



ALPHA BANK

INTERIM FINANCIAL STATEMENTS AS AT 30.9.2007

(In accordance with the International Accounting Standard 34)



ATHENS
OCTOBER 30, 2007

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INTERIM FINANCIAL STATEMENTS AS AT 30.9.2007

Interim income statement

(Thousands of Euro)

| | Note | From 1 January to | | From 1 July to | |
|---|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| Interest and similar income | | 2,232,173 | 1,735,732 | 794,875 | 626,084 |
| Interest expense and similar charges | | <u>(1,332,826)</u> | <u>(883,258)</u> | <u>(476,619)</u> | <u>(335,936)</u> |
| Net interest income | | 899,347 | 852,474 | 318,256 | 290,148 |
| Fee and commission income | | 261,088 | 227,451 | 93,425 | 83,005 |
| Commission expense | | <u>(20,294)</u> | <u>(16,123)</u> | <u>(8,838)</u> | <u>(7,227)</u> |
| Net fee and commission income | | 240,794 | 211,328 | 84,587 | 75,778 |
| Dividend income | | 34,004 | 37,685 | 1 | - |
| Gains less losses on financial transactions | | (65,300) | 26,216 | 20,063 | 573 |
| Other income | | <u>25,784</u> | <u>10,418</u> | <u>12,024</u> | <u>3,835</u> |
| | | (5,512) | 74,319 | 32,088 | 4,408 |
| Total Income | | 1,134,629 | 1,138,121 | 434,931 | 370,334 |
| Staff costs | | (288,624) | (271,414) | (95,748) | (89,394) |
| General administrative expenses | | (241,221) | (197,354) | (89,428) | (65,714) |
| Depreciation and amortization expenses | 7,8,9 | (37,046) | (29,617) | (13,444) | (9,930) |
| Other expenses | | <u>(1,858)</u> | <u>(1,163)</u> | <u>(715)</u> | <u>(402)</u> |
| Total expenses | | (568,749) | (499,548) | (199,335) | (165,440) |
| Impairment losses and provisions to cover credit risk | 2 | <u>(136,639)</u> | <u>(165,390)</u> | <u>(48,067)</u> | <u>(49,736)</u> |
| Profit before income tax | | 429,241 | 473,183 | 187,529 | 155,158 |
| Income tax | 3 | <u>(101,605)</u> | <u>(104,032)</u> | <u>(47,186)</u> | <u>(36,055)</u> |
| Profit after income tax | | <u>327,636</u> | <u>369,151</u> | <u>140,343</u> | <u>119,103</u> |
| Earnings per share: | 4 | | | | |
| Basic (€ per share) | | 0.81 | 0.94 | 0.35 | 0.31 |
| Diluted (€ per share) | | 0.80 | 0.94 | 0.34 | 0.30 |

The attached notes (pages 6-26) form an integral part of these interim financial statements.

Interim balance sheet

| | | (Thousands of Euro) | |
|--|------|--------------------------|--------------------------|
| | Note | 30.9.2007 | 31.12.2006 |
| ASSETS | | | |
| Cash and balances with Central Banks | | 1,274,454 | 1,477,675 |
| Due from banks | | 7,266,316 | 6,184,088 |
| Securities held for trading | | 159,010 | 346,207 |
| Derivative financial assets | | 359,331 | 254,566 |
| Loans and advances to customers | 5 | 33,117,223 | 28,237,691 |
| Investment securities | | | |
| -Available for sale | 6 | 4,327,205 | 7,462,388 |
| Investments in subsidiaries, associates and joint ventures | 19 | 1,612,506 | 1,593,550 |
| Investment property | 7 | 42,389 | 42,006 |
| Property, plant and equipment | 8 | 596,299 | 544,636 |
| Goodwill and other intangible assets | 9 | 49,928 | 42,104 |
| Deferred tax assets | | 156,766 | 261,363 |
| Other assets | | 226,654 | 229,825 |
| | | <u>49,188,081</u> | <u>46,676,099</u> |
| Non-current assets held for sale | 10 | 53,537 | 92,513 |
| Total Assets | | <u>49,241,618</u> | <u>46,768,612</u> |
| LIABILITIES | | | |
| Due to banks | | 4,476,589 | 7,222,117 |
| Derivative financial liabilities | | 359,615 | 226,223 |
| Due to customers | | 21,277,491 | 20,372,543 |
| Debt securities in issue and other borrowed funds | 11 | 19,118,446 | 15,148,320 |
| Liabilities for current income tax and other taxes | | 82,403 | 110,102 |
| Deferred tax liabilities | | 70,491 | 137,901 |
| Employee defined benefit obligations | 12 | 512,081 | 513,311 |
| Other liabilities | | 804,749 | 584,358 |
| Provisions | 13 | 34,569 | 17,901 |
| Total Liabilities | | <u>46,736,434</u> | <u>44,332,776</u> |
| EQUITY | | | |
| Share Capital | 14 | 1,602,075 | 1,591,286 |
| Share premium | 14 | 155,410 | 127,961 |
| Reserves | | 364,681 | 207,853 |
| Retained earnings | 14 | 502,685 | 523,201 |
| Treasury shares | 14 | (119,667) | (14,465) |
| Total Equity | | <u>2,505,184</u> | <u>2,435,836</u> |
| Total Liabilities and Equity | | <u>49,241,618</u> | <u>46,768,612</u> |

The attached notes (pages 6-26) form an integral part of these interim financial statements.

Interim statement of changes in equity

| | (Thousands of Euro) | | | | | |
|---|---------------------|----------------|-----------------|-------------------|------------------|------------------|
| | Share capital | Share premium | Reserves | Retained Earnings | Treasury shares | Total |
| Balance 1.1.2006 | 1,456,018 | 125,685 | 220,423 | 337,439 | (188,128) | 1,951,437 |
| Changes in equity for the period 1.1-30.9.2006 | | | | | | |
| Net change in fair value of available-for-sale securities | | | (27,155) | | | (27,155) |
| Net change in fair value of available-for-sale securities transferred to income statement from sales | | | (22,666) | | | (22,666) |
| Net income recognized directly in equity | | | (49,821) | | | (49,821) |
| Profit for the period, after income tax | | | | 369,151 | | 369,151 |
| Total | | | (49,821) | 369,151 | | 319,330 |
| Purchase of treasury shares | | | | | (150,280) | (150,280) |
| Dividends distributed | | | | (237,556) | | (237,556) |
| Share capital increase from capitalization of reserve and change of nominal value of each share to € 3.90 | 133,954 | | | (133,954) | | - |
| Appropriation to reserves | | | 37,780 | (37,780) | | - |
| Recognition of share options granted to employees | | | 3,819 | | | 3,819 |
| Other | | | | 204 | | 204 |
| Balance 30.9.2006 | 1,589,972 | 125,685 | 212,201 | 297,504 | (338,408) | 1,886,954 |
| Balance 1.10.2006 | 1,589,972 | 125,685 | 212,201 | 297,504 | (338,408) | 1,886,954 |
| Changes in equity for the period 1.10-31.12.2006 | | | | | | |
| Net change in fair value of available-for-sale securities | | | (21,273) | | | (21,273) |
| Net change in fair value of available-for-sale securities transferred to income statement from sales | | | 17,862 | | | 17,862 |
| Exchange differences on translating foreign operations | | | | (46) | | (46) |
| Net income recognized directly in equity | | | (3,411) | (46) | | (3,457) |
| Profit for the period, after income tax | | | | 133,142 | | 133,142 |
| Total | | | (3,411) | 133,096 | | 129,685 |
| Purchase of treasury shares | | | | | (59,450) | (59,450) |
| Sale of treasury shares | | | | 92,604 | 383,393 | 475,997 |
| Issue of new shares due to share options exercise | 1,314 | | | | | 1,314 |
| Share premium from exercised share options | | 2,276 | (2,276) | | | - |
| Recognition of share options granted to employees | | | 1,339 | | | 1,339 |
| Other | | | | (3) | | (3) |
| Balance 31.12.2006 | 1,591,286 | 127,961 | 207,853 | 523,201 | (14,465) | 2,435,836 |

