



ALPHA BANK

# **CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31.3.2008**

(In accordance with the International Accounting Standard 34)



ATHENS  
MAY 27, 2008



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**INTERIM CONSOLIDATED INCOME STATEMENT**

(Thousands of Euro)

	Note	From 1 January to	
		31.3.2008	31.3.2007
Interest and similar income		1,004,841	765,091
Interest expense and similar charges		(562,857)	(402,952)
Net interest income		441,984	362,139
Fee and commission income		124,441	116,268
Commission expense		(9,163)	(8,800)
Net fee and commission income		115,278	107,468
Dividend income		247	383
Gains less losses on financial transactions		17,068	29,928
Other income		16,316	19,789
		33,631	50,100
<b>Total income</b>		<b>590,893</b>	<b>519,707</b>
Staff costs		(139,285)	(127,305)
General administrative expenses		(103,188)	(88,652)
Depreciation and amortization expenses	7,8,9	(20,282)	(16,867)
Other expenses		(783)	(665)
<b>Total expenses</b>		<b>(263,538)</b>	<b>(233,489)</b>
Impairment losses and provisions for credit risk	2	(67,584)	(62,383)
Share of profit/(loss) of associates		106	(44)
<b>Profit before income tax</b>		<b>259,877</b>	<b>223,791</b>
Income tax	3	(54,748)	(49,209)
<b>Profit after income tax from continuing operations</b>		<b>205,129</b>	<b>174,582</b>
Profit after income tax from discontinued operations	4	-	81,797
<b>Profit after income tax</b>		<b>205,129</b>	<b>256,379</b>
<b>Profits attributable to:</b>			
<b>Equity holders of the Bank</b>		<b>205,031</b>	<b>256,140</b>
Minority interest		98	239
<b>Earnings per share:</b>	5		
<i>From continuing and discontinued operations</i>			
Basic (€)		0.50	0.63
Diluted (€)		0.50	0.63
<i>From continuing operations</i>			
Basic (€)		0.50	0.43
Diluted (€)		0.50	0.43

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.

**INTERIM CONSOLIDATED BALANCE SHEET**

	Note	(Thousands of Euro)	
		31.3.2008	31.12.2007
<b>ASSETS</b>			
Cash and balances with Central Banks		2,159,717	3,263,612
Due from banks		3,996,914	3,509,696
Financial assets at fair value through profit or loss		95,932	266,047
Derivative financial assets		377,725	383,432
Loans and advances to customers	6	44,372,719	42,072,071
Investment securities			
- Available for sale		3,331,743	3,156,901
Investments in associates		5,416	5,320
Investment property	7	72,830	73,560
Property, plant and equipment	8	1,188,843	1,173,275
Goodwill and other intangible assets	9	131,824	134,497
Deferred tax assets		170,695	170,257
Other assets		453,692	385,676
		56,358,050	54,594,344
Non-current assets held for sale	10	56,490	89,945
<b>Total Assets</b>		<b>56,414,540</b>	<b>54,684,289</b>
<b>LIABILITIES</b>			
Due to banks		5,281,243	4,437,736
Derivative financial liabilities		471,336	384,139
Due to customers (including debt securities in issue)		35,985,854	34,665,158
Debt securities in issue held by institutional investors and other borrowed funds	11	8,751,526	9,189,297
Liabilities for current income tax and other taxes		163,065	158,797
Deferred tax liabilities		124,245	94,807
Employee defined benefit obligations		42,640	42,019
Other liabilities		1,257,473	1,323,554
Provisions	12	105,971	95,935
		52,183,353	50,391,442
Liabilities related to non-current assets held for sale	10	-	1,583
<b>Total Liabilities</b>		<b>52,183,353</b>	<b>50,393,025</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Bank</b>			
Share capital		1,602,809	1,602,809
Share premium		184,033	184,033
Reserves		396,189	445,662
Retained earnings		1,296,902	1,138,195
Treasury shares	13	(167,551)	(188)
		3,312,382	3,370,511
<b>Minority interest</b>		<b>31,243</b>	<b>32,859</b>
<b>Hybrid securities</b>		<b>887,562</b>	<b>887,894</b>
<b>Total Equity</b>		<b>4,231,187</b>	<b>4,291,264</b>
<b>Total Liabilities and Equity</b>		<b>56,414,540</b>	<b>54,684,289</b>

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

(Thousands of Euro)

	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total equity
<b>Balance 1.1.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>349,121</b>	<b>686,018</b>	<b>(14,653)</b>	<b>2,739,733</b>	<b>44,280</b>	<b>829,654</b>	<b>3,613,667</b>
<b>Changes in equity for the period 1.1-31.3.2007</b>									
Net change in fair value of available for sale securities			3,512			3,512			3,512
Net change in fair value of available for sale securities transferred to income statement from sales			95,345			95,345			95,345
Exchange differences on translating foreign operations			(2,080)			(2,080)			(2,080)
Net income recognized directly in equity			96,777			96,777			96,777
Net income for the period after tax				256,140		256,140	239		256,379
<b>Total</b>			<b>96,777</b>	<b>256,140</b>		<b>352,917</b>	<b>239</b>		<b>353,156</b>
Purchases, sales and change of ownership interests in subsidiaries (Purchases)/sales of treasury shares and hybrid securities				47		47	(4,753)		(4,706)
Recognition of employee share options				(15,178)	(29,094)	(44,272)		58,305	14,033
Dividends distributed to equity holders of the Bank and minority interest			1,181			1,181			1,181
Dividends paid to hybrid securities holders							(1,077)		(1,077)
Transfer to statutory reserve				(37,267)		(37,267)			(37,267)
Other			625	(625)					
				(1,085)		(1,085)			(1,085)
<b>Balance 31.3.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>447,704</b>	<b>888,050</b>	<b>(43,747)</b>	<b>3,011,254</b>	<b>38,689</b>	<b>887,959</b>	<b>3,937,902</b>



