transactions.

Hedge accounting

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied.

Documentation of the hedge relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and it is repeated at each reporting date.

a. Fair value hedges

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged. Changes in the fair value of both the hedging instrument and the hedged item in respect of the specific risk being hedged are recognized in the income statement.

When the hedge relationship no longer exists, the hedged items are remeasured based on the classification and valuation principles set out in note 1.5.

Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used up to the point that the hedge relationship ceases to be effective, is amortized to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Bank uses interest rate swaps (IRS's) to hedge risks relating to borrowings, bonds, loans and fixed rate term deposits.

b. Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument from a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective portion is recognized in profit or loss. The accounting treatment of the hedged item does not change.

There were no instances that would require cash flow hedge accounting.

c. Hedges of net investment in a foreign operation

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

1.7 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost, plus any expenses directly attributable to the acquisition less impairment losses.

Dividends received by the Bank from the above investments are recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Bank has invested in.

Collection of dividens from subsidiaries, associates and joint ventures is considered as a possible impairment indicator when investments are tested for impairment at each reporting date.

1.8 Property, plant and equipment

This caption includes: land, buildings used by the branches or for administrative purposes, additions and improvements of leased property and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directed attributable to the acquisition of the asset.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: 33 years.
- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 4 to 20 years.

Land is not depreciated but it tested for impairment.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

1.9 Investment property

The Bank includes in this category buildings or portions of buildings together with their respective portion of land that is held to earn rental income.

Investment property is measured at cost, which includes all expenditures directly attributable to the acquisition.

After initial recognition investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method, are the same as those applied to property, plant and equipment.

1.10 Goodwill and other intangible assets

The Bank has included in this caption:

a) Software, which is carried at cost less accumulated amortization. Amortization is charged over the estimated useful life, which the Bank has estimated between 3 to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred.

b) Brand names and banking rights which are carried at cost less accumulated amortization. Amortization is charged over the estimated useful life, which the Bank has estimated to 5 years.

Intangible assets are measured at cost less accumulated amortization calculated using the straight line method, excluding those with indefinite useful life, which are not amortized. All intangible assets tested for impairment.

No residual value is estimated for intangible assets.

1.11 Leases

The Bank enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Bank is the lessor

i. Finance leases:

For finance leases where the Bank is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments, and the aggregate amount of lease payments, is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.12.

ii. Operating leases:

When the Bank is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

b) When the Bank is the lessee

i. Finance leases:

For finance leases, where the Bank is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if this is not available the Bank's borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Bank is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

ii. Operating leases:

For operating leases, the Bank as a lessee does not recognize the leased asset but charges in general administrative expenses, the lease payments on an accrual basis.

1.12 Impairment losses on loans and advances

The Bank assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

a. Establishment of events that provide objective evidence that a loan is impaired (trigger events)

The loans and advances with payment of interest or principal overdue by more than 90 days represents the majority of the loans which are tested for impairment.

In addition an impairment test may be performed for accounts with delays less than 90 days, or accounts with no delay when:

i. procedures for forced recovery and settlement of debts, with more burdensome conditions on the Bank, have been initiated or

ii. the Bank has information that indicates that the financial position of the borrower is deteriorating (reduced sales, gross margins, profit etc.) or other events (bankruptcy filing, extra-ordinary events such as floods, fire, etc at the installations of the borrower) which occurred after the date of initial recognition and which are considered to affect the ability of the borrower to adhere to the agreed repayment schedule.

Finally, an impairment test is performed on loans and advances granted to sectors of the economy or geographical regions which are experiencing problems that arose after the date of initial recognition of the loans.

b. The criteria of assessment on an individual or collective basis

The outstanding balance is the basic factor in determining whether the assessment of impairment will be performed on an individual basis or on a collective basis.

More specifically the separation point for the Bank is the amount of € 1 million.

In determining the amount numerous factors are considered such as the composition of the loan portfolio, the specific circumstances of the market and experience obtained from the management of the portfolio.

c. Establishment of groups of assets with similar risk characteristics

In those instances whereby based on the amount outstanding the assessment of impairment is performed on a collective basis of assets with similar risk characteristics, with respect to credit risk, the collective groups were determined as follows:

i. buckets arising from ageing analysis of loans and advances to customers.

ii. the type of loan (consumer, credit cards, mortgage etc.) for retail loans.

Based on detailed internal data the above groups are either expanded or combined in the event that this is justified from the historical data.

d. Methodology in determining future cash flows from impaired loans

The Bank has accumulated a significant amount of historical data of the last six years, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

On the basis of this data the amount of the impairment is determined on both an individual and collective basis taking into account the time value of money.

The cash flows are discounted at the loans' original effective interest rate.

e. Interest income recognition

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

f. Impairment recognition

Amounts of impaired loans are recognized on allowance accounts until the Bank decides to write off these amounts.

g. Recoveries

If in a subsequent period after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in profit and loss account.

1.13 Deferred taxation

Deferred taxation is the tax that will be paid, or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. Deferred tax is provided for temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rate (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

1.14 Non-current assets held for sale

Non-current assets or disposal groups that are expected to be recovered primarily through sale, along with the related liabilities, are classified as held-for-sale.

These items consist of assets acquired through the enforcement of security over customer loans and advances.

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting policy. Thereafter they are measured at the lower of their carrying amount and fair value less cost of sale.

Any loss arising from the above measurement is recorded in profit or loss. This loss which can be reversed in the future, is allocated to assets in the disposal group that are within the scope of the measurement requirements of the Standard. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Property in this category is not depreciated, however, it is reviewed for impairment at each reporting date.

Gains or losses from the sale of these assets are recognized in the income statement.

1.15 Employee benefits

The Bank has both defined benefit and defined contribution plans.

A defined contribution plan is where the Bank pays fixed contributions into a separate entity and the Bank has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the Bank.

The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

The liability recognized in the financial statements in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs.

The amount determined by the above comparison may be negative, a receivable. The amount of the receivable recognised in the financial statements cannot exceed the total of

c) any cumulative unrecognized net actuarial losses and past service cost, and

d) the present value of any economic benefits available to the Bank in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there in no deep market in corporate bonds.

Cumulative actuarial gains and losses arising from experience adjustments and changes, and actuarial assumption variations to the extent that they exceed 10 per cent of the greater of the accrued obligation or the fair value of plan assets, are amortized over a period equal to the average remaining working lives of the employees.

Past-service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In the second case, the past service costs are amortized on a straight line basis over the vesting period.

1.16 Share options granted to employees

The Bank rewards the performance of its executives and managers by granting share options. The number of granted share options, the price and the exercise date are decided from the Board of Directors in accordance to Shareholders' Meeting approvals.

The fair value calculated at grant date, is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Bank and the reserve in equity from previously recognized fair value of the exercised options is transferred to share premium.

1.17 Provisions

A provision is recognized if as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows. The discount rate applied reflects current market assessments of the time value of money required to settle the obligation. Cash payments are recorded to provisions to the extent that they relate to the specific provision. At each reporting period provisions are re-assessed.

Provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The expense recognized in profit or loss relating to the provision may be presented net of the amount of the reimbursement.

1.18 Sale and repurchase agreements and securities lending

The Bank enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized as investments.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the category that they have been classified in and are presented as investments.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed by the Bank under securities lending agreements are not recognized in the balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

1.19 Securitization

The Bank securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the Bank considers, the contractual terms and the economic substance of transactions, in order to decide whether the Bank should proceed with the derecognition of the securitized assets, as reffered in note 1.5.

1.20 Equity

Distinction between debt and equity

Financial instruments issued the Bank to obtain funding are classified as equity when, based on the substance of the transaction, the Bank does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when the Bank is required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

Share premium

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Bank.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

Retained earnings

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the shareholders' general meeting.

1.21 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest rate method. Interest on impaired financial assets is determined on their balance after impairment using the effective interest rate.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

As at the reporting date no borrowing costs have been capitalised.

1.22 Fee and commission income

Fee and commission income is recognized in the income statement on the accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument which is measured at amortized cost, such as loans and advances, are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

1.23 Gains less losses on financial transactions

Gains less losses on financial transactions include the fair value changes of financial assets measured at fair value through profit and loss, gains or losses on their disposal and the exchange differences arising from the translation of financial instruments denominated in foreign currencies. Impairment losses on bonds are also included in gains less losses on financial transactions.

Differences that may arise between the carrying amount of financial liabilities settled or transferred and the consideration paid, are also recognised in gains less losses on financial transactions.

1.24 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

INCOME STATEMENT

2. Net interest income

	From 1 January to	
Interest and similar income	**31.12.2009**	**31.12.2008**
Due from banks	146,808	352,575
Due from customers	2,022,816	2,640,178
Securitized loans	317,615	74,635
Securities held for trading	8,269	7,325
Available for sale securities	179,045	360,300
Held to maturity securities	111,823	46,021
Securitized instruments	50,068	
Derivative financial instruments	496,942	636,023
Other	5,792	1,904
Total	**3,339,178**	**4,118,961**
Interest expense and similar charges		
Due to banks	(211,297)	(303,782)
Due to customers	(780,294)	(717,206)
Debt securities in issue and other borrowed funds	(347,366)	(1,026,605)
Derivative financial instruments	(555,565)	(622,728)
Other	(100,444)	(98,134)
Total	**(1,994,966)**	**(2,768,455)**
Net interest income	**1,344,212**	**1,350,506**

3. Net fee and commission income

	From 1 January to	
	31.12.2009	**31.12.2008**
Loans	70,679	61,092
Letters of guarantee	38,595	34,235
Imports – Exports	10,808	14,591
Credit Cards	48,143	75,142
Fund transfers	45,804	55,404
Mutual funds	19,916	33,484
Advisory fees and securities transaction fees	7,998	6,565
Other	36,789	36,563
Total	**278,732**	**317,076**

4. Dividend income

	From 1 January to	
	31.12.2009	**31.12.2008**
Subsidiaries and associates	103,682	72,908
Available for sale securities	1,355	2,029
Total	**105,037**	**74,937**

5. Gains less losses on financial transactions

	From 1 January to	
	31.12.2009	31.12.2008
Foreign exchange differences	15,422	19,660
Securities held for trading:		
- Bonds	63,697	(11,258)
Investment securities:		
- Bonds	176,138	3,969
- Shares	(845)	(31,150)
- Mutual funds	(590)	(25,156)
Investments	5,065	84,059
Derivative financial instruments	864	(68,616)
Other financial instruments	3,840	7,908
Total	**263,591**	**(20,584)**

6. Other income

	From 1 January to	
	31.12.2009	31.12.2008
Rental income	3,987	3,896
Sale of fixed assets	1,417	7,360
Insurance indemnities	183	345
Secondment of personnel to group companies	2,274	2,110
Preparation of business plans and financial studies	1,422	2,197
Other	4,993	5,230
Total	**14,276**	**21,138**

7. Staff costs

	From 1 January to	
	31.12.2009	31.12.2008
Wages and salaries	290,619	289,888
Social Security contributions	73,989	71,415
Common Insurance Fund of Bank Employees	18,496	20,417
Employee defined benefit obligation (note 29)	3,008	(725)
Other	26,574	48,218
Total	**412,686**	**429,213**

The total employees of the Bank as at 31.12.2009 were 8,860 (31.12.2008: 8,903) of which 7,501 (31.12.2008: 7,558) are employed in Greece and 1,359 (31.12.2008: 1,345) are employed abroad.

Defined contribution plans

All the employees of the Bank receive their main pension from the Social Insurance Fund (IKA). Additionaly the following apply:

a) The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is TAPILTAT, a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if the fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and it is accounted for as such. The Bank has applied for membership in Common Insurance Fund of Bank Employees (ETAT) for it's employees who are insured in Pension Plan for employees of Ionian – Popular Bank and other Banks (TAPILTAT).

b) Employees of former Ionian and Popular Bank of Greece are insured for the lump sum benefit in the Bank Employee and Companies Common Benefit Plan (TAYTEKO) which is a defined contribution plan.

c) All employees of the Bank receive medical benefits from the Bank Employee and Companies Common Benefit Plan (TAYTEKO). This plan has been accounted for as a defined contribution plan.

d) Employees of former Alpha Credit Bank are insured, for supplementary pension, in the Common Insurance Fund of Bank Employees after the absorption of TAP since 1.1.2008 according to article 10, Law 3620/2007. The Bank pays to ETAT fixed contribution percentage over employee salaries in addition to the installment that relates to the total cost of joining ETAT which amounts to €543million.

Defined benefit plans

An analysis of liabilities arising from defined benefit plans are set out in note 29.

8. General administrative expenses

	From 1 January to	
	31.12.2009	**31.12.2008**
Rent of buildings	39,261	35,208
Rent and maintenance of EDP equipment	42,283	19,858
EDP expenses	41,024	42,806
Marketing and advertisement expenses	34,023	38,256
Telecommunications and postage	31,678	30,466
Third party fees	38,628	29,825
Consultants fees	7,355	8,043
Contribution to Deposit Guarantee Fund	16,139	13,482
Insurance	5,779	5,781
Consumables	7,920	7,511
Electricity	7,253	6,871
Taxes (VAT, real estate etc)	45,462	41,885
Repairs of buildings and equipment	6,470	5,643
Cleaning fees	3,589	3,425
Security	7,372	8,694
Transportation	3,386	3,875
Agency fees	5,558	7,273
Other	90,958	53,509
Total	**434,138**	**362,411**

9. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.12.2009	**31.12.2008**
Impairment losses on loans and advances to customers	549,670	548,662
Impairment loss of participation		5,100
Provisions to cover credit risk relating to off balance sheet items	(4,200)	(41,729)
Recoveries	(13,170)	(16,651)
Total	**532,300**	**495,382**

10. Income tax

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 25%. According to Law 3697/08 the tax rate is reduced by one percent each year starting from 2010 until the rate reaches 20% in 2014 and thereafter.

In accordance with article 26 of Law 3634/2008 income tax is imposed for the fiscal year 2007, at the current tax rate

(25%), on profits which previously were not subject to tax until distributed or capitalized (interest on Greek government bonds, gains from the sale of listed shares etc.). Dividend income is not subject to tax since it has been already taxed at the corporate level. The same applies to profits arising from transfer of receivables for securitization purposes according to article 14 of Law 3156/2003.

Dividends distributed by entities established in Greece and approved by the General Meetings of Shareholders held after 1.1.2009 are subject to a withholding tax of 10% with no further tax obligation for the beneficiary (Law 3697/2008).

During 2009, tax audit for the fiscal years 2006 and 2007 was completed. From the above mentioned tax audit additional taxes were imposed amounting to €8.2 million.

According to Article 2 of Law 3808/2009 a lump sum of extraordinary tax was imposed on companies whose total net income for the fiscal year 2008 exceeded €5 million. Total tax paid by the Bank amounts to €37.4 million.

The income tax expense is analysed as follows:

	From 1 January to	
	31.12.2009	**31.12.2008**
Current	75,239	75,727
Deferred	26,377	(14,562)
Total	**101,616**	**61,165**
Extraordinary tax (Law 3808/2009)	37,433	

Deferred tax recognized in the income statement is attributable to the following temporary differences:

	From 1 January to	
	31.12.2009	**31.12.2008**
Depreciation of fixed asset and write-offs	2,823	5,325
Fixed assets revaluation		(870)
Valuation of loans	(8,863)	71,142
Suspension of interest accruals	31,896	23,108
Loans impairment	(45,986)	(48,439)
Liabilities to Common Insurance Fund of Bank Employees	11,619	29,068
Valuation of derivatives	30,554	(86,335)
Effective interest rate	11,856	14,757
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	210	(10,120)
Valuation of investments in subsidiaries due to hedging	(293)	547
Valuation of securities	5,043	(7,951)
Valuation of bonds	(2,732)	(1,862)
Other temporary differences	(9,750)	(2,932)
Total	**26,377**	**(14,562)**

Reconciliation of effective and nominal tax rate

	From 1 January to			
	31.12.2009		**31.12.2008**	
	%		%	
Profit before income tax		**567,706**		**395,403**
Income tax (nominal tax rate)	25	141,927	25	98,851
Increase/(decrease) due to:				
Additional tax on income of fixed assets	0.02	119	0.09	339
Non taxable income	(9.69)	(54,993)	(9.84)	(38,881)
Non deductible expenses	2.97	16,863	2.86	11,297
Effect of tax rates used for deferred tax	0.23	1,292	(0.53)	(2,080)
Other temporary differences	(0.63)	(3,592)	(2.11)	(8,361)
Income tax (effective tax rate)	**17.90**	**101,616**	**15.47**	**61,165**

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	31.12.2009			31.12.2008		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities reserve	25,529	(5,698)	19,831	(282,235)	68,091	(214,144)
Exchange differences on translating foreign operations	(175)		(175)	(130)		(130)
Total	**25,354**	**(5,698)**	**19,656**	**(282,365)**	**68,091**	**(214,274)**

11. Earnings per share

a. Basic

Basic earnings per share is calculated by dividing the profit after income tax for the period, attributable to ordinary equity owners of the Bank, by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by the Bank during the period.

b. Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Bank does not have dilutive potential ordinary shares and additionally, based on the preference shares terms of issuance (note 32.a), basic and diluted earnings per share should not differ.