The attached notes (pages 6-26) form an integral part of these interim financial statements.

| | (Thousands of Euro) | | | | | |
|--|---------------------|----------------|----------------|-------------------|------------------|------------------|
| | Share capital | Share premium | Reserves | Retained Earnings | Treasury shares | Total |
| Balance 1.1.2007 | 1,591,286 | 127,961 | 207,853 | 523,201 | (14,465) | 2,435,836 |
| Changes in equity for the period 1.1-30.9.2007 | | | | | | |
| Net change in fair value of available-for-sale securities | | | (35,995) | | | (35,995) |
| Net change in fair value of available-for-sale securities transferred to income statement from sales | | | 131,962 | | | 131,962 |
| Exchange differences on translating foreign operations | | | | 76 | | 76 |
| Net Income recognized directly in equity | | | 95,967 | 76 | | 96,043 |
| Profit for the period, after income tax | | | | 327,636 | | 327,636 |
| Total | | | 95,967 | 327,712 | | 423,679 |
| Purchase of treasury shares (note 14) | | | | | (182,891) | (182,891) |
| Sale of treasury shares (note 14) | | | | 9,602 | 77,689 | 87,291 |
| Issue of new shares due to share options exercise (note 14) | 10,789 | 27,449 | | | | 38,238 |
| Dividends distributed (note 14) | | | | (304,421) | | (304,421) |
| Appropriation to reserves | | | 53,400 | (53,400) | | - |
| Recognition of share options granted to employees | | | 7,461 | | | 7,461 |
| Other | | | | (9) | | (9) |
| Balance 30.9.2007 | 1,602,075 | 155,410 | 364,681 | 502,685 | (119,667) | 2,505,184 |

The attached notes (pages 6-26) form an integral part of these interim financial statements.

Interim cash flow statement

| | | (Thousands of Euro) | |
|--|----------|--------------------------|--------------------|
| | | From 1 January to | |
| | Note | 30.9.2007 | 30.9.2006 |
| Cash flows from operating activities | | | |
| Profit before income tax | | 429,241 | 473,183 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 7,8 | 24,080 | 19,670 |
| Amortization of intangible assets | 9 | 12,966 | 9,947 |
| Impairment losses from loans and provisions | | 147,105 | 167,829 |
| Other adjustments | | 7,461 | 3,819 |
| (Gains)/losses from investing activities | | 76,057 | (70,192) |
| (Gains)/losses from financing activities | | 81,315 | 71,824 |
| | | <u>778,225</u> | <u>676,080</u> |
| <i>Net (increase)/decrease in assets relating to operating activities:</i> | | | |
| Due from banks | | (1,477,084) | (444,535) |
| Securities held for trading and derivative financial assets | | 82,432 | (166,221) |
| Loans and advances to customers | | (5,009,462) | (3,469,166) |
| Other assets | | 3,181 | (63,053) |
| <i>Net increase/(decrease) in liabilities relating to operating activities:</i> | | | |
| Due to banks | | (2,745,528) | (1,214,102) |
| Derivative financial liabilities | | 133,392 | 28,947 |
| Due to customers | | 4,535,671 | 4,178,140 |
| Other liabilities | | 198,227 | 198,133 |
| <i>Net cash flows from operating activities before taxes</i> | | (3,500,946) | (275,777) |
| Income taxes paid and other taxes | | (86,675) | (81,437) |
| Net cash flows from operating activities | | (3,587,621) | (357,214) |
| Cash flows from investing activities | | | |
| Acquisitions of subsidiaries, associates and joint ventures | | (22,377) | (10,808) |
| Proceeds from sale of investments in subsidiaries, associates and joint ventures | | 1,117 | 7,914 |
| Dividends received | | 33,994 | 37,685 |
| Purchases of property, plant and equipment | 7,8,9,10 | (65,961) | (53,312) |
| Disposal of property, plant and equipment | | 23,037 | 5,654 |
| Net (increase)/decrease in investment securities | | 3,106,093 | (480,148) |
| Merger of Belgrade branch with Alpha Bank Srbija A.D. | | - | (48,125) |
| Net cash flows from investing activities | | 3,075,903 | (541,140) |
| Cash flows from financing activities | | | |
| Equity increase from share options exercise | 14 | 38,238 | - |
| (Purchases)/Sales of treasury shares | | (80,935) | (144,700) |
| Dividends paid | | (302,259) | (234,707) |
| Proceeds from the issue of debt securities and other borrowed funds | 11 | 677,038 | - |
| Repayment of debt securities and other borrowed funds | | (419,084) | (79,430) |
| Net cash flows from financing activities | | (87,002) | (458,837) |
| Effect of exchange rate fluctuations on cash and cash equivalents | | 643 | 845 |
| Net increase/(decrease) in cash and cash equivalents | | (598,077) | (1,356,346) |
| Cash and cash equivalents at the beginning of the period | | 4,608,407 | 5,083,955 |
| Cash and cash equivalents at the end of the period | | 4,010,330 | 3,727,609 |

The attached notes (pages 6-26) form an integral part of these interim financial statements.

Notes to the financial statements

General information

At present, the Bank operates under the brand name of ALPHA BANK S.A. and with the sign of ALPHA BANK. Its registered office is at 40 Stadiou Street, Athens and it is listed as a societe anonyme, with number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by a decision of the Shareholders in a General Meeting.

In accordance with article 4 of the articles of association, 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 April 19, 2005, ends in 2010. The Board of Directors, after the changes approved by the Board meeting held on 27 February 2007 (resignation of the non-executive member Mr. Takis Athanasopoulos, who was replaced by Mr. Evangelos Kaloussis) as at 30 September 2007 consists of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non Executive Member)

Minas G. Tanes ***

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 *

Sophia G. Eleftheroudaki

Paul G. Karakostas *

Nicholaos I. Manassis**

NON EXECUTIVE INDEPENDENT MEMBERS

Pavlos A. Apostolides **

Thanos M. Veremis

Evangelos J. Kaloussis */*** (On 3 April 2007 he was elected from non-executive member to a non-executive independent member by the Shareholders' Meeting)

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 annual financial statements of the Bank are:

Principal Auditors: Marios T. Kyriacou
Garyfalia B. Spyriouni

Substitute Auditors: Charalambos G. Sirounis
Nikolaos Ch. Tsiboukas

of KPMG Kyriacou Certified Auditors A.E.