	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total equity
<b>Balance 1.4.2007</b>	<b>1,591,286</b>	<b>127,961</b>	<b>447,704</b>	<b>888,050</b>	<b>(43,747)</b>	<b>3,011,254</b>	<b>38,689</b>	<b>887,959</b>	<b>3,937,902</b>
<b>Changes in equity for the period 1.4-31.12.2007</b>									
Net change in fair value of available for sale securities			(42,125)			(42,125)			(42,125)
Net change in fair value of available for sale securities transferred to income statement from sales			27,709			27,709			27,709
Exchange differences on translating foreign operations			2,148			2,148			2,148
Net income recognized directly in equity			(12,268)			(12,268)			(12,268)
Net income for the period after tax				593,895		593,895	812		594,707
<b>Total</b>			<b>(12,268)</b>	<b>593,895</b>		<b>581,627</b>	<b>812</b>		<b>582,439</b>
Purchases, sales and change of ownership interests in subsidiaries				(3,660)		(3,660)	(6,642)		(10,302)
(Purchases)/sales of treasury shares and hybrid securities				(3,019)	43,559	40,540		(65)	40,475
Recognition of employee share options			18,306			18,306			18,306
Exercise of employee share options		25,477	(25,477)						
Issue of new shares due to share options exercise	11,523	30,595				42,118			42,118
Dividends distributed to equity holders of the Bank and minority interest				(304,421)		(304,421)			(304,421)
Dividends paid to hybrid securities holders				(15,729)		(15,729)			(15,729)
Transfer to statutory reserve			(36,827)	36,827					
Transfer to statutory reserve			54,224	(54,224)					
Other				476		476			476
<b>Balance 31.12.2007</b>	<b>1,602,809</b>	<b>184,033</b>	<b>445,662</b>	<b>1,138,195</b>	<b>(188)</b>	<b>3,370,511</b>	<b>32,859</b>	<b>887,894</b>	<b>4,291,264</b>



	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Minority interest	Hybrid securities	Total equity
<b>Balance 1.1.2008</b>	<b>1,602,809</b>	<b>184,033</b>	<b>445,662</b>	<b>1,138,195</b>	<b>(188)</b>	<b>3,370,511</b>	<b>32,859</b>	<b>887,894</b>	<b>4,291,264</b>
<b>Changes in equity for the period 1.1-31.3.2008</b>									
Net change in fair value of available for sale securities			(35,193)			(35,193)			(35,193)
Net change in fair value of available for sale securities transferred to income statement from sales			84			84			84
Exchange differences on translating foreign operations			(14,962)	(765)		(15,727)			(15,727)
Net income recognized directly in equity			(50,071)	(765)		(50,836)			(50,836)
Net income for the period after tax				205,031		205,031	98		205,129
<b>Total</b>			<b>(50,071)</b>	<b>204,266</b>		<b>154,195</b>	<b>98</b>		<b>154,293</b>
Purchases, sales and change of ownership interests in subsidiaries (Purchases)/sales of treasury shares and hybrid securities				(2,736)	(167,363)	(2,736)	(1,182)	(332)	(3,918)
Dividends distributed to equity holders of the Bank and minority interest							(532)		(532)
Dividends paid to hybrid securities holders				(41,640)		(41,640)			(41,640)
Transfer to statutory reserve			598	(598)					
Other				(556)		(556)			(556)
<b>Balance 31.3.2008</b>	<b>1,602,809</b>	<b>184,033</b>	<b>396,189</b>	<b>1,296,902</b>	<b>(167,551)</b>	<b>3,312,382</b>	<b>31,243</b>	<b>887,562</b>	<b>4,231,187</b>

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.

**INTERIM CONSOLIDATED CASH FLOW STATEMENT**

(Thousands of Euro)

	Note	From 1 January to	
		31.3.2008	31.3.2007
<b>Cash flows from operating activities</b>			
Profit before tax		259,877	223,791
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	7,8	13,763	11,564
Amortization of intangible assets	9	6,519	5,303
Impairment losses from loans and provisions		63,696	64,657
Other adjustments		(5,574)	1,182
(Gains)/losses from investing activities		(2,737)	(8,970)
(Gains)/losses from financing activities		10,084	47,583
Share of (profit)/loss of associates		(106)	44
		<b>345,522</b>	<b>345,154</b>
<i>Net (increase)/decrease in assets relating to operating activities:</i>			
Due from banks		282,513	(771,047)
Financial assets at fair value through profit or loss and derivative financial assets		175,822	(11,896)
Loans and advances to customers		(2,396,139)	(1,704,085)
Other assets		(67,929)	(25,147)
<i>Net increase/(decrease) in liabilities relating to operating activities</i>			
Due to banks		843,507	(1,902,157)
Derivative financial liabilities		87,197	108,990
Due to customers		943,651	3,730,340
Other Liabilities		(596)	55,057
<i>Net cash flows from operating activities before taxes</i>		213,548	(174,791)
Income taxes and other taxes paid		(19,688)	(10,402)
<b>Net cash flows from continuing operating activities</b>		<b>193,860</b>	<b>(185,193)</b>
<b>Cash flows from investing activities</b>			
Acquisitions of subsidiaries and associates		(2,615)	(4,824)
Proceeds from sale of investments in subsidiaries and associates		1,694	-
Dividends received		394	383
Purchase of property, plant and equipment		(42,550)	(27,159)
Disposal of property, plant and equipment		2,636	13,036
Net (increase)/decrease in investment securities		(219,419)	3,762,205
<b>Net cash flows from continuing investing activities</b>		<b>(259,860)</b>	<b>3,743,641</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(395)	(1,406)
(Purchase)/sale of treasury shares		(173,254)	(29,094)
Proceeds from the issue of loans		-	503,762
Repayment of loans		(38,102)	(300,000)
(Purchases)/sales of hybrid securities		(361)	73,483
Dividends paid to hybrid securities holders		(41,640)	(37,267)
<b>Net cash flows from continuing financing activities</b>		<b>(253,752)</b>	<b>209,478</b>
Effect of exchange rate fluctuations on cash and cash equivalents		(14,962)	(2,081)
<b>Net increase/(decrease) in cash and cash equivalents from continuing activities</b>		<b>(334,714)</b>	<b>3,765,845</b>
Net cash flows from discontinued operating activities			
Net cash flows from discontinued investing activities		-	160,700
Net cash flows from discontinued financing activities			
<b>Net increase/(decrease) in cash and cash equivalents from discontinued activities</b>		<b>-</b>	<b>160,700</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>3,792,031</b>	<b>4,575,831</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>3,457,317</b>	<b>8,502,376</b>

The attached notes (pages 9 to 31) form an integral part of these interim financial statements.





## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### General Information

The Alpha Bank Group, which includes companies in Greece and abroad, offers services such as:

- Banking
- 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. Its registered office is 40 Stadiou Street, Athens and it is listed as a societe anonyme, register number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by a decision of the Shareholders in General Meeting.

In accordance with article 4 of the articles of incorporation, the Bank's purpose is to provide general banking services in Greece and abroad.

The term of the Board of Directors, elected by the Shareholders' General Meeting on 19 April 2005, ends in 2010. The General Shareholders' Meeting held on 3 April 2008 decided to increase the number of the Board of Directors members from 14 to 15, as accounted for in the Bank's articles of incorporation. The General Shareholders' Meeting elected Mrs. Ioanna E. Papadopoulou as a non-executive member. The Board of Directors as at 31 March 2008 consist of:

#### CHAIRMAN (Executive Member)

Yannis S. Costopoulos

#### VICE CHAIRMAN (Non Executive Member)

Minas G. Tanes\*\*\* ( On 3 April 2008 elected as a non-executive independent member by the Shareholders' Meeting)

#### EXECUTIVE MEMBERS

##### MANAGING DIRECTOR

Demetrios P. Mantzounis

##### EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Marinos S. Yannopoulos (CFO)\*\*\*

Spyros N. Filaretos

Artemis Ch. Theodoridis

#### NON-EXECUTIVE MEMBERS

George E. Agouridis \* (On 3 April 2008 elected as a non-executive independent member by the Shareholders' Meeting)

Sophia G. Eleftheroudaki

Paul G. Karakostas\*

Nicholaos I. Manassis \*\*

#### NON-EXECUTIVE INDEPENDENT MEMBERS

Pavlos A. Apostolides \*\*

Thanos M. Veremis

Evangelos I. Kaloussis \*/\*\*\*

Ioannis K. Lyras \*\*

#### SECRETARY

Hector P. Verykios

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

\*\*\* Member of the Risk Management Committee



The certified auditors of the semi-annual and year end financial statements are:

Principal Auditors: Marios T. Kyriacou  
Nikolaos E. Vouniseas

Substitute Auditors: Charalambos G. Sirounis  
Nikolaos Ch. Tsiboukas

of KPMG Certified Auditors A.E.

The Bank's shares are listed on the Athens Stock Exchange since 1925.

As at 31 March 2008 Alpha Bank was ranked fifth in terms of market capitalization. Since February 2004 the Bank has been included in the FTSE Eurofirst 300 Index, an index which consists of the 300 largest European companies. Additionally, the Bank is included in a series of other indices, such as S&P Europe 350, FTSE Med 100, MSCI Europe, 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 March 2008 the Bank has 410,976,652 shares in issue.

The Bank's growth and consistent dividend policy has attracted local and foreign investors. This has increased the shares' liquidity which for the first quarter of 2008 amounted to an average of 1,686,419 shares per day.

Finally, the credit rating of the Bank remains at a high level (Standard & Poor's: A-, Moody's: A1, Fitch Ratings: A-) and reflects the dynamics of its operations and the positive outlook with respect to its share price.

**These financial statements have been approved by the Board of Directors on 27 May 2008.**



## Accounting policies applied

### 1. Basis of presentation

The Group has prepared the condensed interim financial statements as at 31 March 2008 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting.

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which are measured at fair value:

- Financial assets at fair value through profit or loss
- Derivative financial instruments
- Available for sale securities

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

The accounting policies, applied by the Group in the condensed interim financial statements as at 31 March 2008, are consistent with those stated in the published financial statements for the year ended 31 December 2007 after taking into account the interpretation 11 "*IFRS 2- Group and Treasury Share Transactions*", issued by the International Accounting Standards Board (IASB), adopted by the European Union and effective for annual periods beginning on or after 1.1.2008. The adoption of this interpretation did not have a substantial impact on the Group's financial statements.

The adoption by the European Union, by 31 December 2008, of new standards, interpretations or amendments which have been issued or may be issued during the year by the International Accounting Standards Board (IASB) and their mandatory or optional adoption for periods beginning on or after 1 January 2008, may retrospectively affect the periods presented in these interim financial statements.



## Income statement

### 2. Impairment losses and provisions for credit risk

	From 1 January to	
	31.3.2008	31.3.2007
Impairment losses on loans and advances to customers	56,309	80,735
Reversals of impairment losses from due from banks	(14)	(14)
Provisions to cover credit risk relating to off balance sheet items	11,569	(14,946)
Recoveries	(280)	(3,392)
<b>Total</b>	<b>67,584</b>	<b>62,383</b>

### 3. Income tax

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 25% for 2007 and thereafter.

It should be noted that, as all profits have been taxed, the distribution of dividends to shareholders are free of tax.

The income tax expense is analyzed as follows:

	From 1 January to	
	31.3.2008	31.3.2007
Current tax	23,956	36,735
Deferred tax	30,792	12,474
<b>Total</b>	<b>54,748</b>	<b>49,209</b>

In accordance with article 26 of Law 3634/2008 tax is imposed, at the current tax rate (25%), on profits of banks which previously were not subject to tax until distributed or capitalized (interest on Greek government bonds, gains from the sale of listed shares etc.). Only dividend income is not subject to tax.

Deferred tax recognized in the income statement is attributable to the following temporary differences:

	From 1 January to	
	31.3.2008	31.3.2007
Depreciation and fixed asset write-offs	1,171	3,008
Valuation of loans	14,221	(2,224)
Suspension of interest accruals	9,125	7,167
Loans impairment	5,498	(407)
Employee defined benefit obligations	(149)	134
Liabilities to E.T.A.T	15,551	-
Valuation of derivatives	(15,953)	565
Effective interest rate	2,277	368
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(1,473)	3,217
Valuation of bonds	2,038	-
Valuation of shares	(4,779)	-
Carry forward of unused tax losses	(196)	(323)
Other temporary differences	3,461	969
<b>Total</b>	<b>30,792</b>	<b>12,474</b>



Reconciliation of effective and current tax rate:

	From 1 January to			
		31.3.2008		31.3.2007
<b>Profit before tax</b>	%	<b>259,877</b>	%	<b>223,791</b>
Income tax	23.48*	61,025	20.87*	46,716
<b>Increase/(decrease) due to:</b>				
Additional tax on rental income of fixed assets	0.04	102	0.23	507
Non taxable income	(0.46)	(1,199)	(2.98)	(6,670)
Non deductible expenses	1.07	2,763	0.91	2,044
Other temporary differences	(3.06)	(7,943)	2.96	6,612
<b>Income tax (effective tax rate)</b>	<b>21.07</b>	<b>54,748</b>	<b>21.99</b>	<b>49,209</b>

\* The applicable income tax rate is 23.48% for 2008 and 20.87% for 2007, and it represents the weighted average of nominal tax rate based on the nominal income tax rate and the profit before tax of each Group's subsidiaries.