	From 1 January to	
	31.12.2009	31.12.2008
Profit attributable to ordinary equity owners of the Bank	428,657	334,238
Less: Return on preference shares of the Hellenic Republic (Law 3723/2008)	(58,750)	
	369,907	334,238
Weighted average number of outstanding ordinary shares	451,781,227	445,768,714
Basic earnings per share (in €)	0.82	0.75
Diluted earnings per share (in €)	0.82	0.75

Earnings per share for the period 1.1-31.12.2008 has been adjusted compared to published one's, in order to become comparable due to the Bank's share capital increase through cash payment on 30.11.2009, and the issuance of 123,292,996 new common, registered shares with a privilage issue price of € 8.00 each.

ASSETS

12. Cash and balances with Central Banks

	31.12.2009	31.12.2008
Cash	321,187	329,269
Cheques receivable	75,963	88,672
Balances with Central Banks	1,028,815	1,306,140
Total	**1,425,965**	**1,724,081**
Less: Deposits pledged with Central Banks	(742,452)	(703,202)
Balance	683,513	1,020,879

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 2% of customer deposits.

These deposits bear interest at the refinancing rate as set by the European Central Bank which as at 31.12.2009 was 1% (31.12.2008: 2.50%).

Cash and cash equivalents (as presented for the purposes of the Statement of Cash Flows)

	31.12.2009	31.12.2008
Cash and balances with Central Banks	683,513	1,020,879
Sale and repurchase agreements (Reverse Repos)	5,063,702	483,851
Short-term placements with other banks	2,677,504	3,034,394
Total	**8,424,719**	**4,539,124**

13. Due from banks

	31.12.2009	31.12.2008
Placements with other banks	8,222,833	7,550,750
Sale and repurchase agreements (Reverse Repos)	5,063,702	483,851
Loans to financial institutions	174,907	386,192
Total	**13,461,442**	**8,420,793**

14. Securities held for trading

	31.12.2009	31.12.2008
Government bonds	63,075	73,936
Other debt securities:		
- Listed	3,461	12,511
- Non-listed	410	433
Total	**66,946**	**86,880**

15. Derivative financial instruments (assets and liabilities)

	31.12.2009		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	1,462,035	4,668	20,414
Currency swaps	3,426,384	42,221	24,539
Cross currency swaps	593,840	23,691	44,058
Currency options	18,218	104	280
Currency options embedded in customer products	12,410	116	
Total non-listed	**5,512,887**	**70,800**	**89,291**
b. Interest rate derivatives			
Interest rate swaps	16,391,143	273,397	251,255
Interest rate options (caps)	768,834	6,245	6,092
Total non-listed	**17,159,977**	**279,642**	**257,347**
c. Commodity derivatives			
Commodity swaps	1,161	425	424
Total non-listed	**1,161**	**425**	**424**
d. Index derivatives			
Options	743	5	
Total listed	**743**	**5**	
e. Credit derivatives			
Credit default swaps embedded in debt securities	255,929		20,637
Total non-listed	**255,929**		**20,637**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	68,354	120	6,344
Cross currency swaps	225,293	10,095	
Total non-listed	**293,647**	**10,215**	**6,344**
b. Interest rate derivatives			
Interest rate swaps	6,189,882	12,513	254,843
Total non-listed	**6,189,882**	**12,513**	**254,843**
Grand total	**29,414,226**	**373,600**	**628,886**

	31.12.2008		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	2,419,581	101,913	97,976
Currency swaps	3,755,931	56,891	92,592
Cross currency swaps	380,931	54,369	7,850
Currency options	151,341	2,246	2,207
Currency options embedded in customer products	4,083	59	
Total non-listed	**6,711,867**	**215,478**	**200,625**
b. Interest rate derivatives			
Interest rate swaps	15,069,590	210,508	264,991
Interest rate options (caps)	810,214	4,057	3,268
Total non-listed	**15,879,804**	**214,565**	**268,259**
Options	20,000	30	
Total listed	**20,000**	**30**	
c. Commodity derivatives			
Commodity swaps	5,078	2,942	2,933
Total non-listed	**5,078**	**2,942**	**2,933**
d. Index derivatives			
Otc Options	10,000	423	
Total non-listed	**10,000**	**423**	
Futures	595	9	
Listed options	6,284	34	
Total listed	**6,879**	**43**	
e. Credit derivatives			
Credit default swaps embedded in debt securities	304,445		45,521
Total non-listed	**304,445**		**45,521**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	89,522	5,882	1,696
Cross currency swaps	237,831	21,865	
Total non-listed	**327,353**	**27,747**	**1,696**
b. Interest rate swaps			
Interest rate swaps	3,124,810	24,616	285,138
Total non-listed	**3,124,810**	**24,616**	**285,138**
c. Index derivatives			
Index swaps	30,998	8,542	
Total non-listed	**30,998**	**8,542**	
Grand total	**26,421,234**	**494,386**	**804,172**

16. Loans and advances to customers

	31.12.2009	31.12.2008
Individuals:		
Mortgages:		
- Non-Securitized	8,499,634	8,461,267
- Securitized	2,713,146	2,715,262
Consumer:		
- Non-Securitized	2,381,256	2,109,934
- Securitized	1,464,555	1,485,842
Credit cards	1,217,631	1,229,778
Other	55,477	96,770
Total	16,331,699	16,098,853
Companies:		
Corporate loans		
- Non-Securitized	22,588,980	26,615,726
- Securitized	3,196,024	
Other receivables	967,406	488,845
	43,084,109	**43,203,424**
Less:		
Allowance for impairment losses [1]	(1,273,354)	(1,014,146)
Total	**41,810,755**	**42,189,278**

The Bank, during 2009, securitized corporate loans through a special purpose entity controlled by the Bank.

In accordance with amendments to IAS 39, during the third quarter of 2008, the Bank reclassified securities of € 16.8 million from the available for sale portfolio to the loans portfolio. These securities are not traded in an active market and the Bank has the intention to hold them in the foreseeable future. The above securities as at 31.12.2008 have been impaired by € 13.4 million. Their carrying amount as at 31.12.2009 amounts to € 0.5 million and their fair value to € 0.4 million.

Allowance for impairment losses

Balance 1.1.2008	**609,161**
Changes for the period 1.1.-31.12.2008	
Foreign exchange differences	18
Impairment losses for the fiscal year (note 9)	548,662
Change in present value of impairment reserve	50,241
Loans written-off during the fiscal year	(193,936)
Balance 31.12.2008	**1,014,146**
Changes for the period 1.1.-31.12.2009	
Foreign exchange differences	(514)
Impairment losses for the fiscal year (note 9)	549,670
Change in present value of impairment reserve	70,234
Loans written-off during the fiscal year	(360,182)
Balance 31.12.2009	**1,273,354**

[1] During 2009, an additional provision of € 4,200, that had been recorded to cover credit risk relating to off balance sheet items as at 31.12.2008, was reversed (note 31). The total provision recorded to cover credit risk amounts to € 1,273,354 (31.12.2008: € 1,018,346).

17. Investment securities

a. Available for sale

	31.12.2009	31.12.2008
Government bonds	155,546	239,757
Other debt securities:		
- Listed	2,141,128	5,530,410
- Non-listed	30,940	195,062
Shares:		
- Listed	35,915	37,920
- Non-listed	4,326	4,408
Other variable yield securities	31,865	26,340
Total	**2,399,720**	**6,033,897**

During 2009 the Bank has recognized impairment for its available for sale bond portfolio for the amount of €31,121 which is included in the account "Gains less losses on financial transactions".

b. Held to maturity

	31.12.2009		31.12.2008	
	Cost	Fair value	Cost	Fair value
Government bonds				
- Non-securitized	2,623,896	2,404,625	1,805,579	1,697,446
- Securitized	58,869	59,045		
Other debt securities:				
- Non-securitized				
Listed	1,240,838	1,076,727	2,558,601	2,144,857
Non-listed	14,995	14,151	124,529	121,637
- Securitized				
Listed	949,521	897,213		
Non-listed				
Less:				
Allowance for impairment losses	(19,626)			
Total	**4,868,493**	**4,451,761**	**4,488,709**	**3,963,940**

The increase in the held to maturity non securitized, government securities is due to the acquisition of Greek State bonds amounting to € 0.9 billion, equal to the value of the preference shares issued in the name of the Greek State in accordance with the regulations of Law 3723/2008.

The Bank, during 2009, has securitized bonds through a special purpose entity controlled by the Bank.

During 2009 the Bank has recognized impairment for its held to maturity bond portfolio for the amount of €19,626 which is included in the account "Gains less losses on financial transactions".

18. Investments in subsidiaries, associates and joint ventures

	From 1 January to	
	31.12.2009	**31.12.2008**
Subsidiaries		
Opening balance	**1,740,117**	**1,625,309**
Additions	33,889	231,114
Disposals		(116,067)
Valuation of investments due to fair value hedge [1]	(1,466)	(239)
Closing balance	**1,772,540**	**1,740,117**
Associates		
Opening balance	**74**	**74**
Closing balance	**74**	**74**
Joint Ventures		
Opening balance	**10,711**	**717**
Additions	11,394	10,008
Disposals		(14)
Closing balance	**22,105**	**10,711**
Grand Total	**1,794,719**	**1,750,902**

Additions represent: Share purchases, participation in share capital increases and acquisitions of shares from mergers

Disposals represent: Sales of shares, return of capital, proceeds arising from the liquidation of companies, contributions in kind and impairments.

Subsidiaries additions of € 33,889 include the following amounts:

a) Share capital increases:
- €4,090 due to Ionian Equity Participations Ltd
- €14,000 due to ABC Factors AE

b) Shares purchases
- €8,491 of Astra Bank OJSC

Joint Ventures additions include €11,394 that relate to the Bank's participation in the share capital increase of APE Investment Property A.E.

[1] *The Bank uses FX SWAPS and money market loans to hedge the foreign exchange risk of its investments in Alpha Bank London Ltd and Alpha Finance US Corporation.*

Subsidiary financial information

A. SUBSIDIARIES

Company	Country of incorporation	Balance 31.12.2009 Assets	Equity	Liabilities	1.1 - 31.12.2009 Turnover	Profit / (Loss) before taxes	Bank's ownership interest % 31.12.2009
Banks							
1. Alpha Bank London Ltd	United Kingdom	673,180	78,266	594,914	22,404	1,780	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	8,272,600	472,642	7,799,958	311,876	72,708	100.00
3. Alpha Bank Romania S.A.	Romania	5,002,139	264,588	4,737,551	681,070	17,910	99.44
4. Alpha Bank AD Skopje	FYROM	145,190	22,024	123,166	14,764	(3,254)	100.00
5. Alpha Bank Srbija A.D.	Serbia	761,467	128,816	632,651	622,170	(30,329)	100.00
6. OJSC Astra Bank	Ukraine	127,657	94,098	33,559	18,896	3,867	97.01
Leasing companies							
1. Alpha Leasing A.E.	Greece	1,255,471	270,990	984,481	51,146	2,989	100.00
2. Alpha Leasing Romania S.A.	Romania	96,262	9,281	86,981	26,271	(2,584)	62.94
3. ABC Factors A.E.	Greece	582,274	59,771	522,503	26,631	10,279	100.00
Investment Banking							
1. Alpha Finance A.E.P.E.Y.	Greece	52,785	38,261	14,524	37,890	8,033	99.62
2. Alpha Finance US Corporation	USA	1,239	1,131	108	576	(651)	100.00
3. Alpha Finance Romania S.A.	Romania	1,246	822	424	406	(143)	45.68
4. Alpha Ventures A.E.	Greece	29,989	29,710	279	963	182	99.42
Asset Management							
1. Alpha Asset Management A.E.D.A.K.	Greece	47,134	42,179	4,955	35,761	6,494	88.40
Insurance							
1. Alpha Insurance Agents A.E.	Greece	7,709	6,909	800	8,777	8,709	100.00
2. Alpha Insurance Cyprus Ltd	Cyprus	59,321	11,299	48,022	6,746	2,188	17.95
3. Alphalife A.A.E.Z.	Greece	5,758	5,714	44	53	(276)	99.90
Special purpose and holding entities							
1. Alpha Credit Group Plc	United Kingdom	9,386,368	29,524	9,356,844	324,660	14,733	100.00
2. Alpha Group Jersey Ltd	Jersey	957,508	435	957,073	51,994	54	100.00
3. Alpha Group Investment Ltd	Cyprus	275,797	275,790	7	3,865	3,845	100.00
4. Ionian Holdings A.E.	Greece	351,087	351,062	25	5,110	5,009	100.00
5. Messana Holdings S.A.	Luxembourg	71	65	6	21	3	99.00
6. Ionian Equity Participations Ltd	Cyprus	29,093	26,627	2,466	2	(19)	100.00
7. Alpha Covered Bonds Plc	United Kingdom	2,859,048	(46,380)	2,905,428	125,684	13	100.00
8. Katanalotika Plc	United Kingdom	1,574,541	26	1,574,515	128,176	13	
9. Talanto Plc	United Kingdom	1,197,315	(35,811)	1,233,126	86,658	(35,830)	
10. Epihiro Plc	United Kingdom	3,681,405	21	3,681,384	71,500	6	
Other companies							
1. Oceanos A.T.O.E.E.	Greece	20,576	20,325	251	1,650	1,186	100.00
2. Evremethea A.E.	Greece	268	250	18	15	(27)	100.00
3. Kafe Alpha A.E.	Greece	260	165	95	255	26	99.00
4. Ionian Supporting Services A.E.	Greece	76,684	8,089	68,595	20,000	14,403	99.00

B. ASSOCIATES

1. EVISAK A.E.	Greece		3,308			192	27.00
2. AEDEP Thessalias and Stereas Ellados	Greece		147				50.00

C. JOINT VENTURES

1. Cardlink A.E.	Greece	512	172	340	963	73	50.00
2. APE Fixed Assets A.E.	Greece	41,218	(1,635)	42,853	41	(1,899)	60.10
3. APE Commercial Property A.E.	Greece	65,209	(2,201)	67,410	56	(2,355)	72.20
4. APE Investment Property S.A.	Greece	280,874	(2,721)	283,595	6,053	(13,878)	67.42
5. Alpha TANEO A.K.E.S.	Greece	3,701	3,649	52	68	(1,747)	51.00

19. Investment property

	Land and Buildings
Balance 1.1.2008	
Cost	49,219
Accumulated depreciation	(6,849)
1.1.2008 - 31.12.2008	
Net book value 1.1.2008	42,370
Additions	519
Reclassification to "Property, plant and equipment "	(274)
a) Cost	(425)
b) Accumulated depreciation	151
Depreciation charge for the period	(420)
Net book value 31.12.2008	42,195
Balance 31.12.2008	
Cost	49,313
Accumulated depreciation	(7,118)
1.1.2009 - 31.12.2009	
Net book value 1.1.2009	42,195
Additions	1,142
Reclassification from "Property, plant and equipment" [(1)]	5,555
a) Cost	6,340
b) Accumulated depreciation	(785)
Depreciation charge for the period	(567)
Net book value 31.12.2009	48,325
Balance 31.12.2009	
Cost	56,795
Accumulated depreciation	(8,470)

The fair value of investment property as at 31.12.09, as determined by Alpha Astika Akinita A.E., amounted to €48 million.

(1) *The reclassification of € 5,555 during 2009, from property, plant and equipment, concerns a building that has been leased.*

20. Property, plant and equipment

	Land and Buildings	Leased equipment	Equipment	Total
Balance 1.1.2008				
Cost	732,256	1,142	289,715	1,023,113
Accumulated depreciation	(180,246)	(1,062)	(237,974)	(419,282)
1.1.2008 - 31.12.2008				
Net book value 1.1.2008	552,010	80	51,741	603,831
Additions	49,677		31,339	81,016
Foreign exchange differences	(49)		(23)	(72)
a) Cost	(73)		(61)	(134)
b) Accumulated depreciation	24		38	62
Disposals	(220)		(401)	(621)
a) Cost	(770)		(3,282)	(4,052)
b) Accumulated depreciation	550		2,881	3,431
Reclassification from "Investment property"	281			281
a) Cost	433			433
b) Accumulated depreciation	(152)			(152)
Reclassification		(60)	50	(10)
a) Cost		(1,142)	1,132	(10)
b) Accumulated depreciation		1,082	(1,082)	
Depreciation charge for the period	(15,163)	(20)	(19,790)	(34,973)
Net book value 31.12.2008	586,536		62,916	649,452
Balance 31.12.2008				
Cost	781,523		318,843	1,100,366
Accumulated depreciation	(194,987)		(255,927)	(450,914)
1.1.2009 - 31.12.2009				
Net book value 1.1.2009	586,536		62,916	649,452
Additions	24,444		10,747	35,191
Foreign exchange differences	(701)		(433)	(1,134)
a) Cost	(898)		(777)	(1,675)
b) Accumulated depreciation	197		344	541
Disposals	(1,211)		(426)	(1,637)
a) Cost	(2,545)		(5,121)	(7,666)
b) Accumulated depreciation	1,334		4,695	6,029
Reclassification to "Investment property" (Note 19)	(5,555)			(5,555)
a) Cost	(6,340)			(6,340)
b) Accumulated depreciation	785			785
Depreciation charge for the period	(17,185)		(19,910)	(37,095)
Net book value 31.12.2009	586,328		52,894	639,222
Balance 31.12.2009				
Cost	796,184		323,692	1,119,876
Accumulated depreciation	(209,856)		(270,798)	(480,654)

The value of owned land and buildings amounted to € 508,514 as at 31.12.2009. The fair value of these assets, as at 31.12.2009 determined by Alpha Astika Akinita A.E., amounted to € 510 million.