The Bank's shares are listed on the Athens Stock Exchange since 1925. As at 30 September 2007, Alpha Bank was ranked 4th among all listed companies, in terms of market capitalization. Since February 2004 the Bank's share has been included in the FTSE Eurofirst 300 Index, which consists of the 300 largest European companies.

Apart from the Greek listing, the shares of the Bank are listed on the London Stock Exchange in the form of international certificates (GDRs) and are traded over the counter in New York (ADRs).

As at 30 September 2007, the Bank has issued 410,788,387 shares.

The Bank's continuous growth and consistent dividend policy has attracted local and foreign investors. This has resulted in an increase in the shares' liquidity which for the nine month period of 2007 amounted to an average of 1,322,205 shares per day.

The credit rating of the Bank remains at a high level (Standard & Poor's: BBB+, 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 30 October 2007.

Accounting policies applied

1. Basis of presentation

The Bank has prepared the condensed interim financial statements as at 30 September 2007 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:

- 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 accounting policies applied by the Bank, in the condensed interim financial statements as at 30 September 2007, are consistent with those stated in the published financial statements for the year ended 31 December 2006, after taking into account new standards and interpretations issued by the International Accounting Standards Board (IASB), adopted by the European Union and they are effective for annual periods beginning on or after 1.1.2007:

- *International Financial Reporting Standard (IFRS) 7 «Financial Instruments: Disclosures»*
- *Amendment to International Accounting Standard (IAS) 1 «Presentation of Financial Statements – Capital Disclosure» (Regulation 108/2006)*

IFRS 7 and the amendment to IAS 1 result in changes relating to the disclosure requirements of financial instruments, which will be presented in the annual financial statements.

- *Interpretation 7 «Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (Regulation 708/2006)*

The adoption of this interpretation had no effect on the Bank's financial statements as the Bank has no operations in hyperinflationary economies.

- *Interpretations 8 and 9 «Scope of IFRS 2» and «Reassessment of embedded derivatives» (Regulation 1329/2006)*

The adoption of these interpretations had no impact on the Bank's financial statements.

- *Interpretation 10 «Interim Financial Reporting and Impairment» (Regulation 610/2007)*

With the adoption of this interpretation an entity cannot reverse an impairment loss recognized in an interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The adoption of this interpretation did not have an impact on Bank's financial statements.

Apart from the above standards and interpretations, the European Union on 1 June 2007 adopted, through regulation 611/2007, Interpretation 11 «IFRS 2 – Group and Treasury Share Transactions», which is effective for annual periods beginning on or after 1.3.2007. The adoption of this interpretation is not expected to have a substantial impact on Bank's financial statements.

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.

- *International Financial Reporting Standard (IFRS) 8 «Operating segments» Effective for annual periods beginning on or after 1.1.2009*

This standard replaces IAS 14 «Segment reporting». Its adoption by the European Union and by the Bank is expected to affect the way that the Bank's disclosures relating to operating segments are presented.

- *Amendment of International Accounting Standard (IAS) 23 «Borrowing costs»*
Effective for annual periods beginning on or after 1.1.2009

On 29 March 2007, the Board issued the revised IAS 23, which removed the option of immediately recognizing as an expense all borrowing costs that relate to assets that have a substantial period of time to get ready for use or sale. Such borrowing costs are capitalized as part of the cost of the asset.

The adoption of this standard is not expected to have a substantial impact on the Bank's financial statements.

- *Amendment of International Accounting Standard (IAS) 1 «Presentation of financial statements»*
Effective for annual periods beginning on or after 1.1.2009

On 6 September 2007, the Board published the revised version of IAS 1 in which is required to aggregate information in the financial statements on the basis of shared characteristics and introduces the statement of comprehensive income. The comprehensive income statement includes profit or loss for the period and all non owner changes in equity, which may be presented either as a subtotal of the statement of comprehensive income or in a separate statement.

The adoption of this Standard by the European Union and the Bank will affect the presentation of financial statements.

- Interpretation 12 *«Service concession arrangements»*
Effective for annual periods beginning on or after 1.1.2008
- Interpretation 13 *«Customer loyalty programmes»*
Effective for annual periods beginning on or after 1.7.2008
- Interpretation 14 *«IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction»*
Effective for annual periods beginning on or after 1.1.2008

The Bank is examining whether there will be an impact from the adoption of the above Interpretations in the financial statements.

The adoption by the European Union, by 31 December 2007, of new standards and interpretations or amendments possibly issued during the current year by the International Accounting Standards Board (IASB) and their mandatory or optional adoption will be effective for periods beginning on or after 1 January 2007, may retrospectively affect the period that these interim financial statements present.

Income statement

2. Impairment losses and provisions to cover credit risk

| | From 1 January to | | From 1 July to | |
|--|-------------------|----------------|----------------|---------------|
| | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| Impairment losses on loans and advances to customers | 130,193 | 151,575 | 23,056 | 49,843 |
| Provisions to cover credit risk from off-balance sheet items | 15,054 | 14,946 | 30,000 | - |
| Recoveries | (8,608) | (1,131) | (4,989) | (107) |
| Total | 136,639 | 165,390 | 48,067 | 49,736 |

3. Income tax

In accordance with Greek tax law the profits of entities in Greece are taxed at a rate of 29% for 2006 and 25% for 2007 and thereafter.

In addition, in accordance with article 9 of Law 2992/2002, as amended by Law 3259/2004, the tax rate for entities that have concluded mergers by 31.12.2005 is reduced by 10% and 5%. This reduced rate is applicable on the profits declared for the first and second fiscal year after the completion of the merger respectively, on the condition that the entities were not related from 1.1.1997 up to 20.3.2002. For entities that were related up to 31.12.1996 the reduction of the tax rate amounts to 5% for each year.

Based on the above, the 2006 profit of the Bank was taxed at the rate of 24% due to the merger with the listed company Delta Singular A.E.P., completed on 8.4.2005. The Bank was not related with Delta Singular A.E.P. before 1.1.1997.