#### 4. Profit after tax from discontinued operations

On 23 March 2007, the sale of 99.57% of the shares of the subsidiary Alpha Insurance A.E. to AXA, an insurance company which is the worldwide leader in financial protection was completed.

Alpha Bank and AXA have also signed a long term exclusive bankassurance agreement for the distribution of AXA products through Alpha Bank's extensive branch network.

The results of Alpha Insurance A.E. which had been classified as a discontinued operation for the period 1.1.2007 up to 23.3.2007 and the profit from the sale are included in caption "profit after tax from discontinued operations" and are analyzed as follows:

	From 1 .1 to 31.3.2007
Net interest income	860
Net fee and commission income	409
Other income (premiums etc)	3,573
<b>Total income</b>	<b>4,842</b>
Staff costs	(2,338)
General administrative expenses	(1,583)
Depreciation and amortization expenses	(239)
<b>Total expenses</b>	<b>(4,160)</b>
<b>Profit/(losses) before income tax</b>	<b>682</b>
Income tax	(421)
<b>Profit/(losses) after income tax</b>	<b>261</b>
<b>Profit from the disposal of Alpha Insurance A.E.</b>	<b>81,536</b>
<b>Profit after income tax from discontinued operations</b>	<b>81,797</b>

**5. Earnings per share****a. Basic**

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

	From 1 January to	
	31.3.2008	31.3.2007
<i>Profit attributable to equity holders of the Bank from continuing and discontinued operations</i>	205,031	256,140
Weighted average number of outstanding ordinary shares	407,198,154	406,828,683
Basic earnings per share from continuing and discontinued operations (in € )	0.50	0.63

	From 1 January to	
	31.3.2008	31.3.2007
<i>Profit attributable to equity holders of the Bank from continuing operations</i>	205,031	174,343
Weighted average number of outstanding ordinary shares	407,198,154	406,828,683
Basic earnings per share from continuing operations (in € )	0.50	0.43

**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 had a single category of dilutive potential ordinary shares resulting from a share options program which were exercised during 2007.

For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. Upon the issuance of new ordinary shares resulting from share options exercise, the shares are included in the calculation of basic and dilutive earnings per share.

The weighted average number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	From 1 January to	
	31.3.2008	31.3.2007
<i>Profit attributable to equity holders of the Bank from continuing and discontinued operations</i>	205,031	256,140
Weighted average number of outstanding ordinary shares	407,198,154	406,828,683
Adjustment for share options	-	753,136
Weighted average number of outstanding ordinary shares for diluted earnings per share	407,198,154	407,581,819
Diluted earnings per share from continuing and discontinued operations (in € )	0.50	0.63



	From 1 January to	
	31.3.2008	31.3.2007
<i>Profit attributable to equity holders of the Bank from continuing operations</i>	205,031	174,343
Weighted average number of outstanding ordinary shares	407,198,154	406,828,683
Adjustment for share options	-	753,136
Weighted average number of outstanding ordinary shares for diluted earnings per share	407,198,154	407,581,819
Diluted earnings per share from continuing operations (in € )	0.50	0.43



## Assets

### 6. Loans and advances to customers

	31.3.2008	31.12.2007
<i>Individuals:</i>		
Mortgages	11,838,915	11,186,669
Consumer	3,848,114	3,606,631
Credit cards	1,134,205	1,092,863
Other	125,855	146,762
<b>Total</b>	<b>16,947,089</b>	<b>16,032,925</b>
<i>Companies:</i>		
Corporate loans	26,236,071	24,771,065
Leasing	1,370,512	1,338,340
Factoring	439,491	532,640
<b>Total</b>	<b>28,046,074</b>	<b>26,642,045</b>
Receivables from insurance and re-insurance activities	10,486	9,494
Other receivables	212,636	228,201
	<b>45,216,285</b>	<b>42,912,665</b>
Less:		
Allowance for impairment losses *	(843,566)	(840,594)
<b>Grand Total</b>	<b>44,372,719</b>	<b>42,072,071</b>

The financial lease receivables are analyzed as follows:

	31.3.2008	31.12.2007
Up to 1 year	408,434	398,360
From 1 year up to 5 years	694,702	675,630
More than 5 years	801,593	829,707
	<b>1,904,729</b>	<b>1,903,697</b>
Unearned finance income	(534,217)	(565,357)
<b>Total</b>	<b>1,370,512</b>	<b>1,338,340</b>

The net amount of finance leases is analyzed as follows:

	31.3.2008	31.12.2007
Up to 1 year	327,555	316,096
From 1 year up to 5 years	481,196	456,249
More than 5 years	561,761	565,995
<b>Total</b>	<b>1,370,512</b>	<b>1,338,340</b>

\* In addition to the allowance for impairment losses, an additional provision of € 57,498 (31.12.2007 € 45,929) has been recorded to cover credit risk relating to off-balance sheet items as mentioned in note 12. The total provision recorded to cover credit risk amounts to € 901,064 (31.12.2007: € 886,523).



