

Press Release

Nine Month 2008 Results

**Net Profit at Euro 568 million, impacted by pre-emptive loan loss reserve buildup
Alpha Bank applies to the Greek Economy Stimulus Plan to sustain economic stability
and growth in Greece**

Solid financial performance

- Earnings per share at Euro 1.40 with return on equity at 23% for the nine month and 18.5% for the third quarter.
- Pre-provision income up 9.7%.
- Net interest income grew by 16.6% to Euro 1.4 billion.
- Customer assets reached Euro 50 billion, with deposits increasing strongly by Euro 4.6 billion in the third quarter.
- Net loans growth rate decelerated to 25.9% reaching Euro 49.6 billion, with new loan balances of Euro 2.8 billion in the third quarter.
- Cost to income ratio at 46.4%.

Sound balance sheet metrics

- Robust capital adequacy with Tier I ratio at 8.7% and Total BIS ratio at 10.8%.
- Loan to deposit ratio improves strongly to 118%.
- Ample liquidity with Euro 3.1 billion un-utilised pool at the European Central Bank.
- Credit quality stable with NPLs at 3.5% while total coverage increases to 136%, of which 56% refers to on-balance sheet provisions.

Branch network: 956 Units in Greece and Southeastern Europe

“Alpha Bank is in a sound position and has the right business model to endure the tough economic outlook of the markets in which it operates. In light of the unprecedented turmoil in the credit markets we shall continue to support the economic activity in the region and the growth prospects of our customers and to that extent we intend to apply for all available measures in the Greek Government Economic Stimulus Plan.”

Yannis S. Costopoulos, Chairman

“We are taking concrete steps to prepare ourselves for the deteriorating economic environment. Our premium Network attracted significant new deposits and we are acting to increase our ECB eligible securities pool to more than Euro 10 billion by the end of 2009 from Euro 600 million utilised by September 2008. Our Tier I ratio continues to be at a comfortable 8.7% but in line with the new capital standards imposed by international competition we will apply to place preference shares with the Hellenic Republic. Finally, we are building loan loss reserves pre-emptively in anticipation of weakening credit conditions.”

Demetrios P. Mantzounis, Managing Director

KEY DEVELOPMENTS**- Unprecedented deepening of the crisis**

Since September numerous critical situations have unfolded in the financial services industry and extraordinary conditions have shaped the markets. Although these events have occurred outside our markets, it is increasingly clear that they will impact the growth outlook in all of the countries where Alpha Bank operates. In response to this deteriorating outlook Alpha Bank's conservative loan origination policy, diversified loan portfolio (by geography and segment) and strong relationships in corporate banking position us well to weather this challenging operating environment.

- Strengthening the balance sheet as the appropriate policy response to the crisis

The global response in the banking sector has been marked by large scale recapitalisation and preservation of liquidity. In Greece the draft Law on the "Stimulus for the Greek Economy to address the Impact of the Global Financial Crisis" provides relevant measures to facilitate the Greek banks to support the continued development of the Greek economy. Alpha Bank's intention is to apply for all measures to strengthen its liquidity and capital position. By utilising the Greek Economy Stimulus Plan, Alpha Bank will ensure that it will compete on equal terms with its international peers as well as provide liquidity for a key part of the Greek economy. Participation in the Greek Economy Stimulus Plan should allow Alpha Bank to enhance its Tier I ratio to reach a pro-forma 10.3%.

- Solid liquidity supported by successful deposit gathering and strong expansion of stock of ECB eligible securities pool

Alpha Bank's strong brand and the nationwide coverage in Greece and – as of this year – in Southeastern Europe allowed it to upscale its deposit gathering activities. The priority is that new deposits should match new loan disbursements. The business saw a 30% increase in deposits to reach Euro 42.2 billion. In addition, out of the Euro 3.7 billion ECB eligible securities pool, Euro 600 million were utilised by the end of September. In the third quarter, new deposits of Euro 4.6 billion exceeded the respective number for loans (Euro 2.8 billion). Our plan envisages that the Euro 3 billion of term debt maturing in 2009 should be refinanced by the proceeds of distinct securitisations (consumer loans, business loans, covered bonds, corporate bonds) by the end of 2009. We will enhance our liquidity pool by expanding our stock in ECB eligible securities from Euro 3.7 billion currently to Euro 11.6 billion by the end of 2009. It is estimated that participation at the Greek Economy Stimulus Plan should allow Alpha Bank to enhance its liquidity and capital by approximately Euro 5 billion.