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

Income tax is analyzed as follows:

| | From 1 January to | | From 1 July to | |
|--------------|-------------------|----------------|----------------|---------------|
| | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| Current | 64,376 | 83,806 | 31,231 | 26,722 |
| Deferred | 37,229 | 20,226 | 15,955 | 9,333 |
| Total | 101,605 | 104,032 | 47,186 | 36,055 |

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

| | From 1 January to | | From 1 July to | |
|--|-------------------|---------------|----------------|--------------|
| | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| Depreciation and write-offs of fixed assets | 5,245 | 6,883 | 1,439 | 2,332 |
| Loans and advances to customers | 21,842 | 5,607 | 13,149 | 15,599 |
| Employee defined benefit obligations | 419 | 369 | 135 | 131 |
| Valuation of derivatives | (6,036) | 8,232 | (1,595) | (1,448) |
| Financial Instruments effective interest rate | 2,807 | 811 | 2,485 | 391 |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge | 10,096 | (1,568) | (455) | (8,444) |
| Other temporary differences | 2,856 | (108) | 797 | 772 |
| Total | 37,229 | 20,226 | 15,955 | 9,333 |

Reconciliation of effective and current tax rate is presented below:

| | From 1 January to | | | | From 1 July to | | | |
|--|-------------------|----------------|--------------|----------------|----------------|----------------|--------------|----------------|
| | 30.9.2007 | | 30.9.2006 | | 30.9.2007 | | 30.9.2006 | |
| | % | | % | % | | % | | |
| Profit before income tax | | 429,241 | | 473,183 | | 187,529 | | 155,158 |
| Income tax | 25 | 107,310 | 24 | 113,564 | 25 | 46,882 | 24 | 37,238 |
| Increase/(decrease) due to: | | | | | | | | |
| Additional tax on rental income from fixed assets | 0.02 | 103 | 0.03 | 161 | 0.04 | 66 | 0.03 | 54 |
| Non taxable income | (3.60) | (15,454) | (3.75) | (17,730) | (2.43) | (4,566) | (1.17) | (1,821) |
| Non deductible expenses | 1.22 | 5,213 | 0.27 | 1,281 | 2.05 | 3,860 | 0.30 | 455 |
| Part of profit relating to non taxable income | (0.84) | (3,587) | (0.92) | (4,350) | (1.68) | (3,150) | (0.88) | (1,364) |
| Part of profit relating to distributable income | 0.61 | 2,620 | 0.69 | 3,247 | 1.22 | 2,294 | 0.72 | 1,120 |
| Effect of tax rates used for the calculation of current and deferred tax | | | 0.17 | 809 | | | 0.24 | 373 |
| Other temporary differences | 1.26 | 5,400 | 1.49 | 7,050 | 0.96 | 1,800 | | |
| Income tax | 23.67 | 101,605 | 21.99 | 104,032 | 25.16 | 47,186 | 23.24 | 36,055 |

4. Earnings per share

a. Basic

Basic earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held, during the same period.

| | From 1 January to | | From 1 July to | |
|--|-------------------|-------------|----------------|-------------|
| | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| Profit attributable to shareholders | 327,636 | 369,151 | 140,343 | 119,103 |
| Weighted average number of outstanding ordinary shares | 406,286,618 | 393,326,333 | 406,134,565 | 389,554,901 |
| Basic earnings per share (in €) | 0.81 | 0.94 | 0.35 | 0.31 |

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 has a single category of dilutive potential ordinary shares resulting from a share options program.

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 market share price of the Bank's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options.

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 | | From 1 July to | |
|---|-------------------|-------------|----------------|-------------|
| | 30.9.2007 | 30.9.2006 | 30.9.2007 | 30.9.2006 |
| Profit attributable to shareholders | 327,636 | 369,151 | 140,343 | 119,103 |
| Weighted average number of outstanding ordinary shares | 406,286,618 | 393,326,333 | 406,134,565 | 389,554,901 |
| Adjustment for share options | 967,881 | 983,702 | 1,050,275 | 1,010,221 |
| Weighted average number of outstanding ordinary shares for diluted earnings per share | 407,254,499 | 394,310,035 | 407,184,840 | 390,565,122 |
| Diluted earnings per share (in €) | 0.80 | 0.94 | 0.34 | 0.30 |

Assets

5. Loans and advances to customers

| | 30.9.2007 | 31.12.2006 |
|----------------------------------|--------------------------|--------------------------|
| <i>Individuals:</i> | | |
| - Mortgages | 9,269,086 | 8,176,640 |
| - Consumer | 2,755,348 | 2,169,009 |
| - Credit cards | 994,410 | 905,689 |
| - Other | 103,317 | 130,605 |
| Total | <u>13,122,161</u> | <u>11,381,943</u> |
| <i>Companies:</i> | | |
| - Corporate loans | 20,485,201 | 17,443,652 |
| Other receivables | 191,142 | 151,423 |
| | <u>33,798,504</u> | <u>28,977,018</u> |
| Less: | | |
| Allowance for Impairment losses* | (681,281) | (739,327) |
| Total | <u>33,117,223</u> | <u>28,237,691</u> |

* In addition to the allowance for impairment losses, an additional provision of € 30,000 (31.12.2006: € 14,946) is recorded to cover credit risk relating to off-balance sheet items (note 2). The total provision recorded to cover credit risk amounts to € 711,281 (31.12.2006: € 754,273).

Allowance for Impairment losses

| | |
|---|-----------------------|
| Balance 1.1.2006 | 822,977 |
| Changes for the period 1.1 - 30.9.2006 | |
| Foreign exchange differences | (91) |
| Impairment losses for the period (note 2) | 151,575 |
| Unwinding of the discount | 52,533 |
| Decrease due to merger of Belgrade Branch with Alpha Bank Srbija A.D. | (3,180) |
| Loans written-off during the period | <u>(94,277)</u> |
| Balance 30.9.2006 | 929,537 |
| Changes for the period 1.10 - 31.12.2006 | |
| Foreign exchange differences | (87) |
| Impairment losses for the period | 57,596 |
| Unwinding of the discount | 19,117 |
| Loans written-off during the period | <u>(266,836)</u> |
| Balance 31.12.2006 | 739,327 |
| Changes for the period 1.1 - 30.9.2007 | |
| Foreign exchange differences | (263) |
| Impairment losses for the period (note 2) | 130,193 |
| Unwinding of the discount | 36,332 |
| Loans written-off during the period | <u>(224,308)</u> |
| Balance 30.9.2007 | <u>681,281</u> |

6. Investment securities

| Available-for-sale | 30.9.2007 | 31.12.2006 |
|---------------------------------|-------------------------|-------------------------|
| Government bonds | 1,826,514 | 6,016,005 |
| Other debt securities: | 2,388,678 | 1,345,906 |
| - Listed | 2,356,166 | 1,320,834 |
| - Non-listed | <u>32,512</u> | <u>25,072</u> |
| Shares: | 80,270 | 57,349 |
| - Listed | 63,666 | 46,286 |
| - Non-listed | <u>16,604</u> | <u>11,063</u> |
| Other variable yield securities | <u>31,743</u> | <u>43,128</u> |
| Total | <u>4,327,205</u> | <u>7,462,388</u> |