**7. Investment property**

	<b>Land and Buildings</b>
<b>Balance 1.1.2007</b>	
Cost	34,948
Accumulated depreciation	(3,430)
Net book value 1.1.2007	<u>31,518</u>
<b>1.1.2007-31.3.2007</b>	
Net book value 1.1.2007	31,518
Foreign exchange differences	(65)
Additions	17
Disposals	(453)
Reclassifications	16,119
Depreciation charge for the period	(134)
Net book value 31.3.2007	<u>47,002</u>
<b>Balance 31.3.2007</b>	
Cost	51,399
Accumulated depreciation	(4,397)
<b>1.4.2007-31.12.2007</b>	
Net book value 1.4.2007	47,002
Foreign exchange differences	30
Additions	26,585
Disposals	(27)
Reclassifications	509
Depreciation charge for the period	(539)
Net book value 31.12.2007	<u>73,560</u>
<b>Balance 31.12.2007</b>	
Cost	78,526
Accumulated depreciation	(4,966)
<b>1.1.2008-31.3.2008</b>	
Net book value 1.1.2008	73,560
Foreign exchange differences	(246)
Additions	124
Reclassification to «Property, plant and equipment»	(444)
Depreciation charge for the period	(164)
Net book value 31.3.2008	<u>72,830</u>
<b>Balance 31.3.2008</b>	
Cost	77,775
Accumulated depreciation	(4,945)

## 8. Property, plant and equipment

	Land and Buildings	Leased equipment	Equipment	Total
<b>Balance 1.1.2007</b>				
Cost	1,058,044	4,055	361,639	1,423,738
Accumulated depreciation	(209,573)	(1,963)	(276,206)	(487,742)
Net book value 1.1.2007	848,471	2,092	85,433	935,996
<b>1.1.2007-31.3.2007</b>				
Net book value 1.1.2007	848,471	2,092	85,433	935,996
Foreign exchange differences	(444)	16	(36)	(464)
Additions	11,011	828	8,602	20,441
Disposals	(1,521)		(4,217)	(5,738)
Reclassification to «Investment property»	(16,119)			(16,119)
Other reclassifications			(1)	(1)
Depreciation charge for the period	(4,912)	(148)	(6,370)	(11,430)
Net book value 31.3.2007	836,486	2,788	83,411	922,685
<b>Balance 31.3.2007</b>				
Cost	1,049,276	4,686	365,387	1,419,349
Accumulated depreciation	(212,790)	(1,898)	(281,976)	(496,664)
<b>1.4.2007-31.12.2007</b>				
Net book value 1.4.2007	836,486	2,788	83,411	922,685
Foreign exchange differences	(1,225)	(89)	(499)	(1,813)
Additions	53,703	919	29,246	83,868
Disposals	(3,914)		2,868	(1,046)
Additions from companies consolidated for first time in 2007	145,909		23,346	169,255
Reclassification to «Investment property»	(509)			(509)
Reclassification from «Non-current assets held for sale» <sup>(2)</sup>	42,405			42,405
Reclassification to «Software»			(268)	(268)
Depreciation charge for the period <sup>(1)</sup>	(19,493)	(546)	(21,263)	(41,302)
Net book value 31.12.2007	1,053,362	3,072	116,841	1,173,275
<b>Balance 31.12.2007</b>				
Cost	1,283,906	5,414	414,199	1,703,519
Accumulated depreciation	(230,544)	(2,342)	(297,358)	(530,244)
<b>1.1.2008-31.3.2008</b>				
Net book value 1.1.2008	1,053,362	3,072	116,841	1,173,275
Foreign exchange differences	(2,508)	(95)	(848)	(3,451)
Additions	20,311		13,148	33,459
Disposals	(10)	(939)	(331)	(1,280)
Reclassification from «Investment property»	444			444
Other reclassifications		(77)	72	(5)
Depreciation charge for the period	(6,030)	(69)	(7,500)	(13,599)
Net book value 31.3.2008	1,065,569	1,892	121,382	1,188,843
<b>Balance 31.3.2008</b>				
Cost	1,300,911	3,177	425,407	1,729,495
Accumulated depreciation	(235,342)	(1,285)	(304,025)	(540,652)

(1) The depreciation charge for the period 1.4 -31.12.2007 does not include an amount of € 1.1 million that concerns to Hilton Rhodes Resort which was classified as "Non current assets held for sale" (note 10).

(2) Property, plant and equipment amounting to € 42.4 million was reclassified from "Non current assets held for sale" due to Bank's decision for own use.



## 9. Goodwill and other intangible assets

	Goodwill	Other intangible	Software	Total
<b>Balance 1.1.2007</b>				
Cost	58,344	19,221	144,745	222,310
Accumulated amortization		(6,812)	(98,360)	(105,172)
Net book value 1.1.2007	58,344	12,409	46,385	117,138
<b>1.1.2007-31.3.2007</b>				
Net book value 1.1.2007	58,344	12,409	46,385	117,138
Foreign exchange differences	(646)	(107)	(81)	(834)
Additions		50	5,024	5,074
Disposals			(392)	(392)
Reclassifications			1	1
Amortization charge for the period		(821)	(4,482)	(5,303)
Net book value 31.3.2007	57,698	11,531	46,455	115,684
<b>Balance 31.3.2007</b>				
Cost	57,698	19,063	149,290	226,051
Accumulated amortization		(7,532)	(102,835)	(110,367)
<b>1.4.2007-31.12.2007</b>				
Net book value 1.4.2007	57,698	11,531	46,455	115,684
Foreign exchange differences	310	253	(154)	409
Additions		5,290	30,460	35,750
Disposals			(528)	(528)
Reclassifications			268	268
Additions from companies consolidated for first time in 2007		1,333		1,333
Amortization charge for the period		(2,664)	(15,755)	(18,419)
Net book value 31.12.2007	58,008	15,743	60,746	134,497
<b>Balance 31.12.2007</b>				
Cost	58,008	25,785	181,273	265,066
Accumulated amortization		(10,042)	(120,527)	(130,569)
<b>1.1.2008-31.3.2008</b>				
Net book value 1.1.2008	58,008	15,743	60,746	134,497
Foreign exchange differences	(1,989)	(310)	(217)	(2,516)
Additions	5		6,352	6,357
Other reclassifications		(3,358)	3,363	5
Amortization charge for the period		(831)	(5,688)	(6,519)
Net book value 31.3.2008	56,024	11,244	64,556	131,824
<b>Balance 31.3.2008</b>				
Cost	56,024	21,582	190,431	268,037
Accumulated amortization		(10,338)	(125,875)	(136,213)

**10. Non-current assets held for sale and related Liabilities****a. Fixed Assets**

“Non current assets held for sale” include land, buildings and office equipment amounting to € 56,490 (31.12.2007: € 55,221).