- Proactive approach to risk management

Alpha Bank has a well balanced and defensive loan portfolio with limited exposure to emerging economies (87% of the portfolio is originated in Eurozone and the UK), and to segments perceived as more risky (consumer and shipping represent 12% and 3% of loans respectively). Furthermore, extensive reengineering has been conducted to streamline origination, underwriting and the collection processes. However, with the unprecedented scale of the economic deterioration, Alpha Bank has decided to follow a prudent approach and increase pre-emptively the impairment charge to 100 bps, notwithstanding the fact that no meaningful asset quality issues have surfaced so far.

- Our Network reaches nation-wide coverage in Southeastern Europe

Our regional platform expanded in the twelve-month period to September 2008 by 183 Branches to a total of 521 Units, thus securing nation-wide reach in the countries where we operate. Given the deteriorating outlook for Southeastern Europe in 2009, we have put our Branch expansion on hold. The focus going forward will be to benefit from our infrastructure set-up by enhancing the awareness of our brand in the local markets and by expanding our deposit gathering proposition.

- Greek Government economic stimulus plan

The draft Law on the "Stimulus for the Greek Economy to address the Impact of the Global Financial Crisis" provides three key measures to facilitate the Greek banks to continue to provide credit to the economy:

- Euro 15 billion of debt issuance through the use of State guarantee,
- Euro 8 billion of government bonds to be used as repo facility,
- Euro 5 billion preference shares with an annual coupon of 10%. These securities will qualify as Tier I for the Greek banking regulator and do not result in any dilution for existing shareholders.

Alpha Bank's intention is to apply for all three measures and to strengthen its liquidity and capital position to support the welfare of the Greek economy.

SUMMARY PROFIT AND LOSS

<i>(in Euro million)</i>	9M 2008	9M 2007	% change
Operating Income	1,822.5	1,631.4	11.7%
<i>of which:</i>			
Greece	1,447.0	1,373.7	5.3%
Southeastern Europe	359.8	242.1	48.6%
Operating Expenses	844.8	740.0	14.2%
<i>of which:</i>			
Greece	628.1	589.9	6.5%
Southeastern Europe	207.6	140.9	47.3%
Impairment losses	266.0	157.7	68.7%
<i>of which:</i>			
Greece	233.1	139.5	67.1%
Southeastern Europe	32.9	18.2	80.5%
Profit before Tax	711.7	733.7	(3.0%)
<i>of which:</i>			
Greece	585.8	644.3	(9.1%)
Southeastern Europe	119.3	82.8	44.1%
Net Profit*	567.8	589.3	(3.6%)

* Recurring profit adjusted for extraordinary profit from discontinued operations (sale of Alpha Insurance to AXA in Q1 2007)

BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

<i>(in Euro million)</i>	30.9.2008	30.9.2007	% change
Assets	64,266	51,244	25.4%
Equity	3,364	3,094	8.7%
Loans (gross)	50,550	40,297	25.4%
<i>of which:</i>			
Greece	37,889	32,799	15.5%
Southeastern Europe	10,773	6,433	67.5%
Customer assets	49,894	44,755	11.5%
Deposits	42,158	32,342	30.4%
<i>of which:</i>			
Greece	35,295	27,231	29.6%
Southeastern Europe	6,220	4,499	38.2%
Private Banking	3,720	5,573	(33.2%)
Mutual Funds	3,012	5,786	(47.9%)

Enquiries:

Alpha Bank

Marinos S. Yannopoulos, General Manager and C.F.O.