21. Goodwill and other intangible assets

	Software	Banking rights	Other	Total
Balance 1.1.2008				
Cost	156,449	1,785		158,234
Accumulated amotization	(102,368)	(30)		(102,398)
1.1.2008 - 31.12.2008				
Net book value 1.1.2008	54,081	1,755		55,836
Additions	35,172			35,172
Foreign exchange differences	(13)			(13)
a) Cost	(21)			(21)
b) Accumulated amortization	8			8
Disposals	(73)			(73)
a) Cost	(178)			(178)
b) Accumulated amortization	105			105
Amortization charge for the period	(21,842)	(357)		(22,199)
Net book value 31.12.2008	67,325	1,398		68,723
Balance 31.12.2008				
Cost	191,422	1,785		193,207
Accumulated amortization	(124,097)	(387)		(124,484)
1.1.2009 - 31.12.2009				
Net book value 1.1.2009	67,325	1,398		68,723
Additions	25,713			25,713
Foreign exchange differences	(75)			(75)
a) Cost	(175)			(175)
b) Accumulated amortization	100			100
Reclassification	(55)		55	
a) Cost	(69)		69	
b) Accumulated amortization	14		(14)	
Amortization charge of the period	(18,048)	(357)	(5)	(18,410)
Net book value 31.12.2009	74,860	1,041	50	75,951
Balance 31.12.2009				
Cost	216,891	1,785	69	218,745
Accumulated amortization	(142,031)	(744)	(19)	(142,794)

22. Deferred tax assets and liabilities

	31.12.2009	31.12.2008
Deferred tax assets	313,798	316,069
Deferred tax liabilities	(187,970)	(158,212)
Total	**125,828**	**157,857**

Deferred tax assets and liabilities arise from:

	1.1.2009 - 31.12.2009				
		Recognized in			
	Balance 1.1.2009	Income Statement	Equity	Foreign exchange differences	Balance 31.12.2009
Depreciation of fixed assets and write-offs	4,100	(2,823)			1,277
Valuation of loans	(52,607)	8,863			(43,744)
Suspension of interest accruals	(76,567)	(31,896)			(108,463)
Impairment of loans	43,732	45,986			89,718
Valuation of derivative financial instruments	85,640	(30,554)			55,086
Other temporary differences	17,106	9,750			26,856
Liabilities to Common Insurance Fund of Bank Employees	81,648	(11,619)			70,029
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(7,552)	(210)			(7,762)
Valuation of investments due to hedge	2,429	293			2,722
Valuation of shares	13,202	(5,043)	(3,960)		4,199
Valuation of bonds	62,864	2,732	(1,738)		63,858
Effective interest rate	(16,142)	(11,856)			(27,998)
Incorporation of foreign operations	4			46	50
Total	**157,857**	**(26,377)**	**(5,698)**	**46**	**125,828**

	1.1.2008 - 31.12.2008				
		Recognized in			
	Balance 1.1.2008	Income Statement	Equity	Foreign exchange differences	Balance 31.12.2008
Depreciation of fixed assets and write-offs	8,555	(5,325)			3,230
Tax revaluation of fixed assets		870			870
Valuation of loans	18,535	(71,142)			(52,607)
Suspension of interest accruals	(53,459)	(23,108)			(76,567)
Impairment of loans	(4,707)	48,439			43,732
Valuation of derivative financial instruments	(695)	86,335			85,640
Other provisions	17,378	5,072			22,450
Other receivables	(3,204)	(2,140)			(5,344)
Liabilities to Common Insurance Fund of Bank Employees	110,716	(29,068)			81,648
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(17,672)	10,120			(7,552)
Valuation of investments due to hedge	2,976	(547)			2,429
Valuation of shares		7,951	5,251		13,202
Valuation of bonds	(1,838)	1,862	62,840		62,864
Effective interest rate	(1,385)	(14,757)			(16,142)
Incorporation of foreign operations				4	4
Total	**75,200**	**14,562**	**68,091**	**4**	**157,857**

23. Other assets

	31.12.2009	31.12.2008
Prepaid expenses	9,890	8,441
Accrued income	3,904	7,665
Tax advances and withholding taxes	221,416	181,235
Employee advances	7,688	7,618
Receivables from employee defined benefit plan (note 29)	45,905	47,311
Additional contribution to Deposit and Investment Guarantee Fund (Law 3714/2008)	114,649	52,290
Other	91,075	114,966
Total	**494,527**	**419,526**

In accordance with article 6 of Law 3714/7.11.2008 the amount of deposits, guaranteed by the deposit guarantee system, increased from € 20,000 to € 100,000 per depositor. The percentages calculating the contribution paid by the banks to Deposit Guarantee Fund also increased.

The Law 3746/16.2.2009 concerning the "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" provides that the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008 will be included in a special asset's group whose elements are jointly included in the proportion of each participant in the credit institutions.

24. Non current assets held for sale

As at 31.12.2009 "Non current assets held for sale" include land and buildings amounting to € 75,064 (31.12.2008: € 53,077) and office equipment amounting to € 49 (31.12.2008: € 206).

The fair value of "Non current assets held for sale" as at 31.12.2009 as determined by Alpha Astika Akinita amounted to € 80 million.

LIABILITIES

25. Due to banks

	31.12.2009	31.12.2008
Deposits:		
- Current accounts	118,054	400,433
- Term deposits		
European Central Bank	10,047,917	5,183,611
Other credit institutions	3,842,132	3,285,691
Sale and repurchase agreements (Repos)	540,979	1,063,730
Borrowing funds	742,346	950,504
Total	**15,291,428**	**10,883,969**

26. Due to customers

	31.12.2009	31.12.2008
Deposits:		
- Current accounts	6,541,886	5,348,640
- Saving accounts	8,632,901	7,900,871
- Term deposits:		
Synthetic Swaps	954,865	1,103,037
Other	18,954,407	19,247,515
Sale and repurchase agreements (Repos)	14,889	60,742
	35,098,948	**33,660,805**
Cheques payable	159,100	155,289
Total	**35,258,048**	**33,816,094**

27. Debt securities in issue and other borrowed funds

a. Short term

i. Securities (ECP)

Balance 1.1.2009	**248,372**
Changes for the period 1.1 – 31.12.2009	
New issues	1,193,235
Maturities/Redemptions	(1,351,024)
Accrued interest	614
Foreign exchange differences	(1,837)
Balance 31.12.2009	**89,360**

The new issues in Euro pay an average spread of 15 to 40 basis points over Euribor of the respective period.

ii. Issues guaranteed by the Greek State (Law 3723/2008)

Balance 1.1.2009	
Changes for the period 1.1 – 31.12.2009	
New issues	992,750
Maturities/Redemptions	(1,000,000)
Commissions / Expenses	4,144
Balance 31.12.2009	**(3,106)**

According to article 2 of the Law 3723/2008 for the enhancement of the economy’s liquidity, the Bank issued the following securities, guaranteed by the Greek State:

- On 12.2.2009, senior debt amounting to € 500 million, with a nine month duration, bearing an interest rate of 2.85% which matured on 12.11.2009.
- On 29.4.2009, senior debt amounting to € 1 billion, with a three year duration, bearing an interest rate of three month Euribor plus a spread of 200 basis points, which is held by the Bank and is not presented in the «Debt securities in issue and other borrowed funds». The unamortized costs that have been capitalized amount to € (3,106).
- On 4.6.2009, senior debt amounting to € 500 million, with a six month duration, bearing an interest rate of three month Euribor plus a spread of 25 basis points which matured on 4.12.2009.

b. Long term

i. Senior debt securities

Balance 1.1.2009	**15,097,042**
Changes for the period 1.1. - 31.12.2009	
New issues	2,361,496
Maturities/Redemptions	(9,874,037)
Fair value change due to hedging	850
Accrued interest	(29,554)
Foreign exchange differences	(8,520)
Balance 31.12.2009	**7,547,277**

The following securities are included in the new issues:

- Nominal value of € 750 million maturing on 17.9.2012, bearing a fixed interest rate of 3.875%.
- Nominal value of € 500 million maturing on 9.6.2011, bearing a fixed interest rate 4.625%.
- Nominal value of € 500 million maturing on 18.9.2014, bearing a floating interest rate of three month Euribor plus a spread of 70 basis points with an issuer call option exercisable on interest payment dates starting from 18.9.2011.
- Nominal value of € 250 million maturing on 12.2.2013, bearing a fixed semi annual interest rate of 4.4%.
- Two issues of € 100 million nominal value each, maturing on 13.12.2010 and 14.6.2011 respectively, bearing a fixed three month interest rate of 2.5% which gradually increases by 50 basis points on a semi annual basis.
- Nominal value of € 100 million, maturing on 15.3.2011, bearing a fixed three month interest rate of 2.5%, with an issuer call option exercisable on interest payment dates starting from 15.3.2010.
- Nominal value of €20 million, maturing on 15.9.2012, bearing a three month interest rate which is equal to twice the three month Euribor if Euribor is below the barrier of 3% or fixed interest rate of 4.5% if Euribor is above the barrier of 3%.
- Nominal value of €20 million, maturing on 18.12.2012, with an issuer call option exercisable on a quarterly basis and bearing a fixed interest rate of 2.6% which gradually increases by 70 basis points after the first year and 100 basis points after the second year.

ii. Liabilities from the securitization of consumer loans

Balance 1.1.2009	
Changes for the period 1.1. - 31.12.2009	
New issues	1,097,547
Balance 31.12.2009	**1,097,547**

Liabilities of € 6.9 billion from the securitization of bonds as well as mortgage, consumer and corporate loans are not presented in "Debt securities in issue and other borrowed funds" since these securities, issued by special purpose entities, are held by the Bank.

The aforementioned amount of € 6.9 billion includes bonds issued in 2009 through the special purpose entities Talanto Plc, covered by bond portfolio, and Epihiro Plc, covered by corporate loans.

Part of bonds that have been rated by credit rating agencies have been accepted as collateral by the Bank of Greece for monetary policy actions.

iii. Subordinated debt

Balance 1.1.2009	**1,128,292**
Changes for the period 1.1. - 31.12.2009	
Maturities/Redemptions	(355,000)
Fair value change due to hedging	(2,042)
Accrued interest	(5,464)
Foreign exchange differences	(12,663)
Balance 31.12.2009	**753,123**

- On 23.1.2009, 5 years after issuance, the Bank redeemed 10 year subordinated debt amounting to € 200 million.
- On 27.10.2009, the Bank cancelled an Upper Tier II debt amounting to € 105 million issued on 27.7.2007 with notional amount of €130 million.
- On 16.11.2009, the Bank cancelled a 10 year senior subordinated debt amounting to € 50 million of the amount of € 350 million issued on 1.2.2007.

iv. Hybrid securities

Balance 1.1.2009	**921,940**
Changes for the period 1.1.-31.12.2009	
Accrued interest	(559)
Balance 31.12.2009	**921,381**
Total of debt securities in issue and other borrowed funds	**10,405,582**

28. Liabilities for current income tax and other taxes

	31.12.2009	31.12.2008
Current income tax	71,658	71,616
Other taxes	16,891	26,239
Total	**88,549**	**97,855**

29. Employee defined benefit obligations

The total amounts recognized in the financial statements for employee defined benefit obligations are presented in the table below:

	Balance sheet 31.12.2009 Liability/(Asset)	Income statement 1.1.-31.12.2009 Expense/(Income)	Balance sheet 31.12.2008 Liability/(Asset)	Income statement 1.1.-31.12.2008 Expense/(Income)
TAP – Lump-sum benefit	(45,905)	3,008	(47,311)	3,008
TAPILT				(3,733)
Total	**(45,905)**	**3,008**	**(47,311)**	**(725)**

Balance sheet and income statement's amounts are analysed per fund and benefit as follows:

a. Supplementary Pension Fund (TAP) of former Alpha Credit Bank Employees

After TAP was absorbed by the Common Insurance Fund of Bank Employees for the supplementary pension (Article 10, Law 3620/2007), TAP obligation is restricted to paying a lump-sum benefit to retiring employees, which is guaranteed by the Bank.

Amounts included in the balance sheet are as follows:

	31.12.2009	31.12.2008
Present value of defined benefit obligations	129,848	128,895
Fair value of plan assets	(151,969)	(156,268)
Deficit / (surplus)	**(22,121)**	**(27,373)**
Unrecognized actuarial losses	(23,784)	(19,938)
Asset in balance sheet	**(45,905)**	**(47,311)**

The amounts recognized in the income statement are as follows:

	From 1 January to	
	31.12.2009	31.12.2008
Current service cost	3,699	4,751
Interest cost	6,960	6,391
Expected return on plan assets	(7,970)	(8,134)
Actuarial losses recognized during the fiscal year	319	-
Total (included in staff cost)	**3,008**	**3,008**

The movement in present value of liability is as follows:

	2009	2008
Opening balance	**128,895**	**127,035**
Current service cost	3,699	4,751
Interest cost	6,960	6,391
Employee contributions	1,433	1,396
Benefits paid	(9,517)	(6,912)
Contributions paid directly by the Bank	(1,602)	(1,130)
Expenses	(20)	(5)
Actuarial losses /(gains)	-	(2,631)
Closing balance	**129,848**	**128,895**

The movement in fair value of plan assets is as follows:

	2009	2008
Opening balance	**156,268**	**162,031**
Expected return	7,970	8,134
Employee contribution	1,433	1,396
Benefits paid	(9,517)	(6,912)
Expenses	(20)	(5)
Actuarial losses	(4,165)	(8,376)
Closing balance	**151,969**	**156,268**

The plan assets include deposits with Alpha Bank of €28.6 million, receivables from Alpha Bank of €31.1 million, bonds issued by Alpha Credit Group plc of €82.6 million, Alpha Bank shares of €6.4 million and other receivables of €3.3 million.

The movement in the receivable is as follows:

Balance 1.1.2008	**(49,189)**
Accrued expense	3,008
Contributions paid directly by the Bank	(1,130)
Balance 31.12.2008	**(47,311)**
Changes for the period 1.1-31.12.2009	
Accrued expense	3,008
Contributions paid directly by the Bank	(1,602)
Balance 31.12.2009	**(45,905)**

The actuarial assumptions used are as follows:

	31.12.2009	31.12.2008
Discount rate	6.4%	5.8%
Expected return on plan assets	5.0%	5.0%
Future salary increases	4.0%	3.5%

b. Ionian and Popular Bank Insurance Fund (TAPILT – welfare sector)

Due to the incorporation of the Ionian and Popular Bank Insurance Fund (TAPILT – Welfare Sector), that paid the lump sum benefit to all employees of former Ioniki Bank, with the Bank Employee and Companies Common Benefit Plan (TAYTEKO) on 1.10.2008, the liability was written off.

30. Other liabilities

	31.12.2009	31.12.2008
Dividends payable	9,046	9,965
Suppliers	65,134	48,717
Deferred income	4,193	3,846
Accrued expenses	70,304	72,278
Liabilities to third parties	210,829	225,371
Liabilities to Common Insurance Fund of Bank Employees (1)	469,615	518,400
Liabilities from credit cards	239,353	228,789
Other	140,299	97,096
Total	**1,208,773**	**1,204,462**

31. Provisions

Balance 1.1.2008	**47,796**
Changes for the period 1.1 - 31.12.2008	
Reversal of provisions to cover credit risk relating to off-balance sheet items (Note 9)	(41,729)
Other provisions charged to profit and loss	2,791
Provisions used during the period	(443)
Balance 31.12.2008	**8,415**
Changes for the period 1.1- 31.12.2009	
Reversal of provisions to cover credit risk relating to off-balance sheet items (Note 9)	(4,200)
Other provisions charged to profit and loss	2,543
Reversal of provisions	(2,303)
Provisions used during the period	(687)
Balance 31.12.2009	**3,768**

The amount of other provisions charged to profit and loss account is included in "Other expenses" of the income statement.

(1) *In accordance with article 10 of Law 3620/2007 TAP members joined the Common Insurance Fund of Bank Employees (ETAT) as of 1.1.2008,at a cost of the Bank amounting € 543 million. This amount plus interest is attributable in ten equal annual installments.*

EQUITY

32. Share capital

	Number of common shares	Number of preference shares	Paid-in share capital
Opening balance 1.1.2008	**410,976,652**		**1,602,809**
Share capital increase through the capitalization of the share premium reserve of € 184,033 and part of taxed retained earnings of € 144,748, with an increase of the nominal value of each share from € 3.90 to € 4.70 (Decision of General Meeting on 3.4.2008)			328,781
Balance 31.12.2008	**410,976,652**		**1,931,590**
Share capital increase through the issuance of new preference, non-voting, paper and redeemable shares according to Law 3723/2008		200,000,000	940,000
Share capital increase through cash payment with the issuance of new common, registered, voting, non-paper shares of nominal value €4.70 each and issue price €8.00 each	123,292,996		579,477
Balance 31.12.2009	**534,269,648**	**200,000,000**	**3,451,067**

a) In the context of Law 3723/2008 relating to the enhancement of economy's liquidity, the Extraordinary General Meeting of the Shareholders of the Bank, held on 12.1.2009, approved:

- A share capital increase of € 940 million in accordance with the requirements of the above law, with cancellation of preemptive rights of existing shareholders and the issuance of 200,000,000 new preference, registered, non-voting, paper and redeemable shares with a nominal and price offering of € 4.70.
- The authorization to the Board of Directors to specify the terms of issuance of the preference shares.
- The amendment of Article 5 of the Bank's Articles of Incorporation pertaining to the share capital increase and the adaptation of the Articles of Incorporation to the terms of Law 3723/2008.