**b. Other**

As at 28.3.2008 Ionian Hotel Enterprises A.E. transferred the shares of the subsidiary Tourist Resort A.E., which owns the Rhodes Hotel (note 19b).

The assets and liabilities of Hilton Rhodes Resort as at 31 December 2007 have been classified as “Non current assets held for sale” and “Liabilities related to non current assets held for sale” respectively and were as follows:

<i><b>Non-current assets held for sale</b></i>	
	<b>31.12.2007</b>
Cash and balances with Central Banks	38
Loans and advances to customers	1,336
Goodwill and other intangible assets	9
Property, plant and equipment	29,745
Deferred tax assets	3,319
Other assets	277
<b>Total</b>	<b>34,724</b>
<i><b>Liabilities related to non-current assets held for sale</b></i>	
Liabilities for current income tax and other taxes	39
Deferred tax liabilities	308
Other liabilities	970
Employee defined benefit obligations	266
<b>Total</b>	<b>1,583</b>



## Liabilities

### 11. Debt securities in issue and other borrowed funds

<b>Short term securities (ECP)</b>	
Balance 1.1.2008	-
<b>Changes for the period from 1.1 – 31.3.2008</b>	
New Issues <sup>(1)</sup>	795,675
Maturities/Redemptions	(230,000)
Accrued interest	4,374
Foreign exchange differences	(90)
<b>Balance 31.3.2008</b>	<b>569,959</b>
<b>Senior Debt securities</b>	
Balance 1.1.2008	14,296,007
<b>Changes for the period from 1.1 – 31.3.2008</b>	
New Issues <sup>(2)</sup>	894,559
(Purchases)/sales by Group companies	(323,343)
Maturities/Redemptions	(1,312,749)
Fair value change due to hedging	8,949
Accrued interest	4,207
Foreign exchange differences	(15,177)
<b>Balance 31.3.2008</b>	<b>13,552,453</b>
<b>Subordinated debt</b>	
Balance 1.1.2008	1,228,888
<b>Changes for the period from 1.1 – 31.3.2008</b>	
New Issues	-
(Purchases)/sales by Group companies	28,770
Maturities/Redemptions <sup>(3)</sup>	(100,000)
Fair value change due to hedging	(3,456)
Accrued interest	(2,163)
Foreign exchange differences	8,825
<b>Balance 31.3.2008</b>	<b>1,160,864</b>
<b>Grand total</b>	<b>15,283,276</b>

Of the above debt securities in issue an amount of € 6,531,750 (31.12.2007: € 6,335,598) held by Bank customers have been reclassified to "Due from customers". Therefore the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 31.3. 2008 amounts to € 8,751,526 (31.12.2007: € 9,189,297).

(1) The Bank raises short term liquidity, through a Euro Commercial paper program amounting to total € 5 billion. Under this program commercial papers may be issued at a discount or may bear floating, fixed or index linked interest with 1 to 364 days duration. The commercial paper can be issued in Euro, US Dollar, GB pound, Swiss Franc, Japanese Yen, Australian Dollar, Canadian Dollar and any other currency that will be agreed by the counterparties.

The outstanding balance as at 31 March 2008 consists of € 567.7 million and USD 3.5 million.

The issues in Euro pay an average spread of 9 basis point up to 25 basis points over Euribor of the respective period.

The issues in US Dollars was set on 14 basis points over six month Libor.

(2) The new senior debt issues pay a Euribor floating rate, with a spread between -10 basis point and +50 basis points, depending on the duration of issue.

(3) On 19.2.2008, five years after issuance, a 10 year subordinated debt of Euro 100 million was redeemed.

**12. Provisions**

	<b>31.3.2008</b>	<b>31.12.2007</b>
Insurance reserves	41,109	41,561
Provisions to cover credit risk	57,498	45,929
Other provisions	7,364	8,445
<b>Total</b>	<b>105,971</b>	<b>95,935</b>

*a. Insurance provisions*

	<b>31.3.2008</b>	<b>31.12.2007</b>
<b>Non-life insurance</b>		
Unearned premiums	5,229	4,643
Outstanding claim reserves	6,168	5,780
<b>Total</b>	<b>11,397</b>	<b>10,423</b>
<b>Life insurance</b>		
Mathematical reserves	6,624	6,992
Outstanding claim reserves	1,106	1,325
<b>Total</b>	<b>7,730</b>	<b>8,317</b>
<b>Reserves for investments held on behalf and at risk of life insurance policy holders</b>	<b>21,982</b>	<b>22,821</b>
<b>Grand total</b>	<b>41,109</b>	<b>41,561</b>

*b. Provisions to cover credit risk*

<b>Balance 1.1.2007</b>	<b>14,946</b>
<b>Changes for the period from 1.1 – 31.3.2007</b>	
Reversal of provisions to cover credit risk relating to off-balance sheet items (note 2)	(14,946)
<b>Balance 31.3.2007</b>	<b>-</b>
<b>Changes for the period from 1.4 – 31.12.2007</b>	
Provisions to cover credit risk relating to off-balance sheet items	45,929
<b>Balance 31.12.2007</b>	<b>45,929</b>
<b>Changes for the period from 1.1 – 31.3.2008</b>	
Provisions to cover credit risk relating to off-balance sheet items (note 2)	11,569
<b>Balance 31.3.2008</b>	<b>57,498</b>

*c. Other provisions*

<b>Balance 1.1.2007</b>	<b>11,432</b>
<b>Changes for the period from 1.1 – 31.3.2007</b>	
Provisions charged to profit and loss	610
Provisions used during the period	(13)
Foreign exchange differences	(726)
<b>Balance 31.3.2007</b>	<b>11,303</b>
<b>Changes for the period from 1.4 – 31.12.2007</b>	
Decrease of provision for contingent liabilities	(3,505)
Provisions used during the period	(5)
Foreign exchange differences	652
<b>Balance 31.12.2007</b>	<b>8,445</b>
<b>Changes for the period from 1.1 – 31.3.2008</b>	
Provisions charged to profit and loss	1,769
Provisions used during the period	(2,838)
Foreign exchange differences	(12)
<b>Balance 31.3.2008</b>	<b>7,364</b>

**Equity****13. Treasury shares**

On 25.2.2008 the 100% subsidiary Alpha Insurance Agents A.E sold 10,080 treasury shares at a price of € 20.8 per share.