7. Investment property

| | Land and Building |
|------------------------------------|-------------------|
| Balance 1.1.2006 | |
| Cost | 49,618 |
| Accumulated depreciation | <u>(6,373)</u> |
| Net book value 1.1.2006 | <u>43,245</u> |
| <hr/> | |
| 1.1.2006-30.9.2006 | |
| Net book value 1.1.2006 | 43,245 |
| Additions | 3 |
| Depreciation charge for the period | <u>(301)</u> |
| Net book value 30.9.2006 | <u>42,947</u> |
| Balance 30.9.2006 | |
| Cost | 49,621 |
| Accumulated depreciation | (6,674) |
| <hr/> | |
| 1.10.2006-31.12.2006 | |
| Net book value 1.10.2006 | 42,947 |
| Additions | 44 |
| Disposals | (884) |
| a) Cost | (1,216) |
| b) Accumulated depreciation | 332 |
| Depreciation charge for the period | <u>(101)</u> |
| Net book value 31.12.2006 | <u>42,006</u> |
| Balance 31.12.2006 | |
| Cost | 48,449 |
| Accumulated depreciation | (6,443) |
| <hr/> | |
| 1.1.2007-30.9.2007 | |
| Net book value 1.1.2007 | 42,006 |
| Additions | 684 |
| Depreciation charge for the period | <u>(301)</u> |
| Net book value 30.9.2007 | <u>42,389</u> |
| Balance 30.9.2007 | |
| Cost | 49,133 |
| Accumulated depreciation | (6,744) |
| <hr/> | |

8. Property, plant and equipment

| | Land and Buildings | Leased Equipment | Equipment | Total |
|--|-----------------------|---------------------|-----------|-----------|
| Balance 1.1.2006 | | | | |
| Cost | 647,739 | 1,210 | 246,692 | 895,641 |
| Accumulated depreciation | (154,914) | (890) | (210,326) | (366,130) |
| Net book value 1.1.2006 | 492,825 | 320 | 36,366 | 529,511 |
| 1.1.2006 -30.9.2006 | | | | |
| Net book value 1.1.2006 | 492,825 | 320 | 36,366 | 529,511 |
| Additions | 14,260 | | 20,497 | 34,757 |
| Foreign exchange differences | (8) | | (2) | (10) |
| <i>a) Cost</i> | (11) | | (6) | (17) |
| <i>b) Accumulated depreciation</i> | 3 | | 4 | 7 |
| Disposals (1) | (6,208) | | (559) | (6,767) |
| <i>a) Cost</i> | (6,642) | | (2,085) | (8,727) |
| <i>b) Accumulated depreciation</i> | 434 | | 1,526 | 1,960 |
| Reclassification | | | | |
| <i>a) Cost</i> | | (68) | 68 | - |
| <i>b) Accumulated depreciation</i> | | 68 | (68) | - |
| Depreciation charge for the period (2) | (9,301) | (90) | (9,910) | (19,301) |
| Net book value 30.9.2006 | 491,568 | 230 | 46,392 | 538,190 |
| Balance 30.9.2006 | | | | |
| Cost | 655,346 | 1,142 | 265,166 | 921,654 |
| Accumulated depreciation | (163,778) | (912) | (218,774) | (383,464) |
| 1.10.2006 -31.12.2006 | | | | |
| Net book value 1.10.2006 | 491,568 | 230 | 46,392 | 538,190 |
| Additions | 10,353 | | 4,603 | 14,956 |
| Foreign exchange differences | (13) | | (3) | (16) |
| <i>a) Cost</i> | (19) | | (11) | (30) |
| <i>b) Accumulated depreciation</i> | 6 | | 8 | 14 |
| Disposals | (1,242) | | (12) | (1,254) |
| <i>a) Cost</i> | (1,729) | | (458) | (2,187) |
| <i>b) Accumulated depreciation</i> | 487 | | 446 | 933 |
| Depreciation charge for the period | (3,333) | (30) | (3,877) | (7,240) |
| Net book value 31.12.2006 | 497,333 | 200 | 47,103 | 544,636 |
| Balance 31.12.2006 | | | | |
| Cost | 663,951 | 1,142 | 269,300 | 934,393 |
| Accumulated depreciation | (166,618) | (942) | (222,197) | (389,757) |

1.1.2007-30.9.2007

| | | | | |
|--|----------------|------------|---------------|----------------|
| Net book value 1.1.2007 | 497,333 | 200 | 47,103 | 544,636 |
| Additions | 21,767 | | 15,824 | 37,591 |
| Foreign exchange differences | 15 | | 4 | 19 |
| <i>a) Cost</i> | 23 | | 15 | 38 |
| <i>b) Accumulated depreciation</i> | (8) | | (11) | (19) |
| Disposals | (4,529) | | (44) | (4,573) |
| <i>a) Cost</i> | (7,408) | | (1,272) | (8,680) |
| <i>b) Accumulated depreciation</i> | 2,879 | | 1,228 | 4,107 |
| Reclassification from non-current assets held for sale (3) | 42,405 | | | 42,405 |
| <i>a) Cost</i> | 43,298 | | | 43,298 |
| <i>b) Accumulated depreciation</i> | (893) | | | (893) |
| Depreciation charge for the period | (11,065) | (90) | (12,624) | (23,779) |
| Net book value 30.9.2007 | <u>545,926</u> | <u>110</u> | <u>50,263</u> | <u>596,299</u> |

Balance 30.9.2007

| | | | | |
|--------------------------|-----------|---------|-----------|-----------|
| Cost | 721,631 | 1,142 | 283,867 | 1,006,640 |
| Accumulated depreciation | (175,705) | (1,032) | (233,604) | (410,341) |

Notes: (1) Disposals include an amount of € 6,134 relating to property, plant and equipment of the Belgrade Branch which merged in May 2006 with Bank's subsidiary Alpha Bank Srbija A.D.

(2) For the same reason mentioned above, depreciation charge for the period does not include depreciation for 1.1 – 31.5.2006 of the Belgrade Branch amounting to € 68.

(3) 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. The depreciation for the respective period that the specific Property, plant and equipment was classified as «Non-current asset held for sale» amounts to € 2.2 million.

9. Goodwill and other intangible assets

Only software is included in this category

Balance 1.1.2006

| | |
|--------------------------|-----------------|
| Cost | 104,142 |
| Accumulated amortization | <u>(71,126)</u> |
| Net book value 1.1.2006 | <u>33,016</u> |

1.1.2006-30.9.2006

| | |
|------------------------------------|----------------|
| Net book value 1.1.2006 | 33,016 |
| Additions | 13,642 |
| Foreign exchange differences | (2) |
| <i>a) Cost</i> | (2) |
| <i>b) Accumulated amortization</i> | - |
| Disposals | (49) |
| <i>a) Cost</i> | (63) |
| <i>b) Accumulated amortization</i> | 14 |
| Amortization charge for the period | <u>(9,947)</u> |
| Net book value 30.9.2006 | <u>36,660</u> |

Balance 30.9.2006

| | |
|--------------------------|----------|
| Cost | 117,719 |
| Accumulated amortization | (81,059) |

1.10.2006-31.12.2006

| | |
|------------------------------------|---------------|
| Net book value 1.10.2006 | 36,660 |
| Additions | 9,004 |
| Foreign exchange differences | (1) |
| a) Cost | (2) |
| b) Accumulated amortization | 1 |
| Disposals | (50) |
| a) Cost | (50) |
| b) Accumulated amortization | - |
| Amortization charge for the period | (3,509) |
| Net book value 31.12.2006 | <u>42,104</u> |

Balance 31.12.2006

| | |
|--------------------------|----------|
| Cost | 126,671 |
| Accumulated amortization | (84,567) |