In implementation of the above decision of the Bank's Extraordinary General Meeting of Shareholders, and pursu¬ant to decisions 2/24004/0025/31.3.2009 and 2/35006/0023A/14.5.2009 of the Minister of Economy and Finance, a subscription agreement was concluded between the Bank and the Greek State on 14.5.2009. On 21.5.2009, the amount of the capital increase was fully subscribed by the Greek State following the transfer from the latter to the Bank of Greek Government bonds with nominal value of € 940 million, a 5 year duration, bearing a floating rate of interest. Furthermore, the Board of Directors of the Bank issued a multiple title deed for the total number of prefer¬ence shares (200,000,000 shares), in the name of the Greek State, with the following main characteristics:

- They provide the right to a fixed return equal to 10% on the nominal value of each share, in priority to the common shareholders, regardless of distributions to the common shareholders. This right of distribution is non-cumulative and subject to the availability of distributable funds and the approval of the General Meeting of the common shareholders of the Bank.
- In the event of liquidation, the preference shares have priority on the proceeds of the liquidation over the Bank's common shareholders.
- The Bank has the right to redeem the preference shares, either partially or in full, at their offer price, in exchange for cash or Greek Government Bonds of equal value, subject to the prior approval of the Bank of Greece.
- In accordance with the decision of the Minister of Economy and Finance preference shares, within five years from their issuance, can be converted into common shares under certain conditions and subject to the approval of the Bank of Greece.

According to a draft law submitted to the Parliament by the Ministry of Finance on 16 March 2010 the coupon of the preference shares has a step up feature of 2% annually, if after five years following the issuance, the credit institutions have not redeem the preference shares.

Taking into account the aforementioned characteristics of the preference shares the Bank has recognized the preference shares as part of its equity and the related accrued return as of 31.12.2009 amounts to € 58.8 million before tax.

The Bank's Ordinary General Meeting of Shareholders held on 23.6.2009, approved and ratified the resolution by the Extraordinary General Meeting of Shareholders convened on 12.1.2009, regarding the increase of the share capital and the modification of the Bank's Articles of Incorporation and was informed of, and accepted, the report by the appointed committee for the evaluation of the bonds contributed and issued by the Greek State for the participation in the share capital increase approved by the Extraordinary General Meeting of Shareholders of 12.1.2009.

b) The Board of Directors of the Bank, after the approval of the Second General Shareholders Meeting held on 6.6.2006, in its meeting held on 19.10.2009, decided unanimously among others on a share capital increase for the maximum amount of € 579,477 through cash payment and the issuance of 123,292,996 new common, registered shares of nominal value € 4.70 each and issue price € 8.00 each.

The Ministry of Economy, Competitiveness and Shipping, on 30.11.2009, with its decision K2-12294 approved the Bank's share capital increase.

33. Share premium

Opening balance 1 January 2008	184,033
Share capital increase through the capitalization of share premium	(184,033)
Balance 31.12.2008	-
Share capital increase – share premium from the issue of common shares	406,867
Balance 31.12.2009	**406,867**

In 2009 the share capital increase and the issuance of 123,292,996 new common registered shares of nominal value €4.70 and issue price €8.00 resulted in a total difference that amounted to €406,867 between the shares' par value and issue price. The difference was credited in "Share Premium" account.

34. Reserves

Reserves are analyzed as follows:

a. Statutory reserve

	31.12.2009	**31.12.2008**
Statutory reserve	398,992	382,280

According to the Bank's articles of association (article 26) as amended in May 2008, the Bank is required to transfer 5% of its annual net profit to the statutory reserve, until the reserve amounts to one third of share capital. This reserve can only be used to offset losses according to article 44 of Law 2190/1920.

b. Available for sale securities reserve

	2009		**2008**	
Opening balance 1.1		**(216,432)**		**(2,288)**
Changes for the period 1.1-31.12				
Net change in fair value of available for sale securities, after income tax	260,373		(247,883)	
Net change in fair value of available for sale securities transferred to profit and loss	(240,542)		33,739	
Total		**19,831**		**(214,144)**
Balance 31.12		**(196,601)**		**(216,432)**
Total reserves (a+b)		**202,391**		**165,848**

35. Retained earnings

a) According to paragraph 3 of article 1 of Law 3723/2008 referring to the enhancement of economy's liquidity, dividend distribution to the shareholders of credit institutions, participating in the above program, cannot exceed 35% as stated in Law 148/1967.

The 20708/B.1175/23.4.2009 decision of Minister of Economy and Finance clarified that in the case of existence of distributable profits, the distribution of dividends is limited from zero up to maximum of 35% of profits. Additionally for the fiscal year 2008 and according to article 28 of Law 3576/2009, dividends may only be distributed in the form of shares and not in cash.

Following the above, the General Meeting of Shareholders held on 23.6.2009 decided not to distribute dividends for the fiscal year 2008.

b) Included in "Retained Earnings" on 31.12.2009 are the costs from the share capital increase, as mentioned in note 32, amounting to € 53,240 after deducting the relevant attributable income tax of amount € 13,311.

36. Treasury shares

The Bank, pursuant to the decisions of General Meeting of Shareholders held on 3.4.2008, purchased, during the period 1.1-16.2.2009, 457,601 treasury shares at a cost of € 2,665 (€ 5.83 per share).

On 31 August 2009, the Bank completed the sale of 6,140,959 treasury shares the cost of which amounted to € 71,650, through a private placement, which represented 1.49% of its issued common voting shares. The result of the above mentioned transaction has been recognized directly to Retained earnings account of equity.

The number of treasury shares and the cost are analyzed as follows:

	Number of shares	Cost	Percentage
Balance 31.12.2008	5,683,358	68,985	1.38%
Purchases 1.1 - 16.2.2009	457,601	2,665	0.11%
Sale 31.8.2009	(6,140,959)	(71,650)	(1.49)%
Balance 31.12.2009	-	-	-

It is noted that in accordance with article 28 of Law 3756/31.3.2009, credit institutions, participating in the enhancement of the Greek economy's liquidity program (Law 3723/2008), are not allowed to purchase treasury shares during their participation in the program.

ADDITIONAL INFORMATION

37. Contingent liabilities and commitments

a) Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. No provision has been recorded because after consultation with legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Bank.

b) Tax issues

In December 2009 the tax audit for the fiscal years 2006 and 2007 of the Bank was completed.

The Bank's branches in Albania, Bulgaria and London have been audited by the tax authorities for the years up to and including 2007.

Additional tax and penalties may be imposed for the unaudited years.

c) Operating leases

The Bank as a lessee

The Bank has various obligations with respect to leases of buildings which are used as branches or for administration purposes.

The duration of the lease agreements is initially for 12 years with a renewal option or extension. In accordance with the lease agreements the rent is subject to annual indexation adjustment, usually according to official annual inflation rate.

The policy of the Bank is to renew these contracts.

The minimum future lease payments are:

	31.12.2009	31.12.2008
► less than one year	36,673	28,498
► between one and five years	112,139	88,492
► more than five years	110,031	78,732
Total	**258,843**	**195,722**

The total lease expense for 2009 relating to rental of buildings amounts to €39,261 (2008: €35,208) and is included in the account "General administrative expenses".

The Bank as a lessor

The Bank's receivables from leases relate to buildings leased either to group companies or third parties.

The minimum future revenues are:

	31.12.2009	31.12.2008
► less than one year	3,734	3,788
► between one and five years	8,092	8,767
► more than five years	5,301	6,054
Total	**17,127**	**18,609**

The lease revenues for 2009 amount to €3,987 (2008: €3,896) and are included in the account "Other income".

d) Off balance sheet liabilities

The Bank, pursuant to its normal operations, is binded by contractual commitments that in the future may result in changes in its asset structure. These commitments are monitored in off balance sheet accounts. The contractual commitments, that the Bank has undertaken, relate to letters of guarantee, letters of credit, undrawn credit facilities, and guarantees relating to bonds issued by subsidiaries of the Bank.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment of the third party bind by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

Undrawn credit facilities are loan agreements that may not be fulfilled immediately or may be partially fulfilled. The amounts presented in the table below represent part of the agreed loan agreements and credit limits which remain unused.

The Bank's off balance sheet items are summarized below:

	31.12.2009	31.12.2008
Letters of guarantee	6,030,710	6,253,944
Letters of credit	59,593	104,567
Undrawn loan agreements and credit limits	16,663,088	16,912,309
Guarantees relating to bonds issued by subsidiaries of the Bank	11,278,533	17,328,137
Total	**34,031,924**	**40,598,957**

e) Assets pledged

	31.12.2009	31.12.2008
Loans to customers	4,099,152	964,490
Securities from Reverse Repos	5,277,100	400,000
Securities held for trading	45,000	60,964
Investment securities	9,095,190	5,632,896
Total	**18,516,442**	**7,058,350**

- From loans to customers:
  - i. An amount of € 1,870 million has been pledged as collateral to the Bank of Greece in accordance with the Monetary Policy Council Act No 54/27.2.2004 as in force, and following its amendment by Monetary Policy Council Act 61/6.12.2006. With this act the Bank of Greece accepts as collateral for monetary policy purposes and intraday credit non marketable assets, which should meet the terms and conditions of the above act.
  - ii. An amount of € 2,229.2 million has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State in accordance with Law 3723/2008.
- From the securities from Reverse Repos and investment securities portfolio an amount of € 5.5 billion derives from the securitization of bonds, mortgage, consumer and corporate loans. From the aforementioned amount € 4.4 billion and other securities held by the Bank are not presented in assets but are presented net of the Bank's liabilities towards the special purpose entities that issued the bonds.
- All the above mentioned securities, derived from Reverse Repos, trading portfolio and investments securities, are pledged as collateral to Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET) and in the European Central Bank's main refinancing operations.

f) Other pledges

On 7 May 2008 the Bank completed a new Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of the American Law, which will be offered to institutional investors. The issuer will be Alpha Group Jersey Limited, a wholly owned subsidiary of the Bank. The Notes will be guaranteed by the Bank and will be traded in Luxembourg's stock exchange. The program is valid but for the time being it remains inactive.

In accordance with article 3 of Law 3723/2008, securities amounting to € 1,138 million, issued by the Greek State, have been offered to the Bank through a bilateral agreement. These securities have been pledged to the European Central Bank to enhance the Bank's liquidity.

38. Segment reporting

a. Analysis by operating segment

(Millions of Euro)

	1.1. - 31.12.2009						
	Total	Retail	Corporate Banking	Asset Management /Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	1,344.2	792.0	384.6	0.7	123.0	43.9	
Net fee and commission income	278.7	154.4	79.5	24.6	11.2	9.0	
Other income	382.9	5.8	9.9	0.9	114.8	1.4	250.1
Total income	**2,005.8**	**952.2**	**474.0**	**26.2**	**249.0**	**54.3**	**250.1**
Total expenses	**(905.8)**	**(618.9)**	**(121.8)**	**(19.2)**	**(22.0)**	**(56.1)**	**(67.8)**
Impairment losses	(532.3)	(256.3)	(237.3)			(38.7)	
Profit before income tax	**567.7**	**77.0**	**114.9**	**7.0**	**227.0**	**(40.5)**	**182.3**
Income tax	(139.0)						
Profit after income tax	**428.7**						
Assets	67,848.6	23,971.9	18,474.4	193.5	21,198.8	1,736.1	2,273.9
Liabilities	63,073.0	33,105.5	2,883.8	1,617.0	22,582.0	873.5	2,011.2
Capital expenditure	62.0	40.0	11.3	0.8	0.7	9.2	
Depreciation and Amortization	56.1	33.6	9.4	0.6	0.6	7.7	4.2

(Millions of Euro)

	1.1. - 31.12.2008						
	Total	Retail	Corporate Banking	Asset Management /Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	1,350.5	1,003.2	272.2	1.9	32.2	41.0	
Net fee and commission income	317.1	173.3	83.3	35.3	18.3	6.9	
Other income	75.5	11.6	10.7	1.2	(34.2)	3.1	83.1
Total income	**1,743.1**	**1,188.1**	**366.2**	**38.4**	**16.3**	**51.0**	**83.1**
Total expenses	**(852.3)**	**(592.4)**	**(118.1)**	**(23.3)**	**(22.7)**	**(48.2)**	**(47.6)**
Impairment losses	(495.4)	(278.9)	(203.2)			(13.3)	
Profit before income tax	**395.4**	**316.8**	**44.9**	**15.1**	**(6.4)**	**(10.5)**	**35.5**
Income tax	(61.2)						
Profit after income tax	**334.2**						
Assets	66,738.2	24,129.1	18,890.9	235.8	19,555.1	1,706.6	2,220.7
Liabilities	64,368.8	36,750.7	2,714.2	1,757.9	20,006.8	799.3	2,339.9
Capital expenditure	116.7	80.8	22.0	1.4	1.6	10.9	
Depreciation and Amortization	57.6	39.8	10.9	0.7	0.8	5.4	

i. Retail Banking

Includes all individuals (retail banking customers) of the Bank, professionals, small and very small companies.

The Bank offers through its extended branch network, all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards to the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division and shipping corporations.

The Bank offers working capital facilities, corporate loans, and letters of guarantee.

iii. Asset Management / Insurance

Consists of a wide range of asset management services through the Bank's private banking units. In addition it offers a wide range of insurance products to individuals and companies.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South Eastern Europe

Consists of the Bank's branches operating in South Eastern Europe.

vi. Other

This segment consists of the Bank's administration section.

b. Analysis by geographical sector

(Millions of Euro)

	31.12.2009		
	Total	**Greece**	**Other countries**
Net interest income	1,344.2	1,291.8	52.4
Net fee and commission income	278.7	269.5	9.2
Other income	382.9	379.2	3.7
Total income	**2,005.8**	**1,940.5**	**65.3**
Total expenses	**(905.8)**	**(849.1)**	**(56.7)**
Impairment losses	(532.3)	(493.7)	(38.6)
Profit before income tax	**567.7**	**597.7**	**(30.0)**
Income tax	(139.0)		
Profit after income tax	**428.7**		
Assets	**67,848.6**	**64,462.4**	**3,386.2**

(Millions of Euro)

	31.12.2008		
	Total	**Greece**	**Other countries**
Net interest income	1,350.5	1,303.2	47.3
Net fee and commission income	317.1	309.0	8.1
Other income	75.5	70.3	5.2
Total income	**1,743.1**	**1,682.5**	**60.6**
Total expenses	**(852.3)**	**(800.9)**	**(51.4)**
Impairment losses	(495.4)	(432.2)	(63.2)
Profit before income tax	**395.4**	**449.4**	**(54.0)**
Income tax	(61.2)		
Profit after income tax	**334.2**		
Assets	**66,738.2**	**63,096.6**	**3,641.6**

39. Financial risk management

The Bank has established a systematic and solid risk management framework for the reliable measurement of risk which is continually evolving to meet the challenges of the economic circumstances the way these are defined by the regulatory requirements and best banking practices. The framework's main objective is the reliable measurement of financial risks in order to minimize potential negative effects on the Bank's financial results.

The Board of Directors of the Bank has overall responsibility for the improvement and oversight of the Risk Management framework. Risk Management Committee is established, which meets on a monthly basis and reports to the Board of Directors on its activities. The Risk Management Committee is responsible for the implementation and monitoring compliance with the risk management policies.

In the Bank the risk management departments are entitled with the responsibility for the implementation of the risk management framework, according to the directions of the Risk Management Committee.

39.1 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is considered the most significant risk for the Bank, and its continuous monitoring is management's first priority.

The Bank in order to effectively manage credit risk has developed specific methodologies and systems to measure credit risk. These systems and methodologies are continuously evolving so as to provide to the maximum extent possible current and productive support in the decisions making process of the business units in order to avoid possible adverse consequences on the results of the Bank.

The main tool for the measurement of credit risk is the credit risk grading system. Current systems use both quantitative and qualitative criteria of measurement and also criteria of transactional behavior in order to report customer probability of default and loss given default. Respective models are continuously improved in order for the total loan portfolio to be included in the new system of internal grading imposed by capital adequacy requirements. Additionally, the Bank uses ratings provided by External Credit Assessment Institutions (ECAI).

At the same time, statistical models are being developed in order to calculate loss given default and the exposure at default.

Credit risk rating also determine both credit limits and collaterals and it is systematically reassessed on a three or twelve month basis. The reassessment is based on the customer's credit worthiness and on any new information and events that may have a significant impact on the level of credit risk.

The grading systems are subject to continuous quality control to ensure at all times proactive ability.

At the same time the Bank performs stress testing exercises concerning credit risk on a regular basis. Based on respective stress testing an estimation is provided of the size of financial losses that could occur under extreme transactional behavior of the clients. Additionally, on regular basis large exposures are monitored and management and the Board of Directors are informed.

The Bank assess at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically the above mentioned procedures include the following steps:

a) Establishment of events that provide objective evidence that a loan is impaired (trigger events)

b) The criteria for assessment on an individual or collective basis

c) Establishment of groups of assets with similar risk characteristics

d) Methodology in determining future cash flows from impaired loans

e) Interest income recognition

f) Impairment recognition

g) Recoveries

In note 1.12 "Impairment losses on loans and advances" the accounting principles applied for loan impairment are described in detail.