Additionally, the Bank based on the decisions of the Ordinary General Shareholders' meetings held in prior years, acquired during the period from 1.1 to 31.3.2008 8,123,677 treasury shares at a cost of € 167,551 thousand (or € 20.63 per share) which represents 1.98% of the total share capital.

## Additional information

### 14. 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.

However, the Group recorded a provision amounting to € 3.7 million for pending legal cases or issues in progress.

#### b) Tax Issues

The Bank and the companies, Alpha Astika Akinita A.E., Messina Holdings S.A., Ionian Hotel Enterprises A.E., ABC Factors A.E. and Kafe Alpha A.E. have been audited by the tax authorities for the years up to and including 2005. Alpha Bank Romania S.A. has been audited up to and including 2006. Tax audit is in progress at Alpha Finance A.E.P.E.Y. and Alpha Leasing A.E. for fiscal years from 2003-2006 and 2005-2006, respectively. The majority of the remaining companies of the Group has been audited by the tax authorities for the years up to and including the year ended 31 December 2002.

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

#### c) Operating Leases

The Group's minimum future lease payments are:

	31.3.2008	31.12.2007
- Less than one year	38,667	30,894
- Between one and five years	104,758	92,662
- More than five years	86,139	79,219
<b>Total</b>	<b>229,564</b>	<b>202,775</b>

The minimum future revenues are:

	31.3.2008	31.12.2007
- Less than one year	5,611	6,017
- Between one and five years	20,895	22,806
- More than five years	7,499	9,177
<b>Total</b>	<b>34,005</b>	<b>38,000</b>

#### d) Off balance sheet liabilities

	31.3.2008	31.12.2007
Letters of credit	199,705	48,014
Letters of guarantee	4,692,890	4,835,271
Credit commitments	18,609,152	17,573,361
<b>Total</b>	<b>23,501,747</b>	<b>22,456,646</b>



*e) Assets pledged*

	<b>31.3.2008</b>	<b>31.12.2007</b>
Loans to customers	800,490	800,490
Investment securities	160,000	160,000
<b>Total</b>	<b>960,490</b>	<b>960,490</b>

The Bank has placed as collateral with the Bank of Greece customer loans in accordance with the Monetary Policy Council Act no 54/27.2.2004 as in force following its amendment by Monetary Policy Council Act 61/6.12.2006. The Bank of Greece accepts from 1.1.2007 as collateral for monetary policy purposes and intraday credit non-marketable assets, which should meet the terms and conditions of the above act.

From the investment securities portfolio € 5,000 is pledged as collateral to the clearing house of derivative transactions "ETESEP A.E." as a margin account insurance. The remaining securities portfolio is pledged as collateral to Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET).

**15. 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 %	
		31.3.2008	31.12.2007
<b>Banks</b>			
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	99.99	99.99
<b>Leasing companies</b>			
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.	Greece	100.00	100.00
4. Alpha Asset Finance C.I. Ltd	Jersey	100.00	100.00
<b>Investment Banking</b>			
1. Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2. Alpha Finance US Corporation	U.S.A.	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. AEF European Capital Investments B.V.	The Netherlands	-	100.00
<b>Asset Management</b>			
1. Alpha Asset Management A.E.D.A.K.	Greece	100.00	100.00
2. Alpha Private Investment Services A.E.P.E.Y.	Greece	100.00	100.00
3. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
<b>Insurance</b>			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Ltd Cyprus	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
<b>Real estate and hotel</b>			
1. Alpha Astika Akinita A.E.	Greece	84.82	84.10
2. Ionian Hotel Enterprises A.E.	Greece	95.67	94.81
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Alpha Real Estate D.O.O. Beograd	Serbia	84.82	84.10
5. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	84.82	84.10
6. Tourist Resorts A.E.	Greece	-	94.81
7. Alpha Immovables Bulgaria E.O.O.D.	Bulgaria	84.82	84.10
<b>Special purpose and holding entities</b>			
1. Alpha Credit Group Plc	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.	Luxemburg	100.00	100.00
6. Ionian Equity Participations Ltd	Cyprus	100.00	100.00
<b>Other companies</b>			
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. Evremethea 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

**b. JOINT VENTURES**

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	60.10	60.10
4. Anadolu Alpha Gayrimenkul Ticaret Anonim Sirketi	Turkey	50.00	50.00
5. APE Investment Property S.A.	Greece	67.42	67.42

The subsidiaries were fully consolidated and the joint ventures were consolidated under the proportionate method.

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

**16. Segment reporting**

(Amounts in million of Euro)

1.1 - 31.3.2008							
<u>Business segments</u>							
	Group	Retail	Corporate Banking	Asset Management/ insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Interest	442.0	271.4	82.8	4.3	7.8	73.9	1.8
Commission	115.3	41.1	20.6	19.1	12.7	22.2	(0.4)
Other income	33.7	3.0	1.6	0.4	7.2	15.0	6.5
<b>Total income</b>	<b>591.0</b>	<b>315.5</b>	<b>105.0</b>	<b>23.8</b>	<b>27.7</b>	<b>111.1</b>	<b>7.9</b>
<b>Total expenses</b>	<b>(263.5)</b>	<b>(141.3)</b>	<b>(29.2)</b>	<b>(13.0)</b>	<b>(10.0)</b>	<b>(59.2)</b>	<b>(10.8)</b>
Impairment	(67.6)	(48.8)	(9.8)	-	-	(9.0)	-
<b>Profit before tax</b>	<b>259.9</b>	<b>125.4</b>	<b>66.0</b>	<b>10.8</b>	<b>17.7</b>	<b>42.9</b>	<b>(2.9)</b>
Income tax	(54.8)						
Profit from discontinued operations	-						
<b>Profit after tax</b>	<b>205.1</b>						

1.1 - 31.3.2007							
<u>Business segments</u>							
	Group	Retail	Corporate Banking	Asset Management/ insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Interest	362.1	228.8	70.6	4.0	8.7	48.0	2.0
Commission	107.5	37.8	21.0	22.5	10.2	16.1	(0.1)
Other income	50.1	5.2	1.3	4.6	8.9	11.2	18.9
<b>Total income</b>	<b>519.7</b>	<b>271.8</b>	<b>92.9</b>	<b>31.1</b>	<b>27.8</b>	<b>75.3</b>	<b>20.8</b>
<b>Total expenses</b>	<b>(233.5)</b>	<b>(132.4)</b>	<b>(27.0)</b>	<b>(13.6)</b>	<b>(8.5)</b>	<b>(42.1)</b>	<b>(9.9)</b>
Impairment	(62.4)	(23.9)	(29.8)	-	-	(8.6)	(0.1)
<b>Profit before tax</b>	<b>223.8</b>	<b>115.5</b>	<b>36.1</b>	<b>17.5</b>	<b>19.3</b>	<b>24.6</b>	<b>10.8</b>
Income tax	(49.2)						
Profit from discontinued operations	81.8						
<b>Profit after tax</b>	<b>256.4</b>						



- i. Retail banking  
Includes all individuals (retail banking customers) of the Group, professionals and small companies.  
  