1.1.2007-30.9.2007

| | |
|------------------------------------|---------------|
| Net book value 1.1.2007 | 42,104 |
| Additions | 21,407 |
| Foreign exchange differences | 1 |
| a) Cost | 4 |
| b) Accumulated amortization | (3) |
| Disposals | (618) |
| a) Cost | (618) |
| b) Accumulated amortization | - |
| Amortization charge for the period | (12,966) |
| Net book value 30.9.2007 | <u>49,928</u> |

Balance 30.9.2007

| | |
|--------------------------|----------|
| Cost | 147,464 |
| Accumulated amortization | (97,536) |

10. Non-current assets held for sale**Fixed assets**

| | Land and Buildings | Office equipment | Total |
|--|-----------------------|---------------------|---------------|
| 1.1.2006-30.9.2006 | | | |
| Balance 1.1.2006 | 87,909 | 585 | 88,494 |
| Additions | 4,581 | 329 | 4,910 |
| Disposals | (2,559) | (325) | (2,884) |
| Balance 30.9.2006 | 89,931 | 589 | 90,520 |
| 1.10.2006-31.12.2006 | | | |
| Balance 1.10.2006 | 89,931 | 589 | 90,520 |
| Additions | 3,476 | 226 | 3,702 |
| Disposals | (1,483) | (226) | (1,709) |
| Balance 31.12.2006 | 91,924 | 589 | 92,513 |
| 1.1.2007-30.9.2007 | | | |
| Balance 1.1.2007 | 91,924 | 589 | 92,513 |
| Additions | 5,863 | 415 | 6,278 |
| Disposals | (2,385) | (464) | (2,849) |
| Reclassification to «Property, plant and equipment» | (42,405) | | (42,405) |
| Balance 30.9.2007 | 52,997 | 540 | 53,537 |

Non-current assets held for sale amounting to € 42.4 million have been reclassified to «Property, plant and equipment» due to Bank's decision to use these assets for administrative purposes.

Liabilities

11. Debt securities in issue and other borrowed funds

| | |
|---|--------------------------|
| Senior debt securities | |
| Balance 1.1.2007 | 13,165,944 |
| Changes for the period from 1.1 to 30.9.2007 | |
| New issues ⁽¹⁾ | 6,803,280 |
| Maturities/Redemptions | (3,165,778) |
| Fair value changes due to hedging | (41,371) |
| Change in accrued interest | 44,469 |
| Foreign exchange differences | <u>(9,877)</u> |
| Balance 30.9.2007 | <u>16,796,667</u> |
| Subordinated debt | |
| Balance 1.1.2007 | 1,061,008 |
| Changes for the period from 1.1 to 30.9.2007 | |
| New issues ⁽²⁾ | 677,038 |
| Maturities/Redemptions ⁽³⁾ | (325,000) |
| Fair value changes due to hedging | 989 |
| Change in accrued interest | 2,894 |
| Foreign exchange differences | <u>(7,710)</u> |
| Balance 30.9.2007 | <u>1,409,219</u> |
| Hybrid securities | |
| Balance 1.1.2007 | 921,368 |
| Changes for the period from 1.1 to 30.9.2007 | |
| Change in accrued interest | <u>(8,808)</u> |
| Balance 30.9.2007 | <u>912,560</u> |
| Grand Total | <u>19,118,446</u> |

(1) The majority of the new senior debt securities (€ 6,024 million) pay a Euribor floating rate, with a spread between -10 and +25 basis points, depending on the duration of issue.

(2) On 1 February 2007, a loan of € 350 million, which pays three month Euribor plus 40 basis points for the first 5 years was issued. If the Bank does not redeem the loan, the spread for the next five years increases to 170 basis points.

On 8 March 2007, a loan of € 200 million, which pays three month Euribor plus 35 basis points for the first 5 years was issued. If the Bank does not redeem the loan, the spread for the next 5 years increases to 165 basis points.

On 27 July 2007, a perpetual upper Tier II security of € 130 million nominal value, which pays three month Euribor plus 50 basis points for the first 5 years, was issued. If the Bank does not redeem the security, the spread for the next 5 years increases to 150 basis points.

(3) On 8 March 2007, five years after issuance, the Bank redeemed 10 year subordinated debt, amounting to € 300 million.

On 8 May 2007, five years after issuance, the Bank redeemed 10 year subordinated debt, amounting to € 25 million.

12. Employee defined benefit obligations

The management of the Bank on 21.11.2006 in accordance with Law 3371/2005, submitted an application for its employees to join the common bank employee pension fund (ETAT).

In accordance with the above law a special economic valuation has been completed, and the cost of the accession is within the limits of the recorded provision.

The procedure of the accession is in progress.

13. Provisions

| | |
|--|---------------|
| Balance 1.1.2006 | 1,628 |
| Changes for the period from 1.1 to 30.9.2006 | |
| Provisions to cover credit risk relating to off-balance sheet items (note 2) | 14,946 |
| Other provisions | 1,008 |
| Provisions used during the period | (113) |
| Balance 30.9.2006 | 17,469 |
| Changes for the period from 1.10 to 31.12.2006 | |
| Other provisions | 461 |
| Provisions used during the period | (29) |
| Balance 31.12.2006 | 17,901 |
| Changes for the period from 1.1 to 30.9.2007 | |
| Provisions to cover credit risk relating to off-balance sheet items (note 2) | 15,054 |
| Other provisions | 1,629 |
| Provisions used during the period | (15) |
| Balance 30.9.2007 | 34,569 |

The amounts of other provisions are included in the income statement caption «Other expenses».

Equity

14. Share capital, Share premium, Retained earnings and Treasury shares

a) *Share capital and share premium*

On 25 September 2007, as a result of the exercise of 2,766,385 share options, the Bank's share capital increased by € 10,789, with the issuance of 2,766,385 new shares of nominal value of € 3.90 each. Since the exercise price for 1,642,680 share options was set at € 20.61 the share premium reserve was increased by € 27,449, which is the difference between the exercised price and nominal value of each share.

The share capital as at 30 September 2007 amounted to € 1,602,075 (31.12.2006: € 1,591,286) and the total number of ordinary shares was 410,788,387 (31.12.2006: 408,022,002). The share premium reserve amounted to € 155,410 (31.12.2006: € 127,961).

b) *Retained earnings*

On 17 April 2007, dividends for the year 2006 amounting to € 304,421 or € 0.75 per share were distributed.

c) *Treasury shares*

The Bank purchased, during the period from 1.1 to 30.9.2007, 7,744,589 treasury shares at a cost of € 182,891 or € 23.62 per share.

On 1 August 2007, the Bank successfully completed the placement of 3,505,992 treasury shares, representing 0.86% of its issued share capital, with a price of € 24.90 per share.

As at 30.9.2007 total treasury shares held by the Bank were 5,040,316 with a cost of € 119,667 or € 23.74 per share.

The Ordinary General Shareholders' Meeting held on 3 April 2007 approved a treasury share purchase program for the period from April 2007 to April 2008, of 3% of the total paid-in share capital at a minimum price of € 3.90 i.e. the nominal value of the share and a maximum price of € 32.