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2009			31.12.2008		
	Exposure before impairment	Impairment	Net exposure to credit risk	Exposure before impairment	Impairment	Net exposure to credit risk
Credit risk exposure relating to balance sheet items						
Balances with Central Banks	1,028,815		1,028,815	1,306,140		1,306,140
Due from Banks	13,461,442		13,461,442	8,420,793		8,420,793
Loans and advances to customers:						
Individuals:						
▪ Mortgage	11,212,780	80,694	11,132,086	11,176,529	78,536	11,097,993
▪ Consumer	3,845,811	73,835	3,771,976	3,595,776	118,495	3,477,281
▪ Credit cards	1,217,631	44,119	1,173,512	1,229,778	52,899	1,176,879
▪ Other loans	55,477		55,477	96,770		96,770
	16,331,699	198,648	16,133,051	16,098,853	249,930	15,848,923
Companies:						
▪ Corporate loans	25,785,004	1,074,706	24,710,298	26,615,726	764,216	25,851,510
▪ Other receivables	967,406		967,406	488,845		488,845
	26,752,410	1,074,706	25,677,704	27,104,571	764,216	26,340,355
Total	43,084,109	1,273,354	41,810,755	43,203,424	1,014,146	42,189,278
Derivative financial instruments	373,600		373,600	494,386		494,386
Securities held for trading						
▪ Government bonds	63,075		63,075	73,936		73,936
▪ Other debt securities	3,871		3,871	12,944		12,944
Total	66,946		66,946	86,880		86,880
Available for sale securities:						
▪ Available for sale (Governement bonds)	155,546		155,546	239,757		239,757
▪ Available for sale (other)	2,275,295	31,121	2,244,174	5,794,140		5,794,140
Total	2,430,841	31,121	2,399,720	6,033,897		6,033,897
Held to maturity securities:						
▪ Held to maturity (Governement bonds)	2,682,765		2,682,765	1,805,579		1,805,579
▪ Held to maturity (other)	2,205,354	19,626	2,185,728	2,683,130		2,683,130
Total	4,888,119	19,626	4,868,493	4,488,709		4,488,709
Total amount of balance sheet items exposed to credit risk (a)	**65,333,872**	**1,324,101**	**64,009,771**	**64,034,229**	**1,014,146**	**63,020,083**
Other on balance sheet items not exposed to credi risk	3,838,805		3,838,805	3,718,091		3,718,091
Total Assets	**69,172,677**	**1,324,101**	**67,848,576**	**67,752,320**	**1,014,146**	**66,738,174**
Credit risk exposure relating to off balance sheet items:						
Letters of guarantee and letters of credit	6,090,303		6,090,303	6,358,511	4,200	6,354,311
Undrawn loan agreements and credit limits [(1)]	16,663,088		16,663,088	16,912,309		16,912,309
Guarantees relating to bonds issued by subsidiaries of the Bank	11,278,533		11,278,533	17,328,137		17,328,137
Total amount of off balance sheet items exposed to credit risk (b)	**34,031,924**		**34,031,924**	**40,598,957**	**4,200**	**40,594,757**
Total credit risk exposure (a+b)	**99,365,796**	**1,324,101**	**98,041,695**	**104,633,186**	**1,018,346**	**103,614,840**

[(1)] *Undrawn loan agreements and credit limits as of 31.12.2009 include an amount of € 652 million (31.12.2008 € 601 million) which are committed limits that cannot be cancelled in cases where it becomes apparent that the counterparty will fail to meet their contractual obligations.*

LOANS AND ADVANCES TO CUSTOMERS – Analysis of past due amounts

	31.12.2009			
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Loans and advances to individuals				
▪ Mortgage				
Performing loans	9,591,859			9,591,859
Past due 1 - 90 days		1,000,056		1,000,056
Past due > 90 days			620,865	620,865
	9,591,859	**1,000,056**	**620,865**	**11,212,780**
▪ Credit cards, consumer and other loans				
Performing loans	4,152,812			4,152,812
Past due 1 - 90 days		698,936		698,936
Past due > 90 days			267,171	267,171
	4,152,812	**698,936**	**267,171**	**5,118,919**
Corporate loans				
Performing loans	23,192,152		463,710	23,655,862
Past due 1 - 90 days		1,336,354	134,578	1,470,932
Past due > 90 days		197,012	1,428,604	1,625,616
	23,192,152	**1,533,366**	**2,026,892**	**26,752,410**
Total portfolio				
Performing loans	36,936,823		463,710	37,400,533
Past due 1 - 90 days		3,035,346	134,578	3,169,924
Past due > 90 days		197,012	2,316,640	2,513,652
Total	**36,936,823**	**3,232,358**	**2,914,928**	**43,084,109**

	31.12.2008			
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Loans and advances to individuals				
▪ Mortgage				
Performing loans	9,595,938			9,595,938
Past due 1 - 90 days		1,201,623		1,201,623
Past due > 90 days			378,968	378,968
	9,595,938	**1,201,623**	**378,968**	**11,176,529**
▪ Credit cards, consumer and other loans				
Performing loans	4,019,525			4,019,525
Past due 1 - 90 days		641,346		641,346
Past due > 90 days			261,453	261,453
	4,019,525	**641,346**	**261,453**	**4,922,324**
Corporate loans				
Performing loans	23,391,103		299,945	23,691,048
Past due 1 - 90 days		2,236,443	82,781	2,319,224
Past due > 90 days		218,705	875,594	1,094,299
	23,391,103	**2,455,148**	**1,258,320**	**27,104,571**
Total portfolio				
Performing loans	37,006,566		299,945	37,306,511
Past due 1 - 90 days		4,079,412	82,781	4,162,193
Past due > 90 days		218,705	1,516,015	1,734,720
Total	**37,006,566**	**4,298,117**	**1,898,741**	**43,203,424**

LOANS AND ADVANCES TO CUSTOMERS – Neither past due nor impaired

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Low risk	9,591,859	4,152,812	22,236,917	35,981,588
Under surveillance			955,235	955,235
Total	**9,591,859**	**4,152,812**	**23,192,152**	**36,936,823**

	31.12.2008			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Low risk	9,595,938	4,019,525	22,621,610	36,237,073
Under surveillance			769,493	769,493
Total	**9,595,938**	**4,019,525**	**23,391,103**	**37,006,566**

This category includes loans that have indications that the counterparty will not be able to meet their contractual obligations, a renegotiation has been made during the last 12 months, and they are no longer past due. These loans amounted to € 544,745 as at 31.12.2009 (31.12.2008: € 160,335).

LOANS AND ADVANCES TO CUSTOMERS – Past due but not impaired

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Past due 1 - 90 days	1,000,056	698,936	1,336,354	3,035,346
Past due > 90 days			197,012	197,012
Total	**1,000,056**	**698,936**	**1,533,366**	**3,232,358**
Fair value of collaterals	**866,963**	**4,732**	**1,374,308**	**2,246,003**

	31.12.2008			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Past due 1 - 90 days	1,201,623	641,346	2,236,443	4,079,412
Past due > 90 days			218,705	218,705
Total	**1,201,623**	**641,346**	**2,455,148**	**4,298,117**
Fair value of collaterals	**1,055,056**	**6,125**	**2,187,499**	**3,248,680**

LOANS AND ADVANCES TO CUSTOMERS – Impaired

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Carrying amount before impairment	620,865	267,171	2,026,892	2,914,928
Allowance of impairment	(80,694)	(117,954)	(1,074,706)	(1,273,354)
Carrying amount	**540,171**	**149,217**	**952,186**	**1,641,574**
Fair value of collaterals	**577,454**	**7,820**	**1,834,250**	**2,419,524**

	31.12.2008			
	Mortgage	Credit cards, consumer and other loans	Corporate Loans	Total
Carrying amount before impairment	378,968	261,453	1,258,320	1,898,741
Allowance of impairment	(78,536)	(171,394)	(764,216)	(1,014,146)
Carrying amount	**300,432**	**90,059**	**494,104**	**884,595**
Fair value of collaterals	**347,965**	**15,000**	**1,144,303**	**1,507,268**

BALANCES WITH CENTRAL BANKS - DUE FROM BANKS - DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis per rating

	31.12.2009						
	Balances with Central Banks	Due from Banks	Derivative financial instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
AAA		1,278,779			21,991	140,087	1,440,857
AA+ to AA-		269,464	10,573		9,840	179,981	469,858
A+ to A-	917,352	10,624,842	264,300	60,116	1,999,735	3,477,446	17,343,791
BBB+ to BBB-	72,869	1,249,202	1,170	325	259,343	659,611	2,242,520
Lower than BBB-	38,594	13,447	79,026	6,505	70,178	402,085	609,835
Unrated		25,708	18,531		69,754	28,909	142,902
Exposure before impairment	**1,028,815**	**13,461,442**	**373,600**	**66,946**	**2,430,841**	**4,888,119**	**22,249,763**

	31.12.2008						
	Balances with Central Banks	Due from Banks	Derivative financial instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
AAA			34,892		1,244	170,391	206,527
AA+ to AA-		520,029	1,261		13,962	306,390	841,642
A+ to A-	1,173,570	6,838,709	258,314	79,457	5,788,336	3,077,895	17,216,281
Lower than A-	132,570	1,062,055	2,786	7,423	230,355	934,033	2,369,222
Unrated			197,133				197,133
Exposure before impairment	**1,306,140**	**8,420,793**	**494,386**	**86,880**	**6,033,897**	**4,488,709**	**20,830,805**

BALANCES WITH CENTRAL BANKS - DUE FROM BANKS - DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis of past due amounts

	31.12.2009						
	Balances with Central Banks	**Due from Banks**	**Derivative financial instruments**	**Securities held for trading**	**Available for sale securities**	**Held to maturity securities**	**Total**
Neither past due nor impaired	1,028,815	13,461,442	373,600	66,946	2.393,313	4,860,651	22,184,767
Past due but not impaired							
Impaired					37,528	27,468	64,996
Exposure before impairment	**1,028,815**	**13,461,442**	**373,600**	**66,946**	**2,430,841**	**4,888,119**	**22,249,763**
Less: Allowance for impairment losses					(31,121)	(19,626)	(50,747)
Net exposure	**1,028,815**	**13,461,442**	**373,600**	**66,946**	**2,399,720**	**4,868,493**	**22,199,016**

The above, as at 31.12.2008, did not present delays and no impairment existed after relevant tests.

In the following tables are presented the financial instruments subject to credit risk by industry sectors of the counter parties.

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2009										
	Financial Institutions and other financial services	Manufacturing	Construction and real estate	Wholesale and retail trade	Public sector	Transportation	Shipping	Hotels - Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	1,028,815										1,028,815
Due from banks	13,461,442										13,461,442
Loans and advances to customers:											
Individuals:											
▪ Mortgage										11,212,780	11,212,780
▪ Credit cards and consumer loans										5,063,442	5,063,442
▪ Other receivables										55,477	55,477
Total										**16,331,699**	**16,331,699**
Corporate loans and other receivables	2,133,201	5,815,268	3,333,473	6,395,152	365,285	2,342,210	1,579,347	2,002,973	2,785,501		26,752,410
Total	**2,133,201**	**5,815,268**	**3,333,473**	**6,395,152**	**365,285**	**2,342,210**	**1,579,347**	**2,002,973**	**2,785,501**	**16,331,699**	**43,084,109**
Derivative financial instruments	196,498	13,035	35,707	10,180	55,693		13,510	19,669	29,308		373,600
Securities held for trading	3,461			410	63,075						66,946
Available for sale securities	2,195,888	10,835	31,381	37,182	155,546				9		2,430,841
Held to maturity securities	1,922,393	103,553	48,566	130,842	2,682,765						4,888,119
Total carrying amount of balance sheet items exposed to credit risk (a)	**20,941,698**	**5,942,691**	**3,449,127**	**6,573,766**	**3,322,364**	**2,342,210**	**1,592,857**	**2,022,642**	**2,814,818**	**16,331,699**	**65,333,872**
Other balance sheet items not exposed to credit risk									3,838,805		3,838,805
Total assets	**20,941,698**	**5,942,691**	**3,449,127**	**6,573,766**	**3,322,364**	**2,342,210**	**1,592,857**	**2,022,642**	**6,653,623**	**16,331,699**	**69,172,677**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	120,203	980,186	2,152,340	1,162,636	1,614	74,413	42,166	26,326	1,530,419		6,090,303
Undrawn loan agreements and credit limits									16,663,088		16,663,088
Guarantees relating to bonds issued by subsidiaries of the Bank									11,278,533		11,278,533
Total carrying amount of off balance sheet items exposed to credit risk (b)	**120,203**	**980,186**	**2,152,340**	**1,162,636**	**1,614**	**74,413**	**42,166**	**26,326**	**29,472,040**		**34,031,924**
Total credit risk exposure (a+b)	**21,061,901**	**6,922,877**	**5,601,467**	**7,736,402**	**3,323,978**	**2,416,623**	**1,635,023**	**2,048,968**	**32,286,858**	**16,331,699**	**99,365,796**

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by industry sector

	31.12.2008										
	Financial Institutions and other financial services	Manufacturing	Construction and real estate	Wholesale and retail trade	Public sector	Transportation	Shipping	Hotels - Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	1,306,140										1,306,140
Due from banks	8,420,793										8,420,793
Loans and advances to customers:											
Individuals:											
▪ Mortgage										11,176,529	11,176,529
▪ Credit cards and consumer loans										4,825,554	4,825,554
▪ Other receivables										96,770	96,770
Total										**16,098,853**	**16,098,853**
Corporate loans and other receivables	2,506,433	5,532,747	2,927,067	6,549,900	173,721	2,283,759	1,634,610	2,095,491	3,400,843		27,104,571
Total	**2,506,433**	**5,532,747**	**2,927,067**	**6,549,900**	**173,721**	**2,283,759**	**1,634,610**	**2,095,491**	**3,400,843**	**16,098,853**	**43,203,424**
Derivative financial instruments	420,228								74,158		494,386
Securities held for trading	12,505			439	73,936						86,880
Available for sale securities	5,673,888		26,104	42,423	230,839				60,643		6,033,897
Held to maturity securities	2,315,481	119,100	123,459	72,213	1,858,456						4,488,709
Total carrying amount of balance sheet items exposed to credit risk (a)	**20,655,468**	**5,651,847**	**3,076,630**	**6,664,975**	**2,336,952**	**2,283,759**	**1,634,610**	**2,095,491**	**3,535,644**	**16,098,853**	**64,034,229**
Other balance sheet items not exposed to credit risk									3,718,091		3,718,091
Total assets	**20,655,468**	**5,651,847**	**3,076,630**	**6,664,975**	**2,336,952**	**2,283,759**	**1,634,610**	**2,095,491**	**7,253,735**	**16,098,853**	**67,752,320**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	28,256	1,257,194	2,215,825	1,189,493	11,106	62,074	61,997	114,441	1,418,125		6,358,511
Undrawn loan agreements and credit limits									16,912,309		16,912,309
Guarantees relating to bonds issued by subsidiaries of the Bank									17,328,137		17,328,137
Total carrying amount of off balance sheet items exposed to credit risk (b)	**28,256**	**1,257,194**	**2,215,825**	**1,189,493**	**11,106**	**62,074**	**61,997**	**114,441**	**35,658,571**		**40,598,957**
Total credit risk exposure (a+b)	**20,683,724**	**6,909,041**	**5,292,455**	**7,854,468**	**2,348,058**	**2,345,833**	**1,696,607**	**2,209,932**	**39,194,215**	**16,098,853**	**104,633,186**

39.2. Market risk

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indexes, equity prices and commodities. Losses may also occur either from the trading portfolio or from the banking book.

i. Trading portfolio

The market risk is measured by the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of 1 and 10 days, depending on the time required to liquidate the portfolio.

1 day value at risk, 99% confidence level (2 years historical data)

	2009					2008
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total	Total
31 December	520,617	61,823	1,664,300	(598,275)	1,648,465	1,675,362
Average daily value (annual)	295,149	915,108	1,702,063	(854,369)	2,057,951	2,070,271
Maximum daily value (annual)	214,940	3,211,629	2,372,289	(2,214,689)	3,584,169	3,723,894
Minimum daily value (annual)	602,312	82,920	1,326,831	(675,980)	1,336,083	580,590

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters.

Within the scope of policy-making for financial risk management by the Asset and Liability Management Committee (ALCO), exposure limits and maximum loss (stop loss) for various products of the trading portfolio have been set. In particular the following limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options
- Price risk regarding position in shares, index Futures and options
- Credit risk regarding interbank transactions, corporate bonds and emerging market Government bonds

Positions held in these products are monitored during the day and are examined as to the corresponding limit percentage cover and limit excess.

ii. Other financial instruments of assets and liabilities

Apart from the trading portfolio market risk may also arise from the Banking Book from the analysis. This risk is foreign currency risk and interest rate risk.

a. Foreign currency risk

The Bank takes on the risk arising from the fluctuations in foreign exchange rates.