The Group offers through its extensive 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, letter of guarantees) 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.  
The Group offers working capital facilities, corporate loans, and letters of guarantees.  
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 and Alpha Asset Management A.E.D.A.K.  
In addition it is offered a 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 through specialized subsidiaries (Alpha Finance A.E.P.E.Y., Alpha Ventures A.E.). Includes also 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.

**17. Capital adequacy**

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

In accordance with a decision by the Government of the Bank of Greece the minimum capital adequacy ratios are established (Tier I and capital adequacy ratio) which the Bank must be adhered to.

For the calculation of capital adequacy from 1 January 2008 the new regulatory framework (Basel II), adopted by the Greek Legislation based on Law 3601/2007, is implemented. The new regulatory framework amends significantly 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 Group's regulatory own funds with the risks that the Group undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves, minority interests), additional Tier I capital (hybrid debt) 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 Group in all areas for the next years.

(Amounts in million of Euro)

	<b>31.3.2008</b>	<b>31.12.2007</b>
Risk-weighted assets from credit risk	38,775	39,950
Risk-weighted assets from market risk	447	553
Risk-weighted assets from operational risk	3,066	-
<b>Total risk-weighted assets</b>	<b>42,288</b>	<b>40,503</b>
Upper Tier I capital	3,029	3,137
Tier I capital	3,785	3,890
Total Tier I + Tier II capital	4,856	5,043
Upper Tier I ratio	7.2%	7.7%
Tier I ratio	9.0%	9.6%
<b>Capital adequacy ratio (Tier I + Tier II)</b>	<b>11.5%</b>	<b>12.5%</b>

**18. Related party transactions**

The Bank and the Group companies enter 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 with members of the Board of Directors and their close family members as well as the related results of these transactions are as follows:

	<b>31.3.2008</b>	<b>31.12.2007</b>
Loans	41,570	39,951
Deposits	41,765	43,523
Debts securities in issue	7,675	9,009
Letters of guarantee	99	83
	<b>From 1 January to</b>	
	<b>31.3.2008</b>	<b>31.3.2007</b>
Interest and similar income	392	19
Interest expense and similar charges	580	424

- b. The outstanding balances with associates and the related results of these transactions are as follows:

	<b>31.3.2008</b>	<b>31.12.2007</b>
<b>Assets</b>		
Loans and advances to customers	231	277
<b>Total</b>	<b>231</b>	<b>277</b>
<b>Liabilities</b>		
Amounts due to customers	2	26
<b>Total</b>	<b>2</b>	<b>26</b>
	<b>From 1 January to</b>	
	<b>31.3.2008</b>	<b>31.3.2007</b>
<b>Income</b>		
Interest and similar income	5	12
<b>Total</b>	<b>5</b>	<b>12</b>
<b>Expenses</b>		
Other expenses	639	-
<b>Total</b>	<b>639</b>	<b>-</b>

- c. The Group companies Board of Directors and Executive Manager fees recorded in the income statement for the first quarter of 2008 amounted to € 2,692 (first quarter of 2007: € 2,587).



## 19. Disposals of subsidiaries and other corporate events

- a. According to Law 3606/2007, which incorporates in the Greek Legislation the European's Parliament guidance MIFID (2004/2007) and after the relevant decision of the Extraordinary Shareholders' Meeting held on 14.12.2007 and the approval of the Ministry of Development on 11.2.2008, the name of Alpha Finance A.X.E.P.E.Y. was changed to Alpha Finance A.E.P.E.Y.
- b. As at 28.3.2008, the subsidiary Ionian Hotel Enterprises A.E. completed the transfer of 100% of Tourist Resort A.E., owner of Hilton Rhodes Resort to the Greek Hotel Company Lampsa S.A. and to Plaka S.A. by 50% respectively. The sale resulted in a gain of € 1.5 million for the Group.
- c. On 31.3.2008 the subsidiary AEF European Capital Investments B.V. was liquidated. No profit or loss resulted from the liquidation.

## 20. Events after the balance sheet date

- a. The Ordinary General Shareholders' Meeting, held on 3 April 2008, decided:
  - a dividend distribution of € 0.90 per share for 2007.
  - a share buy-back scheme, for the period April 2008 to April 2010, for up to 5% of its total outstanding paid-in share capital.
  - the increase of the Bank's share capital by the amount of € 328.8 million, through the capitalization of the share premium of € 184 million and part of the taxable retained earnings of € 144.8 million, with an increase of the nominal value of each share from € 3.90 to € 4.70.

The Ministry of Development approved through the K2-5168/22.4.2008 decision, the amendment of article 5 of the Bank's Articles of Incorporation, following the increase in its share capital.

Pursuant to the above, the Bank's share capital amounts to € 1,931,590,264.40, divided into 410.976.652 shares of nominal value € 4.70 each.

- b. On 4 April 2008 the Bank acquired 90% of the newly established Ukrainian Bank OJSC Astra Bank at a cost of € 10.9 million. Both parties agreed that the founders of Astra Bank will hold a 10% participation on the share capital and will continue as members of Bank's management.
- c. 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. Issuer of the Notes 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.

Athens, 27 May 2008

The Chairman of the Board of Directors

The Managing Director

The Executive Director

Group Financial Reporting Officer

Yannis S. Costopoulos  
I.D. No. X 661480

Demetrios P. Mantzounis  
I.D. No. I 166670

Marinos S. Yannopoulos  
I.D. No. N 308546

George N. Kontos  
I.D. No. AB 522299