Additional information

15. 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*

The Bank's books and records have been audited by the tax authorities up to and including the year ended 31 December 2005. Additional taxes and penalties may be imposed for the unaudited year ended 31 December 2006.

c) *Operating leases*

- *The Bank as 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:

| | 30.9.2007 | 31.12.2006 |
|------------------------------|----------------|----------------|
| - less than one year | 24,622 | 22,601 |
| - between one and five years | 65,929 | 68,187 |
| - more than five years | 51,014 | 41,503 |
| Total | 141,565 | 132,291 |

The lease expenses for the nine month period of 2007 relating to rental of buildings amount to € 20,038 (2006: € 17,340) and are included in «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:

| | 30.9.2007 | 31.12.2006 |
|------------------------------|---------------|---------------|
| - less than one year | 3,311 | 2,945 |
| - between one and five years | 8,651 | 8,988 |
| - more than five years | 4,238 | 4,805 |
| Total | 16,200 | 16,738 |

The lease revenues for the nine month period of 2007 amount to € 2,477 (2006: € 2,213) and are included in «Other income».

d) *Off balance sheet liabilities*

| | 30.9.2007 | 31.12.2006 |
|--|-------------------|-------------------|
| Letters of guarantee | 5,030,952 | 4,325,763 |
| Letters of credit | 100,740 | 223,582 |
| Credit commitments | 15,725,782 | 13,709,879 |
| Guarantees relating to bonds issued by subsidiaries of the Bank | 19,132,217 | 15,143,455 |
| Total | 39,989,691 | 33,402,679 |

e) **Assets pledged**

| | | |
|-----------------------|------------------|-------------------|
| | 30.9.2007 | 31.12.2006 |
| Investment securities | 505,000 | 585,000 |
| Total | 505,000 | 585,000 |

From the investment securities portfolio € 5,000 is pledged as collateral to 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).

16. Segment reporting

(Millions of Euro)

| 1.1 - 30.9.2007 | | | | | | | |
|---------------------------------|----------------|---------------|--------------------------|------------------------------------|-------------------------------------|--------------------|---------------|
| Business segments | | | | | | | |
| | Bank | Retail | Corporate Banking | Asset Management/ insurance | Investment Banking/ Treasury | S.E. Europe | Other |
| Interest | 899.3 | 672.9 | 180.1 | 2.6 | 26.9 | 16.8 | - |
| Commission | 240.8 | 119.5 | 69.3 | 38.5 | 9.6 | 3.9 | - |
| Other income | (5.5) | 14.8 | 3.7 | 1.8 | 19.8 | 0.7 | (46.3) |
| Total income | 1,134.6 | 807.2 | 253.1 | 42.9 | 56.3 | 21.4 | (46.3) |
| Expenses | (568.8) | (403.7) | (74.6) | (22.3) | (15.8) | (14.5) | (37.9) |
| Impairment | (136.6) | (77.9) | (58.7) | - | - | - | - |
| Profit before income tax | 429.2 | 325.6 | 119.8 | 20.6 | 40.5 | 6.9 | (84.2) |

| 1.1 - 30.9.2006 | | | | | | | |
|---------------------------------|----------------|---------------|--------------------------|------------------------------------|-------------------------------------|--------------------|--------------|
| Business segments | | | | | | | |
| | Bank | Retail | Corporate Banking | Asset Management/ insurance | Investment Banking/ Treasury | S.E. Europe | Other |
| Interest | 852.5 | 629.5 | 171.2 | 2.9 | 37.3 | 11.6 | - |
| Commission | 211.3 | 103.5 | 58.6 | 35.1 | 12.0 | 2.1 | - |
| Other income | 74.3 | 7.8 | 2.1 | 0.8 | 2.1 | 0.5 | 61.0 |
| Total income | 1,138.1 | 740.8 | 231.9 | 38.8 | 51.4 | 14.2 | 61.0 |
| Expenses | (499.5) | (362.0) | (64.5) | (19.7) | (13.4) | (8.0) | (31.9) |
| Impairment | (165.4) | (126.8) | (38.6) | - | - | - | - |
| Profit before income tax | 473.2 | 252.0 | 128.8 | 19.1 | 38.0 | 6.2 | 29.1 |

i. Retail

Includes all individuals (retail banking customers) of the Bank, professionals, and small companies.

The Bank, through its extensive 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, letter of guarantees), debit and credit cards to the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with multinational activities, corporations managed by the Corporate Banking and shipping divisions.

The Bank offers working capital facilities, corporate loans, and letters of guarantees.

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 corporations.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. 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 operating in South Eastern Europe.

vi. Other

This segment consists of the Bank's administration section.

17. Capital adequacy

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 and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the investment portfolio and the market risk of the trading portfolio.

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.

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.

| | (Millions of Euro) | |
|--|--------------------|-------------------|
| | 30.9.2007 | 31.12.2006 |
| Risk-weighted assets from credit risk | 33,983 | 30,112 |
| Risk-weighted assets from market risk | 716 | 641 |
| Total Risk-weighted assets | <u>34,699</u> | <u>30,753</u> |
| Upper Tier I capital | 2,334 | 2,352 |
| Tier I capital | 2,284 | 2,309 |
| Tier I + Tier II capital | 4,244 | 4,080 |
| Upper Tier I ratio | 6.7% | 7.6% |
| Tier I ratio | 6.6% | 7.5% |
| Capital adequacy ratio (Tier I + Tier II) | 12.2% | 13.3% |

18. Related party transactions

The Bank enters into a number of banking transactions with related parties in the normal course of business. These transactions are performed at arms length terms and are approved by Bank's relevant committees.

a. The outstanding balances with members of the Board of Directors and their close family members are as follows:

| | 30.9.2007 | 31.12.2006 |
|----------------------|------------------|-------------------|
| Loans | 29,913 | 2,148 |
| Deposits | 38,928 | 29,761 |
| Letters of guarantee | 10,559 | 165 |

| | From 1 January to | |
|-------------------------------|--------------------------|------------------|
| | 30.9.2007 | 30.9.2006 |
| Interest and similar income | 136 | 34 |
| Interest and similar expenses | 739 | 554 |

β. The outstanding balances with subsidiaries and associates and the respective results of these transactions are as follows:

I. Subsidiaries

| | 30.9.2007 | 31.12.2006 |
|---|-------------------|-------------------|
| Assets | | |
| Due from banks | 4,064,236 | 1,787,315 |
| Securities held for trading | 9,710 | 48,089 |
| Derivative financial assets | 862 | 113 |
| Loans and advances to customers | 1,324,567 | 1,299,575 |
| Available-for-sale securities | 1,436,439 | 290,816 |
| Total | 6,835,814 | 3,425,908 |
| Liabilities | | |
| Due to banks | 1,450,919 | 1,183,878 |
| Due to customers | 97,179 | 466,666 |
| Derivative financial liabilities | 1,185 | 634 |
| Debt securities in issue and other borrowed funds | 19,118,446 | 15,148,320 |
| Other liabilities | 5,803 | 4,095 |
| Total | 20,673,532 | 16,803,593 |
| Letters of guarantee and other guarantees | 574,863 | 84,063 |

| | From 1 January to | |
|---------------------------------------|--------------------------|------------------|
| | 30.9.2007 | 30.9.2006 |
| Income | | |
| Interest and similar income | 157,331 | 72,593 |
| Dividend income | 32,461 | 35,715 |
| Fee and commission income | 37,556 | 35,524 |
| Other income | 1,960 | 1,850 |
| Total | 229,308 | 145,682 |
| Expenses | | |
| Interest expenses and similar charges | 662,587 | 334,117 |
| Commission expense | 1,187 | 1,159 |
| General administrative expenses | 9,936 | 12,172 |
| Total | 673,710 | 347,448 |