The General Management of the Bank sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. The total position arises from the net on balance sheet position and derivatives forward position as presented in the tables below:

	31.12.2009								
	USD	**GBP**	**CHF**	**JPY**	**RON**	**RSD**	**Other F/C**	**Euro**	**Total**
ASSETS									
Cash and balances with Central Banks	7,824	1,432	294	26			109,908	1,306,481	1,425,965
Due from banks	(133,111)	266,363	2,042,353	11,654	199,153	2	91,368	10,983,660	13,461,442
Securities held for trading	121						6,096	60,729	66,946
Derivative financial assets								373,600	373,600
Loans and advances to customers	1,949,284	310,966	402,443	31,018			189,198	38,927,846	41,810,755
Investment Securities									
- Available for sale	52,074	79	16,853		15,781		49,058	2,265,875	2,399,720
- Held to maturity	348,442							4,520,051	4,868,493
Investments in subsidiaries, associates and joint ventures	3,662	57,903			128,224	247,687	163,636	1,193,607	1,794,719
Investment property								48,325	48,325
Property, plant and equipment							38,874	600,348	639,222
Goodwill and other intangible assets							6,348	69,603	75,951
Deferred tax assets								313,798	313,798
Other assets	2,078	1,305	(1)				18,861	472,284	494,527
Non-current assets held for sale								75,113	75,113
Total Assets	**2,230,374**	**638,048**	**2,461,942**	**42,698**	**343,158**	**247,689**	**673,347**	**61,211,320**	**67,848,576**
LIABILITIES									
Due to banks and costumers	4,518,208	242,059	21,056	959,325	66		526,896	44,281,866	50,549,476
Derivative financial liabilities								628,886	628,886
Debt securities in issue and other borrowed funds	323,406	5,186	102,677	227,533	99,034		54,655	9,593,091	10,405,582
Liabilities for current income tax and other taxes								88,549	88,549
Deferred tax liabilities								187,970	187,970
Other liabilities	878	495	220	509			1,991	1,204,680	1,208,773
Provisions								3,768	3,768
Total Liabilities	**4,842,492**	**247,740**	**123,953**	**1,187,367**	**99,100**		**583,542**	**55,988,810**	**63,073,004**
Net on balance sheet position	(2,612,118)	390,308	2,337,989	(1,144,669)	244,058	247,689	89,805	5,222,510	4,775,572
Derivatives forward foreign exchange position	2,600,042	(405,038)	(2,344,053)	1,142,752	(117,434)		71,137	(966,742)	(19,336)
Total Foreign Exchange Position	**(12,076)**	**(14,730)**	**(6,064)**	**(1,917)**	**126,624**	**247,689**	**160,942**	**4,255,768**	**4,756,236**
Undrawn loan agreements and credit limits	68,356	46,839					4,947	16,542,946	16,663,088

	31.12.2008								
	USD	**GBP**	**CHF**	**JPY**	**RON**	**RSD**	**Other F/C**	**Euro**	**Total**
ASSETS									
Cash and balances with Central Banks	8,719	946	308	84			59,053	1,654,971	1,724,081
Due from banks	1,611,240	84,710	1,791,341	5,402	210,018	2	15,729	4,702,351	8,420,793
Securities held for trading	2,747						6,985	77,148	86,880
Derivative financial assets								494,386	494,386
Loans and advances to customers	2,126,648	300,188	452,703	41,891	65,376		165,862	39,036,610	42,189,278
Investment Securities									
- Available for sale	39,361	472	16,635	11,406			91,493	5,874,530	6,033,897
- Held to maturity	523,911							3,964,798	4,488,709
Investments in subsidiaries, associates and joint ventures	3,028	54,135			133,417	247,687	139,400	1,173,235	1,750,902
Investment property								42,195	42,195
Property, plant and equipment							38,609	610,843	649,452
Goodwill and other intangible assets							5,915	62,808	68,723
Deferred tax assets								316,069	316,069
Other assets	609	29,206	41		942		(139)	388,867	419,526
Non current assets held for sale								53,283	53,283
Total Assets	**4,316,263**	**469,657**	**2,261,028**	**58,783**	**409,753**	**247,689**	**522,907**	**58,452,094**	**66,738,174**
LIABILITIES									
Due to banks and costumers	4,456,064	271,251	25,108	1,191,367	83		526,115	38,230,075	44,700,063
Derivative financial liabilities								804,172	804,172
Debt securities in issue and other borrowed funds	71,743	1,051	102,390	240,196	217,313		139,411	16,623,542	17,395,646
Liabilities for current income tax and other taxes								97,855	97,855
Deferred tax liabilities								158,212	158,212
Other liabilities	2,358	28,453	220	537	549		(6,991)	1,179,336	1,204,462
Provisions								8,415	8,415
Total Liabilities	**4,530,165**	**300,755**	**127,718**	**1,432,100**	**217,945**		**658,535**	**57,101,607**	**64,368,825**
Net on balance sheet position	(213,902)	168,902	2,133,310	(1,373,317)	191,808	247,689	(135,628)	1,350,487	2,369,349
Derivatives forward foreign exchange position	217,065	(182,761)	(2,138,687)	1,370,877	(230,859)		288,157	696,936	20,728
Total Foreign Exchange Position	**3,163**	**(13,859)**	**(5,377)**	**(2,440)**	**(39,051)**	**247,689**	**152,529**	**2,047,423**	**2,390,077**
Undrawn loan agreements and credit limits	61,966	80,190					17,244	16,752,909	16,912,309

The Bank's high exposures in other currencies is primarily due to UAH/EUR position.

The net foreign exchange position as at 31.12.2009 presents the following sensitivity analysis:

Currency	Exchange rate variation scenario against Euro(%)	Impact on net income before tax
USD	Appreciation of USD 5%	(636)
	Depreciation of USD 5%	575
GBP	Appreciation of GBP 5%	(776)
	Depreciation of GBP 5%	701
CHF	Appreciation of CHF 5%	(320)
	Depreciation of CHF 5%	288
RON	Appreciation of RON 5%	6,664
	Depreciation of RON 5%	(6,030)
MKD	Appreciation of MKD 5%	1,629
	Depreciation of MKD 5%	(1,475)
RSD	Appreciation of RSD 5%	13,036
	Depreciation of RSD 5%	(11,795)
UAH	Appreciation of UAH 5%	7,783
	Depreciation of UAH 5%	(7,043)

b. Interest rate risk

Gap analysis is performed in order to examine the interest rate risk of assets and liabilities. Assets and liabilities are allocated into time bands according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments.

	31.12.2009							
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	892,565						533,400	1,425,965
Due from banks	8,893,292	3,947,353	213,633	194,325	205,708	7,046	85	13,461,442
Securities held for trading	3,769		33,012	13,586	11,630	4,949		66,946
Derivative financial assets	373,600							373,600
Loans and advances to customers	25,332,104	6,933,495	4,572,409	1,387,780	2,718,528	866,439		41,810,755
Investment Securities								
- Available for sale	921,468	922,804	45,975	28,858	360,748	48,668	71,199	2,399,720
- Held to maturity	565,505	997,505	2,600,575	53,539	275,799	375,570		4,868,493
Investments in subsidiaries, associates and joint ventures							1,794,719	1,794,719
Investment property							48,325	48,325
Property, plant and equipment							639,222	639,222
Goodwill and other intangible assets							75,951	75,951
Deferred tax assets							313,798	313,798
Other assets							494,527	494,527
Non current assets held for sale							75,113	75,113
Total Assets	**36,982,303**	**12,801,157**	**7,465,604**	**1,678,088**	**3,572,413**	**1,302,672**	**4,046,339**	**67,848,576**
LIABILITIES								
Due to banks	3,081,874	1,861,900	342,657	10,004,997				15,291,428
Derivatives financial liabilities	628,886							628,886
Due to customers	22,975,032	5,536,717	3,719,195	1,642,397	1,384,707			35,258,048
Debt securities in issue and other borrowed funds	2,502,058	7,139,560	683,210	1,957	73,734	5,063		10,405,582
Liabilities for current income tax and other taxes							88,549	88,549
Deferred tax liabilities							187,970	187,970
Other liabilities							1,208,773	1,208,773
Provisions							3,768	3,768
Total Liabilities	**29,187,850**	**14,538,177**	**4,745,062**	**11,649,351**	**1,458,441**	**5,063**	**1,489,060**	**63,073,004**
EQUITY								
Share capital							3,451,067	3,451,067
Share premium							406,867	406,867
Reserves							202,391	202,391
Retained earnings							715,247	715,247
Total Equity							**4,775,572**	**4,775,572**
Total Liabilities and Equity	**29,187,850**	**14,538,177**	**4,745,062**	**11,649,351**	**1,458,441**	**5,063**	**6,264,632**	**67,848,576**
GAP	**7,794,453**	**(1,737,020)**	**2,720,542**	**(9,971,263)**	**2,113,972**	**1,297,609**	**(2,218,293)**	
CUMULATIVE GAP	**7,794,453**	**6,057,433**	**8,777,975**	**(1,193,288)**	**920,684**	**2,218,293**		

	31.12.2008							
	Less than 1 month	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**	**More than 5 years**	**Non-interest bearing**	**Total**
ASSETS								
Cash and balances with Central Banks	1,183,095						540,986	1,724,081
Due from banks	5,004,463	1,988,461	298,011	337,239	785,503	7,116		8,420,793
Securities held for trading	4,682		68,225	3,639	4,759	5,575		86,880
Derivative financial assets	494,386							494,386
Loans and advances to customers	22,885,207	5,617,721	4,047,395	2,285,263	6,453,809	899,883		42,189,278
Investment Securities								
- Available for sale	4,765,406	592,072	273,942	96,316	210,324	40,173	55,664	6,033,897
- Held to maturity	667,966	1,182,592	1,682,605	139,956	354,213	461,377		4,488,709
Investments in subsidiaries, associates and joint ventures							1,750,902	1,750,902
Investment property							42,195	42,195
Property, plant and equipment							649,452	649,452
Goodwill and other intangible assets							68,723	68,723
Deferred tax assets							316,069	316,069
Other assets							419,526	419,526
Non current assets held for sale							53,283	53,283
Total Assets	**35,005,205**	**9,380,846**	**6,370,178**	**2,862,413**	**7,808,608**	**1,414,124**	**3,896,800**	**66,738,174**
LIABILITIES								
Due to banks	8,086,854	2,633,867	115,583	47,665				10,883,969
Derivatives financial liabilities	804,172							804,172
Due to customers	22,936,232	6,557,914	2,448,552	1,036,960	696,545	139,891		33,816,094
Debt securities in issue and other borrowed funds	9,158,844	7,606,613	619,634	10,555				17.395.646
Liabilities for current income tax and other taxes							97,855	97,855
Deferred tax liabilities							158,212	158,212
Other liabilities							1,204,462	1,204,462
Provisions							8,415	8,415
Total Liabilities	**40,986,102**	**16,798,394**	**3,183,769**	**1,095,180**	**696,545**	**139,891**	**1,468,944**	**64,368,825**
EQUITY								
Share capital							1,931,590	1,931,590
Share premium								
Reserves							165,848	165,848
Retained earnings							340,896	340,896
Treasury shares							(68,985)	(68,985)
Total Equity							**2,369,349**	**2,369,349**
Total Liabilities and Equity	**40,986,102**	**16,798,394**	**3,183,769**	**1,095,180**	**696,545**	**139,891**	**3,838,293**	**66,738,174**
GAP	(5,980,897)	(7,417,548)	3,186,409	1,767,233	7,112,063	1,274,233	58,507	
CUMULATIVE GAP	(5,980,897)	(13,398,445)	(10,212,036)	(8,444,803)	(1,332,740)	(58,507)		

GAP Analysis allows an immediate calculation of changes in net interest income and equity for available for sale securities upon application of alternative scenarios, such as changes in market interest rates or changes in the Bank's base interest rates.

Currency	Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net interest income (annual)	Sensitivity of equity
EUR	+ 50 basis points	50,576	(5,785)
	- 50 basis points	(50,576)	5,799
USD	+ 50 basis points	119	(825)
	- 50 basis points	(1,034)	848
GBP	+ 50 basis points	(397)	
	- 50 basis points	397	
CHF	+ 50 basis points	(123)	(42)
	- 50 basis points	91	25

39.3 Liquidity risk

Liquidity risk relates to the Bank's ability to maintain sufficient funds to cover its obligations.

A substantial portion of the Bank's assets are funded with customer deposits and bonds issued by the Group. This type of funding comprises two categories:

a) Customer deposits for working capital purposes

Deposits for working capital purposes consist of savings accounts and sight deposits. Although these deposits may be withdrawn on demand, the number of the accounts and type of depositors ensure that unexpected fluctuations are limited and that these deposits constitute mostly a stable deposit base.

b) Customer deposits and bonds issued for investment purposes

Customer deposits and bonds issued for investment purposes concern customer term deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group.

In accordance with Liquidity Gap Analysis, cash flows arising from all assets and liabilities are estimated and allocated into time bands, depending on when they occur, with the exception of assets held for trading and available for sale securities. In the case of such portfolios, which are considered liquid, they are allocated in the first period using relevant haircuts.

The Liquidity Gap Analysis is given in the table below. It should be noted that term deposits are presented with their contractual due date, although behavioural analysis of term deposits has indicated that 80% of term deposits are renewed when they mature and are therefore considered stable deposit base.

	31.12.2009					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	1,425,965					1,425,965
Due from banks	6,178,002	2,055,305	49,938	607,193	4,571,004	13,461,442
Securities held for trading	63,599				3,347	66,946
Derivative financial assets	373,600					373,600
Loans and advances to customers	1,506,887	1,878,336	2,065,262	2,510,543	33,849,727	41,810,755
Investment Securities						
- Available for sale	2,276,128				123,592	2,399,720
- Held to maturity	3,407,945				1,460,548	4,868,493
Investments in subsidiaries, associates and joint ventures					1,794,719	1,794,719
Investment property					48,325	48,325
Property, plant and equipment					639,222	639,222
Goodwill and other int angible assets					75,951	75,951
Deferred tax assets					313,798	313,798
Other assets	5,340		17,095	220,210	251,882	494,527
Non current assets held for sale					75,113	75,113
Total Assets	**15,237,466**	**3,933,641**	**2,132,295**	**3,337,946**	**43,207,228**	**67,848,576**
LIABILITIES						
Due to banks	2,966,476	1,255,604	367,219	10,052,595	649,534	15,291,428
Derivatives financial liabilities	628,886					628,886
Due to customers	7,375,644	6,865,461	4,285,875	2,822,280	13,908,788	35,258,048
Debt securities in issue and other borrowed funds	281,067	624,806	504,152	574,340	8,421,217	10,405,582
Liabilities for current income tax and other taxes	88,549					88,549
Deferred tax liabilities					187,970	187,970
Other liabilities	956,220	56,395	24,057	57,159	114,942	1,208,773
Provisions					3,768	3,768
Total Liabilities	**12,296,842**	**8,802,266**	**5,181,303**	**13,506,374**	**23,286,219**	**63,073,004**
EQUITY						
Total Equity					**4,775,572**	**4,775,572**
Total Liabilities and Equity	**12,296,842**	**8,802,266**	**5,181,303**	**13,506,374**	**28,061,791**	**67,848,576**
Liquidity gap	**2,940,624**	**(4,868,625)**	**(3,049,008)**	**(10,168,428)**	**15,145,437**	

	31.12.2008					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	1,724,081					1,724,081
Due from banks	2,812,374	1,225,127	226,845	419,363	3,737,084	8,420,793
Securities held for trading	82,536				4,344	86,880
Derivative financial assets	494,386					494,386
Loans and advances to customers	1,797,686	1,578,429	1,786,873	2,416,257	34,610,033	42,189,278
Investment Securities						
- Available for sale	5,728,769				305,128	6,033,897
- Held to maturity	3,142,096				1,346,613	4,488,709
Investments in subsidiaries, associates and joint ventures					1,750,902	1,750,902
Investment property					42,195	42,195
Property, plant and equipment					649,452	649,452
Goodwill and other intangible assets					68,723	68,723
Deferred tax assets					316,069	316,069
Other assets	176,678		23,513	9,527	209,808	419,526
Non current assets held for sale					53,283	53,283
Total Assets	**15,958,606**	**2,803,556**	**2,037,231**	**2,845,147**	**43,093,634**	**66,738,174**
LIABILITIES						
Due to banks	8,080,204	1,729,910	108,834	420,432	544,589	10,883,969
Derivatives financial liabilities	804,172					804,172
Due to customers	10,691,788	6,830,772	2,920,617	2,019,209	11,353,708	33,816,094
Debt securities in issue and other borrowed funds	878,677	511,840	603,633	1,291,771	14,109,725	17,395,646
Liabilities for current income tax and other taxes	97,855					97,855
Deferred tax liabilities					158,212	158,212
Other liabilities	898,795	71,577	60,690	61,182	112,218	1,204,462
Provisions					8,415	8,415
Total Liabilities	**21,451,491**	**9,144,099**	**3,693,774**	**3,792,594**	**26,286,867**	**64,368,825**
EQUITY						
Total Equity					**2,369,349**	**2,369,349**
Total Liabilities and Equity	**21,451,491**	**9,144,099**	**3,693,774**	**3,792,594**	**28,656,216**	**66,738,174**
Liquidity gap	**(5,492,885)**	**(6,340,543)**	**(1,656,543)**	**(947,447)**	**14,437,418**	

Cash flows arising from financial liabilities including derivatives financial liabilities, are allocated into time bands according to their due date. Estimated interest payments are also included. Liabilities in foreign currency have been translated into Euro. Especially for derivatives, their outflows and inflows are estimated according to their contractual terms.

	31.12.2009						
		Nominal inflow/(outflow)					
	Total Balance Sheet	Less than 1 month	2 to 3 months	4 to 6 months	7 to 12 months	more than 1 year	TOTAL
Non-derivative Liabilities							
Due to banks	15,291,428	(3,076,388)	(1,258,953)	(381,917)	(10,136,881)	(1,689,023)	(16,543,162)
Due to customers	35,258,048	(7,618,619)	(6,872,832)	(4,322,477)	(2,850,676)	(13,690,416)	(35,355,020)
Debt securities in issue and other borrowed funds	10,405,582	(74,548)	(485,695)	(555,761)	(697,721)	(11,162,634)	(12,976,359)
Other liabilities	1,208,773	(956,220)	(56,395)	(24,057)	(57,159)	(114,942)	(1,208,773)
Derivatives held for liabilities fair value hedge	33,087						
- Outflows		(53)	(2,786)	(2,199)	(10,095)	(286,105)	(301,238)
- Inflows		245	8,293	1,541	10,946	354,161	375,186
Derivatives held for assets fair value hedge	221,756						
- Outflows		(30)	(3,049)	(48,406)	(46,938)	(1,418,719)	(1,517,142)
- Inflows		1,087	7,789	16,184	44,311	1,398,252	1,467,623
Derivatives held for trading	374,043						
- Outflows		(2,218,777)	(1,102,440)	(96,891)	(232,017)	(2,394,689)	(6,044,814)
- Inflows		2,138,001	1,104,818	128,052	177,169	2,671,280	6,219,320
Total	**62,792,717**	**(11,805,302)**	**(8,661,250)**	**(5,285,931)**	**(13,799,061)**	**(26,332,835)**	**(65,884,379)**
Off Balance sheet items							
Unrecognized loans commitments		(651,985)					(651,985)
Financial guarantees		(17,924)	(32,816)	(20,798)	(11,081)	(97,589)	(180,208)
Total off Balance sheet items		**(669,909)**	**(32,816)**	**(20,798)**	**(11,081)**	**(97,589)**	**(832,193)**

	31.12.2008						
		Nominal inflow/(outflow)					
	Total Balance Sheet	Less than 1 month	2 to 3 months	4 to 6 months	7 to 12 months	more than 1 year	TOTAL
Non-derivative Liabilities							
Due to banks	10,883,969	(8,112,793)	(1,726,252)	(151,038)	(474,440)	(522,207)	(10,986,730)
Due to customers	33,816,094	(10,682,346)	(6,899,492)	(3,057,899)	(2,150,793)	(11,536,005)	(34,326,535)
Debt securities in issue and other borrowed funds	17,395,646	(772,548)	(715,458)	(967,054)	(1,812,461)	(16,595,546)	(20,863,067)
Other liabilities	1,204,462	(898,795)	(71,577)	(60,690)	(61,182)	(112,218)	(1,204,462)
Derivatives held for liabilities fair value hedge	47,551						
- Outflows		(1,370)	(7,392)	(9,935)	(23,734)	(355,462)	(397,893)
- Inflows		946	9,015	8,404	22,287	423,027	463,679
Derivatives held for assets fair value hedge	242,103						
- Outflows				(47,341)	(20,198)	(1,251,662)	(1,319,201)
- Inflows		5,266	8,971	16,381	33,500	1,209,035	1,273,153
Derivatives held for trading	514,518						
- Outflows		(2,042,892)	(1,477,314)	(148,858)	(253,383)	(1,536,746)	(5,459,193)
- Inflows		1,953,548	1,386,812	132,291	233,112	1,573,500	5,279,263
Total	**64,104,343**	**(20,550,984)**	**(9,492,687)**	**(4,285,739)**	**(4,507,292)**	**(28,704,284)**	**(67,540,986)**
Off Balance sheet items							
Unrecognized loans commitments		(601,320)					(601,320)
Financial guarantees		(84,104)	(26,682)	(11,986)	(11,651)	(95,223)	(229,646)
Total off Balance sheet items		**(685,424)**	**(26,682)**	**(11,986)**	**(11,651)**	**(95,223)**	**(830,966)**

39.4 Fair value of financial assets and liabilities

The table below presents the carrying amounts and the fair values of financial assets and liabilities, which are neither carried at fair value nor their fair value is reported on the related notes of the financial statements. For the remaining financial assets and liabilities carried at amortized cost the fair values are not substantially different from carrying amounts.

The fair value of loans is estimated based on the interbank market yield curves adjusted with the credit spread of loans.

The fair value of deposits is estimated based on the interbank market yield curves deducted with customers spread depending on form of the deposit.

Both loans and deposits future cash flows are discounted based on their duration and the respective interest rates.

	31.12.2009	
	Carrying amount	Fair value
ASSETS		
Loans and advances to customers	41,810,755	42,112,194
LIABILITIES		
Due to customers	35,258,048	35,270,939

For the remaining financial assets and lliabilities which are carried at amortized cost the fair values are not substantially different from the carrying amount.

Hierarchy of financial instruments measured at fair value

The table below analyses financial instruments measured at fair value by the level in fair value hierarchy based on the significance of the inputs used in making the fair value measurements as follows:

- Level 1 inputs: Quoted market price (unadjusted) in an active market,
- Level 2 inputs: Directly or indirectly observable inputs,
- Level 3 inputs: Not based on observable market data, but on the Bank's assumptions.

	31.12.2009			
	Derivative financial assets	Securities held for trading	Available for sale securities	Derivative financial liabilities
Level 1	5	59,530	1,313,512	
Level 2	369,028	7,416	781,466	623,888
Level 3	4,567		304,742	4,998
Total	**373,600**	**66,946**	**2,399,720**	**628,886**

Financial assets and liabilities measured at fair value in Level 3

A reconciliation for financial instruments measured at fair value in Level 3 is as follows:

	31.12.2009		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2009	**106,955**	**(7)**	**(1,090)**
Total gain or loss recognized in profit or loss	(17,113)	4,653	722
Total gain or loss recognized in equity	32,211		
Purchases/ Issues	274,062		
Sales/ Repayments/ Settlements	(91,373)	(79)	(4,630)
Balance 31.12.2009	**304,742**	**4,567**	**(4,998)**
Amounts included in the income statement for financial instruments held at the end of the reporting period	(26,647)	4,653	707

40. Capital management - Capital Adequacy

The policy of the Bank is to maintain a strong capital base so as to maintain investors, creditor and market confidence and to sustain future development of the business.

The dividend policy is always examined in order to achieve the best balance between the higher return for the shareholder and the security affected by the sound capital position.

Share capital increases are performed through Shareholders General Meeting or Board of Directors' decisions in accordance with articles of association or relevant laws.

Specifically, the Shareholders' General Meeting held on 6 June 2006 gave the authority to the Board of Directors' for the period of four years to approve a share capital increase in accordance with Law 2190/1920 article 13.

The Bank is allowed to purchase treasury shares based on the terms and conditions of law.

The Bank uses all modern methods to manage capital adequacy. It has issued hybrid and subordinated debt which are included as regulatory own-funds. The cost of these securities is lower than share capital and adds value to the shareholders.

In 2009, the Bank, in order to effectively manage and increase its capital adequacy, implemented the following:

- Decided to participate in the enhancement of the Greek economy's liquidity program (Law 3723/2008), pursuant to Article 1 of Law 3723/2008, implementing the decision of the Extraordinary General Meeting of Shareholders on 12.1.2009 which was approved and ratified by the Bank's Ordinary Meeting of Shareholders held on 23.6.2009, through the issuance of preference shares on 21 May 2009 amounting to €940 million.
- Treasury shares were sold through a private placement that amounted to €69 million.
- The share capital increase that amounted to €986 million whose intended use of net proceeds would be the full redemption followed by cancellation of the above mentioned preference shares (Law 3723/2008) was completed.

The Bank capital adequacy is monitored by the Bank of Greece to which the Bank reports on a quarterly basis.

The minimum capital adequacy ratios (Tier I and capital adequacy ratio) which the Bank must adhere to are established by decisions of the Governor of the Bank of Greece.

The calculation of capital adequacy from 1 January 2008 is determined under the new regulatory framework (Basel II), which have been transposed into Greek law by Law 3601/2007. The new regulatory framework significantly amends the measurement of credit risk and introduces capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk of the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio is determined by comparing the Bank's regulatory own funds with the risks that the Bank undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the investment portfolio, the market risk of the trading portfolio and the operational risk.

The current capital ratios (Tier I ratio and capital adequacy ratio) are much higher than the regulatory limits set by the Bank of Greece directive and the capital base is capable to support the business growth of the Bank in all areas for the next years.

	31.12.2009 (estimate)	**31.12.2008**
Tier I ratio	11.6%	7.4%
Capital adequacy ratio (Tier I + Tier II)	**13.2%**	**9.3%**

41. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arms length and are approved by relevant Bank committees.

a. The outstanding balances of the transactions with members of the Board of Directors, their close family members and the entities controlled by them are as follows:

	31.12.2009	31.12.2008
Assets		
Loans and advances to customers	161,383	166,137
Liabilities		
Due to customers	61,601	71,915
Letters of guarantee	10,213	21,392

	From 1 January to	
	31.12.2009	31.12.2008
Interest and similar income	6,776	10,142
Interest expense and similar charges	2,852	2,760

b. The outstanding balances with subsidiaries and associates and the related results of these transactions are as follows:

I. Subsidiaries

	31.12.2009	31.12.2008
Assets		
Due from banks	7,431,552	5,803,055
Securities held for trading	1,899	12,486
Derivative financial assets	1,402	10,330
Loans and advances to customers	2,110,063	1,933,878
Available for sale securities	1,672,570	5,555,443
Other assets	2,360	511
Total	**11,219,846**	**13,315,703**
Liabilities		
Due to banks	2,564,014	2,183,803
Due to customers	94,989	132,323
Derivative financial liabilities	295	778
Debt securities in issue and other borrowed funds	10,409,365	17,395,646
Other liabilities	25,648	2,260
Total	**13,094,311**	**19,714,810**
Letters of guarantee and other guarantees	**712,328**	**1,010,387**

	From 1 January to	
	31.12.2009	31.12.2008
Income		
Interest and similar income	207,555	515,650
Dividend income	103,664	72,897
Fee and commission income	24,073	36,712
Gains less losses on financial transactions	1,563	84,297
Other income	2,732	2,558
Total	**339,587**	**712,114**
Expenses		
Interest expenses and similar charges	360,695	1,098,889
Commission expense	1,693	821
General administrative expenses	31,868	12,664
Total	**394,256**	**1,112,374**

II. Associates

	31.12.2009	31.12.2008
Assets		
Loans and advances to customers	42	
Liabilities		
Due to customers	2,560	406

	From 1 January to	
	31.12.2009	31.12.2008
Income		
Interest and similar income	5	16
Dividend income	18	11
Total	**23**	**27**
Expenses		
Interest expenses and similar charges	40	2
Total	**40**	**2**

c. The Board of Directors and Executive General Managers' fees recorded in the income statement of 2009 amounted to €4,296 (31.12.2008: €4,962).

42. Auditors' fees

The total fees for 2009 of "KPMG Certified Auditors A.E.", legal auditor of the Bank, are analyzed as follows as stipulated in Article 43a of C.L. 2190/1920 and as amended by Article 30 of Law 3756/2009.

	1.1 - 31.12.2009
Fees for statutory audit	490
Fees for other audit related assignments	510
Fees for other non-audit assignments	11
Total	**1,011**

43. Acquisitions, disposals of subsidiaries, associates and other corporate events

a. On 16.3.2009, the Bank participated in the share capital increase of its 100% owned subsidiary Ionian Equity Participations Ltd, by €4.1 million.

b. On 13.4.2009, the Bank participated in the share capital increase of its 100% owned subsidiary ABC Factors AE, by €14 million.

c. On 8.7.2009, the Bank purchased 38,619,000 shares or 3.68% of its subsidiary OJSC Astra Bank for €8.5 million, which resulted in the increase of the Bank's participation to 97.01%.

d. On 26.7.2009, the Bank participated proportionally in the share capital increase of APE Investment Property A.E., by €8.4 million.

e. On 28.8.2009, the Boards of Directors of the Bank's subsidiaries Alpha Asset Management A.E.D.A.K. and Alpha Private Investment Services A.E.P.E.Y. decided the merger through the absorption of the second by the first. On 23.12.2009, the merger was completed through the registration of the above mentioned corporate act in each counterparty's societe anonyme.

f. On 15.9.2009, the Bank transferred its shares issued by the company Phosphoric Fertilizers Industries A.E. The Bank's participation was 7.83% and total consideration from the sale amounted to €6.7 million.

g. On 27.10.2009, the Bank participated proportionally in the share capital increase of APE Investment Property A.E. by €3 million.

h. On 29.12.2009, the Bank participated in the share capital increase of its subsidiary Alpha Credit Group plc by, €86.9 thousand.

i. On 29.12.2009, the Bank participated in the share capital increase of its subsidiary Alpha Finance US Corporation, by €693.7 thousand.

44. Events after the balance sheet date

a. On 25.1.2010, the Bank participated in the share capital increase of its subsidiary Alpha Bank Romania A.E., by €69.8 million.

b. On 25.2.2010, the securitization of part of the credit cards loan portfolio and revolving consumer loans of the Bank amounting to €1.31 billion was completed through a special purpose entity PISTI 2010-1 PLC. The bond amounting to €602 million was rated as AA from Standard & Poors credit rating agency.

c. In accordance with article 28 of Law 3576/2009 and the draft Law submitted to the Parliament for its amendment, which will come in force from 16.3.2010 after being voted, banks participating in the programs for the enhancement of economy's liquidity as at Law 3723/2008 can distribute dividend for the fiscal year 2009 only in the form of shares. Taking into account the aforementioned as well as the 20708/B.1175/23.4.2009 circular of the Minister of Economy and Finance, the Board of Directors will propose to the Bank's Ordinary General Meeting of Shareholders not to distribute dividend for the fiscal year 2009.

Athens, March 16, 2010

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE EXECUTIVE DIRECTOR	THE ACCOUNTING AND TAX MANAGER
YANNIS S. COSTOPOULOS I.D. No. X 661480	DEMETRIOS P. MANTZOUNIS I.D. No. I 166670	MARINOS S. YANNOPOULOS I.D. No. AH 064139	GEORGE N. KONTOS I.D. No. AB 522299

FINANCIAL INFORMATION OF ALPHA BANK A.E. AND THE GROUP

for the period from January 1, 2009 to December 31, 2009

(In accordance with Codified Law 2190/20 article 135, concerning businesses that prepare annual financial statements, consolidated or not, in accordance with I.F.R.S.)

(Amounts in thousands of €)

The financial information set out below provide a general presentation of the financial position and results of Alpha Bank A.E. and the Group. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank, where the financial statements as well as the auditor's report are available.

INFORMATION OF ALPHA BANK

Registered office:	40 Stadiou Street, 102 52 Athens
R.N.S.A.:	6066/06/B/86/05
Supervising authority:	Bank of Greece, Ministry of Economy, Competitiveness and Shipping
Date of approval of the Financial Statements by the Board of Directors (from which the financial information were derived):	March 16, 2010
Certified Auditors:	Nick E. Vouniseas (A.M. SOEL 18701) Charalampos G. Sirounis (A.M. SOEL 19071)
Audit Firm:	KPMG Certified Auditors A.E. (A.M. SOEL 114)
Type of Auditor's Report:	Unqualified opinion
Website address:	www.alpha.gr

MEMBERS OF THE BOARD OF DIRECTORS:

CHAIRMAN (Executive Member)
Yannis S. Costopoulos

VICE CHAIRMAN
(Non-Executive Independent Member)
Minas G. Tanes

MANAGING DIRECTOR
(Executive Member)
Demetrios P. Mantzounis (CEO)

EXECUTIVE DIRECTORS AND GENERAL MANAGERS
(Executive Members)
Marinos S. Yannopoulos (CFO)
Spyros N. Filaretos (COO)
Artemis Ch. Theodoridis

NON-EXECUTIVE MEMBERS
Sophia G. Eleftheroudaki
Paul G. Karakostas
Nicholaos I. Manessis
Ioanna E. Papadopoulou

NON-EXECUTIVE INDEPENDENT MEMBERS
George E. Agouridis
Pavlos A. Apostolides
Thanos M. Veremis
Evangelos J. Kaloussis
Ioannis K. Lyras