II. Associates

| | 30.9.2007 | 31.12.2006 |
|---------------------------------|------------------|-------------------|
| Assets | | |
| Loans and advances to customers | 283 | 611 |
| Liabilities | | |
| Due to customers | 4 | 5 |

| | From 1 January to | |
|---------------------------------|-------------------|------------|
| | 30.9.2007 | 30.9.2006 |
| Income | | |
| Interest and similar income | 25 | 72 |
| Dividend income | 9 | 155 |
| Fee and commission income | - | 24 |
| Other income | - | 334 |
| Total | 34 | 585 |
| Expenses | | |
| Interest and similar charges | - | 5 |
| General administrative expenses | - | 509 |
| Total | - | 514 |

- c) The Board of Directors and Executive General Managers fees recorded in the income statement for the nine month period ended 30 September 2007 amounted to € 5,795 (30.9.2006: € 3,719).

19. Acquisitions, disposals of subsidiaries, associates and other corporate events

- a. On 5 March 2007, the Bank filed a tender offer for the acquisition of the remaining shares of its subsidiary Alpha Leasing A.E., which the Capital Market Committee approved on 8.3.2007. During April 2007, the Bank acquired 95,773 shares representing 0.24% of the paid in share capital and voting rights of the Company. Consequently, the number of Alpha Leasing A.E. shares and voting rights held by Alpha Bank amounts to 39,585,000, or 100%. At the same time, the Capital Market Committee approved on 17.5.2007 the delisting of Alpha Leasing A.E. shares from the Athens Stock Exchange following the Company's application.
- b. On 13 March 2007, the process of the separation and transfer of the Rhodes Hotel sector from Bank's subsidiary Ionian Hotel Enterprises A.E. to Tourist Resorts A.E. was completed.
- c. On 21 March 2007, the restaurant buffet sector of Tourist Resorts A.E. was transferred to the subsidiary Kafe Alpha A.E.
- d. On 23 March 2007, the transaction for the sale of Alpha Insurance A.E., a subsidiary of Alpha Group Investments Ltd to AXA, an insurance company which is the worldwide leader in financial protection, was completed for € 255 million. At the same time, Alpha Bank and AXA have signed a long-term exclusive bancassurance agreement for the distribution of AXA insurance products through Alpha Bank's extensive branch network.
- e. On 29 March 2007, Alpha Immovables Bulgaria E.O.O.D was founded in Sofia with initial capital € 306 by the Bank's subsidiary Alpha Astika Akinita A.E. The Company's main purpose is to provide real estate services.
- f. On 30 April 2007, the Bank acquired 50% of Anadolu Alpha Gayrimenkul Ticaret Anonim Sirketi, a new founded company in Istanbul, participating together with Anadolu Group. The Company would be a vehicle for investments in Turkey.
Due to the non-approval by the Turkish regulatory authorities of the application to acquire a holding in companies Alternatifbank and Alternatiflease, Alpha Bank and the Anadolu Group have terminated, on a consensual basis, their business agreement for lack, at present, of a subject matter.
- g. On 14 June 2007, Ionian Supporting Services A.E. and Ionian Investments A.E. were established in Athens, of which the Bank has a 99% interest in both entities. The primary activity of Ionian Supporting Services A.E. is to provide support services to the Bank and the group entities, whereas Ionian Investments A.E. is involved in the acquisition and sale of securities. The share capital of each company amounts to € 60.
- h. On 19 June 2007, the Bank acquired 100% of the shares of the Cypriot company Ionian Equity Participations Ltd. The Company is presently dormant and its share capital amounts to CYP 1,000.
- i. On 19 June 2007, the Bank acquired 9,034,808 ordinary shares at a price of € 0.60 each by participating to AEGEK A.E., a listed construction company, share capital increase.
- j. On 29 June 2007, the transfer of 100% of the shares of Alpha Private Investment Services A.E.P.E.Y. from Alpha Bank London Ltd to the Bank was completed.
- k. On 18 July 2007, the Bank sold its participation to Unisystems A.E. (ownership interest 9.67%).

l. On 18 September 2007, the Bank participated in ALC Novelle Investments Ltd share capital increase proportionally by € 20.

m. On 28 September 2007, the Bank participated in A.P.E. Commercial Property A.E., share capital increase proportionally by € 541.

An analysis of investments in subsidiaries, associates and joint ventures is presented below:

| Subsidiaries | 1.1-30.9.2007 | 1.10-31.12.2006 | 1.1-30.9.2006 |
|---|-------------------------|-------------------------|-------------------------|
| Opening balance | 1,587,804 | 1,501,966 | 1,471,394 |
| Additions ⁽¹⁾ | 21,802 | 165,679 | 32,499 |
| Disposals | (1,117) | (80,505) | (3,371) |
| Valuation of investments due to fair value hedge ⁽²⁾ | (2,304) | 664 | 1,444 |
| Closing balance | <u>1,606,185</u> | <u>1,587,804</u> | <u>1,501,966</u> |
| Associates | | | |
| Opening balance | 5,624 | 10,521 | 10,463 |
| Additions | 20 | (1,092) | 1,236 |
| Disposals | - | (3,805) | (1,178) |
| Closing balance | <u>5,644</u> | <u>5,624</u> | <u>10,521</u> |
| Joint-ventures | | | |
| Opening balance | 122 | 122 | 122 |
| Additions ⁽³⁾ | 555 | - | - |
| Closing balance | <u>677</u> | <u>122</u> | <u>122</u> |
| Grand total | <u>1,612,506</u> | <u>1,593,550</u> | <u>1,512,609</u> |

Additions represent: Share purchases, participation in share capital increases and acquisitions of shares from mergers.

Disposals represent: Sales of shares, return of capital and proceeds arising from the liquidation of companies.

(1) The following amounts are included:

- Purchases of Ionian Hotel Enterprises A.E. shares € 1,601
- Purchases of Alpha Astika Akinita A.E. shares € 14,938
- Purchases of Alpha Leasing A.E. shares € 846
- Purchases of Alpha Private Investment Services A.E.P.E.Y. shares € 3,371

(2) The Bank uses FX swaps and money market depots to hedge the foreign exchange risk of its investments in Alpha Bank London Ltd and Alpha Bank Romania S.A., respectively.

(3) The following amounts are included:

- Purchases of Anadolu Alpha Gayrimenkul Ticaret A.S. shares € 14
- Purchases of A.P.E. Commercial Property shares € 541

20. Events after the balance sheet date

There are no events after the balance sheet date which require disclosure in accordance with International Financial Reporting Standards (IFRS).

Athens, 30 October 2007

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