NON-EXECUTIVE MEMBER
(in accordance with Law 3723/2008)
George I. Mergos

BALANCE SHEET

	Consolidated		Alpha Bank	
	31.12.2009	**31.12.2008**	**31.12.2009**	**31.12.2008**
ASSETS				
Cash and balances with Central Banks	2,514,664	3,450,947	1,425,965	1,724,081
Due from banks	6,408,155	2,829,970	13,461,442	8,420,793
Securities held for trading	70,600	81,135	66,946	86,880
Derivative financial assets	347,178	485,026	373,600	494,386
Loans and advances to customers	51,399,939	50,704,702	41,810,755	42,189,278
Investment securities				
- Available for sale	1,418,162	752,526	2,399,720	6,033,897
- Held to maturity	4,868,493	4,488,709	4,868,493	4,488,709
Investments in subsidiaries, associates and joint ventures			1,794,719	1,750,902
Investments in associates	50,715	59,260		
Investment property	72,668	66,875	48,325	42,195
Property, plant and equipment	1,258,451	1,254,240	639,222	649,452
Goodwill and other intangible assets	178,109	159,961	75,951	68,723
Deferred tax assets	293,289	333,499	313,798	316,069
Other assets	599,984	549,299	494,527	419,526
	69,480,407	65,216,149	67,773,463	66,684,891
Non-current assets held for sale	115,640	53,805	75,113	53,283
Total Assets	**69,596,047**	**65,269,954**	**67,848,576**	**66,738,174**
LIABILITIES				
Due to banks	13,235,439	8,963,796	15,291,428	10,883,969
Derivative financial liabilities	603,932	805,346	628,886	804,172
Due to customers			35,258,048	33,816,094
(including debt securities in issue)	42,915,694	42,546,777		
Debt securities in issue held by institutional investors and other borrowed funds	5,148,875	7,241,185	10,405,582	17,395,646
Liabilities for current income tax and other taxes	108,487	128,062	88,549	97,855
Deferred tax liabilities	202,492	197,779	187,970	158,212
Employee defined benefit obligations	47,850	42,762		
Other liabilities	1,304,862	1,350,287	1,208,773	1,204,462
Provisions	55,057	53,263	3,768	8,415
Total Liabilities (a)	**63,622,688**	**61,329,257**	**63,073,004**	**64,368,825**
EQUITY				
Share Capital	3,451,067	1,931,590	3,451,067	1,931,590
Share premium	406,867		406,867	
Reserves	239,253	188,404	202,391	165,848
Retained earnings	1,274,961	969,815	715,247	340,896
Treasury shares		(68,985)		(68,985)
Equity attributable to Equity owners of the Bank	5,372,148	3,020,824	4,775,572	2,369,349
Minority interest	17,424	32,567		
Hybrid securities	583,787	887,306		
Total Equity (b)	**5,973,359**	**3,940,697**	**4,775,572**	**2,369,349**
Total Liabilities and Equity (a) + (b)	**69,596,047**	**65,269,954**	**67,848,576**	**66,738,174**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Consolidated		Alpha Bank	
	From 1 January to		From 1 January to	
	31.12.2009	**31.12.2008**	**31.12.2009**	**31.12.2008**
Interest and similar income	3,874,672	4,406,935	3,339,178	4,118,961
Interest expense and similar charges	(2,112,073)	(2,608,333)	(1,994,966)	(2,768,455)
Net interest income	1,762,599	1,798,602	1,344,212	1,350,506
Fee and commission income	425,194	505,039	316,910	346,494
Commission expense	(46,371)	(40,625)	(38,178)	(29,418)
Net fee and commission income	378,823	464,414	278,732	317,076
Dividend income	2,646	2,591	105,037	74,937
Gains less losses on financial transactions	171,522	(6,848)	263,591	(20,584)
Other income	67,430	79,944	14,276	21,138
	241,598	75,687	382,904	75,491
Total income	**2,383,020**	**2,338,703**	**2,005,848**	**1,743,073**
Staff costs	(565,466)	(589,488)	(412,686)	(429,213)
General administrative expenses	(540,184)	(495,623)	(434,138)	(362,411)
Depreciation and amortization expenses	(91,765)	(88,949)	(56,072)	(57,592)
Other expenses	(4,482)	(4,256)	(2,946)	(3,072)
Total expenses	**(1,201,897)**	**(1,178,316)**	**(905,842)**	**(852,288)**
Impairment losses and provisions to cover credit risk	(676,343)	(541,751)	(532,300)	(495,382)
Share of profit / (loss) of associates	(2,963)	6,997		
	(679,306)	(534,754)	(532,300)	(495,382)
Profit before income tax	**501,817**	**625,633**	**567,706**	**395,403**
Income tax	(110,337)	(112,186)	(101,616)	(61,165)
Profit after income tax	**391,480**	**513,447**	**466,090**	**334,238**
Extraordinary tax (Law 3808/2009)	(42,403)		(37,433)	
Profit after income tax and extraordinary tax	**349,077**	**513,447**	**428,657**	**334,238**
Other comprehensive income recognized directly in Equity:				
Change in available for sale securities reserve	74,124	(221,647)	25,529	(282,235)
Exchange differences on translating foreign operations	(23,245)	(132,924)	(175)	(130)
Income tax	(17,010)	49,649	(5,698)	68,091
Total of other comprehensive income recognized directly in Equity, after income tax	**33,869**	**(304,922)**	**19,656**	**(214,274)**
Total comprehensive income for the fiscal year, after income tax	**382,946**	**208,525**	**448,313**	**119,964**
Profit attributable to:				
Equity owners of the Bank	**349,814**	**512,067**	**428,657**	**334,238**
Minority interest	(737)	1,380		
Total comprehensive income for the fiscal year attributable to:				
Equity owners of the Bank	**383,676**	**210,529**	**448,313**	**119,964**
Minority interest	(730)	(2,004)		
Earnings per share:				
Basic & Diluted (€ per share)	0.6443	1.1487	0.8188	0.7498

STATEMENT OF CASH FLOWS

	Consolidated		Alpha Bank	
	From 1 January to		From 1 January to	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net cash flows from operating activities (a)	2,684,409	2,888,383	(2,130,537)	5,772,620
Net cash flows from investing activities (b)	(59,162)	(2,728,334)	4,374,506	(4,629,371)
Net cash flows from financing activities (c)	571,545	(855,188)	1,639,630	(962,292)
Net increase / (decrease) in cash and cash equivalents of the year (a) + (b) + (c)	**3,196,792**	**(695,139)**	**3,883,599**	**180,957**
Effect of exchange rate fluctuations on cash and cash equivalents	(23,245)	(83,256)	1,996	1,239
Total cash flows for the year	**3,173,547**	**(778,395)**	**3,885,595**	**182,196**
Cash and cash equivalents at the beginning of the year	**3,013,636**	**3,792,031**	**4,539,124**	**4,356,928**
Cash and cash equivalents at the end of the year	**6,187,183**	**3,013,636**	**8,424,719**	**4,539,124**

STATEMENT OF CHANGES IN EQUITY

	Consolidated		Alpha Bank	
	From 1 January to		From 1 January to	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Equity at the beginning of the fiscal year (1.1.2009 and 1.1.2008 respectively)	3,940,697	4,291,264	2,369,349	2,740,217
Total comprehensive income for the fiscal year, after income tax	382,946	208,525	448,313	119,964
Share capital increase	1,926,344		1,926,344	
Expenses related to the share capital increase (after income tax)	(39,929)	(2,204)	(39,929)	(2,204)
Change of ownership interests in subsidiaries	(19,434)	(6,410)		
Dividends distributed	(381)	(362,731)		(362,199)
Dividends paid to hybrid securities owners	(53,887)	(58,575)		
Purchases/sales of treasury shares and hybrid securities	(162,893)	(127,174)	71,495	(123,276)
Other	(104)	(1,998)		(3,153)
Equity at the end of the fiscal year (31.12.2009 and 31.12.2008 respectively)	**5,973,359**	**3,940,697**	**4,775,572**	**2,369,349**

ADDITIONAL DATA AND INFORMATION

1. Companies included in the consolidated financial statements, the Group's participation in them as at 31.12.2009, as well as the method of consolidation applied, are presented in note 39 of the Consolidated Financial Statements as at 31.12.2009.
Companies, not included in the consolidated financial statements, are also listed in this note.

2. During the period 1.1.2009 until 31.12.2009 the following changes took place in the subsidiaries and joint ventures included in the Consolidated Financial Statements:

a) Concerning companies which are fully consolidated:

- New companies: The company Real Car Rental A.E., founded by Alpha Leasing A.E., 100% subsidiary of Alpha Bank, and the special purpose entity Talanto Plc were consolidated for the first time on 31.3.2009. The special purpose entity Epihiro Plc was consolidated for the first time on 30.6.2009. The company Chardash Trading E.O.O.D., acquired by Alpha Astika Akinita A.E., subsidiary of Alpha Bank, was consolidated for the first time on 30.9.2009. The special purpose entity Irida Plc was consolidated for the first time on 31.12.2009.
- Renamed companies: On 20.2.2009, Alpha Immovables Bulgaria E.O.O.D., 100% subsidiary of Alpha Astika Akinita A.E., was renamed to Alpha Real Estate Bulgaria E.O.O.D.
- Merger of Group Companies: On 23.12.2009 the merger through the absorption of Alpha Private Investment Services A.E.P.E.Y. by Alpha Asset Management A.E.D.A.K. was completed.

b) Concerning companies consolidated under the proportionate method:

- New companies: On 30.6.2009, SY.MET. A.E., was consolidated for the first time through the Bank's participating company APE Investment Property A.E.

3. The unaudited tax years of the Bank and the Group companies are listed in notes 37b and 38b of the Financial Statements of the Group and the Bank respectively as at 31.12.2009.

4. There are no pending legal cases or issues in progress, which may have a material impact on the Financial Statements of the Group and the Bank. The Group has raised a provision for them which amounts to €4.9 million. Other provisions raised by the Group and the Bank amount to €50.2 million and €3.8 million respectively.

5. The Bank and the Group companies did not hold any treasury shares as at 31.12.2009.

6. The total number of employees of the Group as at 31.12.2009 was 15,163 (31.12.2008: 15,619) and of the Bank was 8,860 (31.12.2008: 8,903).

7. The results arising from the related party transactions during the period 1.1.2009 until 31.12.2009 are as follows:

- With members of the Board of Directors and other key management personnel: **a)** of the Group: income €6,825 thousand, expenses €16,098 thousand **b)** of the Bank: income €6,776 thousand, expenses €7,148 thousand.
- With other related parties: **a)** of the Group: income €5 thousand, expenses €2,772 thousand **b)** of the Bank: income €339,610 thousand, expenses €394,296 thousand.

The balances as at 31.12.2009 of the receivables and liabilities arising from the above transactions are as follows:

- With members of the Board of Directors and other key management personnel: **a)** of the Group: receivables €162,151 thousand, liabilities €85,447 thousand, letters of guarantee €10,213 thousand **b)** of the Bank: receivables €161,383 thousand, liabilities €61,601 thousand, letters of guarantee €10,213 thousand.
- With other related parties: **a)** of the Group: receivables €42 thousand, liabilities €2,560 thousand **b)** of the Bank: receivables €11,219,888 thousand, liabilities €13,096,871 thousand, letters of guarantee and other guarantees €712,328 thousand.

8. The items of income and expense recognized directly in equity are analyzed in statement of total comprehensive income, as presented above.

9. In the context of Law 3723/2008 relating to the enhancement of economy's liquidity, the Bank's Ordinary General Meeting of Shareholders, held on 23.6.2009, approved and ratified the resolution by the Bank's Extraordinary General Meeting of Shareholders, convened on 12.1.2009, regarding the share capital increase of €940 million with the issuance and distribution of 200,000,000 new paper, redeemable preference shares with a nominal and price offering of €4.70. The capital increase was fully subscribed by the Greek State, following the transfer to the Bank, of Greek Government Bond of equal value, a 5 year duration and bearing a floating rate of interest.

10. On 30.11.2009, the share capital increase of €986 million was accomplished (K2-12294 decision of the Ministry of Economy, Competitiveness and Shipping).

11. In accordance with article 28 of Law 3576/2009 and the draft Law submitted to the Parliament for its amendment, which will come in force from 16.3.2010 after being voted, banks participating in the programs for the enhancement of economy's liquidity as at Law 3723/2008 can distribute dividend for the fiscal year 2009 only in the form of shares. Taking into account the aforementioned as well as the 20708/B.1175/23.4.2009 circular of the Minister of Economy and Finance, the Board of Directors will propose to the Bank's Ordinary General Meeting of Shareholders not to distribute dividend for the fiscal year 2009.

Athens, March 16, 2010

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE EXECUTIVE DIRECTOR	THE ACCOUNTING AND TAX MANAGER
YANNIS S. COSTOPOULOS I.D. No. X 661480	DEMETRIOS P. MANTZOUNIS I.D. No. I 166670	MARINOS S. YANNOPOULOS I.D. No. AH 064139	GEORGE N. KONTOS I.D. No. AB 522299

Report on the use of funds raised from the share capital increase through cash payment with pre-emption and over subscription rights in favor of existing common shareholders

Pursuant to the decision of the Athens Stock Exchange 25/17.7.2008 and the Hellenic Capital Market Commission Board of Director's decision 7/448/11.10.2007 it is hereby notified that from the Bank's share capital increase through cash payment which took place on the basis of the decision of the Bank's Board of Directors meeting held on 19.10.2009, raised capital amounted to €986.3 million. Costs of the issue up to 31.12.2008 amounted to €42.9 million.

From the share capital increase 123,292,996 new common, non paper, registered, with voting rights shares were issued of nominal value € 4.70 each which were listed for trading on the Athens Stock Exchange on 7.12.2009.

The Bank's share capital increase was confirmed by the Board of Directors meeting held on 30.11.2009.

The Bank intends to use the net proceeds of the share capital increase solely for the full redemption followed by cancellation of the 200,000,000 preference, registered, without voting rights redeemable shares with nominal value € 4.70 each which were issued pursuant to article 1 of Law 3723/2008.

TABLE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

	Amount of funds raised	Funds utilized until 31.12.2009	Balance of funds as at 31.12.2009
Amounts in million Euro	986.3	41.1	945.2

The amount of € 41.1 million utilized up to 31.12.2009 relates to issue costs, before tax.

Net proceeds from the share capital increase, up to the date of its intended use, will be used to enforce the Bank's Tier I capital.

INFORMATION PURSUANT TO ARTICLE 10 OF LAW 3401/2005

Corporate Announcements of the year 2009 are available on the website of the Bank www.alpha.gr/page/default.asp?la=2&id=6458.

Subject	Date
Commencement of trading of new shares pursuant to the rights issue	03.12.2009
Full subscription of rights issue	30.11.2009
Rights issue results announcement	27.11.2009
Publication of Prospectus Supplement	19.11.2009
Announcement	09.11.2009
Nine-Month 2009 Results Net Profit of Euro 345 million with provisions coverage increasing to 57% Core Tier I raised to 7.3% (9.3% pro forma for the rights issue)	09.11.2009
Nine- Month 2009 results announcement scheduled for November 9, 2009	06.11.2009
Rights Issue, without Amendment of the Articles of Association, via Payment in Cash, with Pre-emption and Over-subscription Rights: Ex-rights date, and Trading Period, of Pre-emption Rights	04.11.2009
Publication of Prospectus	04.11.2009
Report of the Board of Directors of "Alpha Bank A.E." in relation with a Share Capital Increase in Cash, to be Carried out in accordance with article 13 par. 1b of codified law 2190/1920, in favour of current Common Shareholders, through the Issue and Distribution of New Common, Voting, Dematerialized Shares	19.10.2009
Euro 986 million fully underwritten rights issue 3 new shares for every 10 existing common shares at Euro 8 per share Repayment of Euro 940 million Hellenic Republic Preference Shares Benchmark Capital Structure Providing Strategic Flexibility	19.10.2009
Rights Issue	16.10.2009
New Organizational Structure of the Group	09.10.2009
Completion of the sale of treasury shares	31.08.2009
Sale of treasury shares	31.08.2009
First Half 2009 Results Net Profit of Euro 214.7 million, core Tier I raised to 7% Conservative balance sheet management delivers Euro 1.4 billion accumulated provisions with NPL coverage at 135%	25.08.2009
Comments on press articles	11.08.2009
First Half 2009 results announcement scheduled for 25 August 2009	07.08.2009
New Interest Rates from Alpha Bank	07.08.2009
Corporate Announcement	01.07.2009
Resolutions and Results of the Ordinary General Meeting of Shareholders of Alpha Bank on 23.6.2009 (paragraph 4.1.3.3. of the Athens Exchange Regulations)	24.06.2009
Annual General Meeting of the Shareholders of Alpha Bank 2009	23.06.2009
Notification of important changes concerning the voting rights deriving from shares under L.3556/2007	19.06.2009

Subject	Date
Corporate Announcement	04.06.2009
Invitation to the Ordinary General Meeting of Shareholders	27.05.2009
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%	26.05.2009
Subscription of capital increase	21.05.2009
First Quarter 2009 results announcement scheduled for 26 May 2009	08.05.2009
New Interest Rates from Alpha Bank	16.04.2009
Rescission of Invitation to the Ordinary General Meeting of Shareholders	02.04.2009
Invitation to the Ordinary General Meeting of Shareholders	19.03.2009
Explanatory Notes on the Ordinary General Meeting Invitation	19.03.2009
New Interest Rates from Alpha Bank	06.03.2009
Corporate Announcement	24.02.2009
Full Year 2008 Results Material strengthening of our Balance Sheet by increasing Tier I capital to Euro 5 billion and taking pre-emptive provisions of Euro 542 million Net Profit at Euro 512 million	24.02.2009
Full Year 2008 results announcement scheduled for 24 February 2009	18.02.2009
Announcement of Purchase of Own Shares on 16.02.2009	17.02.2009
Announcement of Purchase of Own Shares on 13.02.2009	16.02.2009
New Interest Rates from Alpha Bank	13.02.2009
Announcement of Purchase of Own Shares on 12.02.2009	13.02.2009
Announcement of Purchase of Own Shares on 5.02.2009	06.02.2009
Announcement of Purchase of Own Shares on 4.02.2009	05.02.2009
Announcement of Purchase of Own Shares on 23.01.2009	26.01.2009
Announcement of Purchase of Own Shares on 22.01.2009	23.01.2009
Announcement of Purchase of Own Shares on 20.01.2009	21.01.2009
Announcement of Purchase of Own Shares on 14.01.2009	15.01.2009
Resolutions and Results of the Extraordinary General Meeting of Shareholders of Alpha Bank on 12.1.2009 (paragraph 4.1.3.3. of the ATHEX Regulations)	13.01.2009
Announcement of Purchase of Own Shares on 12.01.2009	13.01.2009
Extraordinary General Meeting of Shareholders of Alpha Bank on January 12, 2009	12.01.2009
Notification of important changes concerning the voting rights deriving from shares under Law 3556/2007	08.01.2009
Announcement of Purchase of Own Shares on 31.12.2008	02.01.2009

AVAILABILITY OF ANNUAL FINANCIAL REPORT

The Annual Financial Report, which includes:

- The Statement by the Members of the Board of Directors
- The Board of Directors' report
- The Explanatory Report of the Board of Directors
- The Independent Auditors' Report
- The Annual Financial Statements of the Bank and the Group
- The Financial Information of the Bank and the Group
- The Report on the use of funds

are available on the website address www.alpha.gr/page/default.asp?la=2&id=6824

The Annual Financial Statements, The Independent Auditors' report and the Board of Directors' Report of consolidated companies are available on the website address: www.alpha.gr/page/default.asp?la=2&id=7143