Tel.: +30 210 326 2366

Michael Massourakis, Group Chief Economist

Tel.: +30 210 326 2828

Vassilios Psaltis, Group Investor Relations and Corporate Development

Tel.: +30 210 326 4009

www.alpha.gr

Finsbury Group

Edward Simpkins/Matthew Newton

Tel.: +44 207 251 3801

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NINE-MONTH 2008 PERFORMANCE OVERVIEW

Net profit attributable to Shareholders amounted to Euro 567.8 million, marginally declining y-o-y, after adjusting for the non-recurring net income of Euro 80.4 million derived from the sale of Alpha Insurance to AXA in March 2007. This performance reflects the shift of our focus to a more conservative balance sheet management. **Net interest income** reached Euro 1,362.4 million, an increase of 16.6%, translating into a **net interest margin** of 3.1% (3% in 9M 2007), reflecting the expansion of the loan portfolio and the increasing incremental cost to attract liquidity. **Net fee and commission income** advanced by 3.5% underpinned by the continued growth in credit card commissions (+20%), counterbalanced by the decline in asset management and capital markets related fees (-17.6%). **Income from financial operations** stood at Euro 38.1 million affected by the adverse market conditions, while **other income** stood at Euro 68.7 million.

Operating costs increased by 14.2% to Euro 844.8 million, which corresponds to a cost-to-income ratio of 46.4%. Adjusting for the set-up costs of Astra Bank in Ukraine, the growth rate is reduced to 13.6%. Staff costs increased by 11.7%, while general expenses went up by 16.7%. Our cost base in Southeastern Europe expanded by 47.3%, mainly attributable to the opening of 183 new Branches and almost 2,000 of new Staff since the end of September 2007. The increase in our operating costs in Greece (+6.5%) continued to be affected by production-related expenses for the support of our retail business franchise.

Loans and advances to customers (gross) grew by 25.4%, reaching Euro 50.6 billion, primarily driven by a 15.5% volume expansion in Greece, and a strong increase of 67.5% in our Southeastern European loan portfolio. In the third quarter, new loan additions in Greece amounted to Euro 1.6 billion, and in Southeastern Europe Euro 1 billion, funded by the respective new deposit balances of Euro 4.6 billion in the third quarter.

Cost of credit as a percentage of average loans stood at 100 bps in the third quarter, a proactive measure taken in anticipation of deteriorating credit conditions both in Greece and in Southeastern Europe. Our Non-Performing Loans (NPL) ratio, under IFRS 7, stood at 3.5% at the end of September 2008 improving from 3.9% a year earlier. **Allowances for impairment** reached Euro 994 million representing 2% of loans. The **coverage ratio** increased significantly to 56.2% of NPLs and when **collaterals** are taken into account this ratio stands at 136%.

Customer assets reached Euro 49.9 billion. At end September 2008, **total deposits** stood at Euro 42.2 billion (+30.4%), having added Euro 4.6 billion of deposits within the last quarter. **Deposits in Greece** advanced to Euro 35.3 billion (+29.6%). In **Southeastern Europe**, we expanded our **deposit base**, which has grown by 38.2% to reach Euro 6.2 billion at end September 2008. We have reached nationwide coverage in all the countries where we operate and we see benefits from enhanced brand awareness. **Private banking** assets declined to Euro 3.7 billion, and **mutual funds** balances to Euro 3 billion, primarily reflecting marking-to-market of the relevant assets under management.

BUSINESS UNIT ANALYSIS

CONSUMER AND SMALL BUSINESS BANKING

Retail Banking <i>(in Euro million)</i>	9M 2008	9M 2007	% change
Total Income	976.9	862.2	13.3%
Total Expenses	432.5	405.3	6.7%
Impairment Losses	154.5	77.9	98.5%
Profit Before Tax	389.9	379.0	2.8%
Return on Regulatory Capital	50.1%	58.3%
Risk Weighted Assets	12,971	10,830	19.8%
Cost / Income Ratio	44.3%	47.0%
Customer Financing (end-period)	20,608	17,555	17.4%

In the nine month period to September 2008, profit before tax reached Euro 389.9 million, compared to Euro 379 million last year (+2.8%). **Mortgage credit** reached Euro 11 billion, up by 16.5%, as we continued leveraging our value-adding product offering. In the area of **consumer credit** we strengthened our market position benefiting from our multi-distribution approach yet increasing our rejection ratios. In that context, **consumer loan** balances rose by 24.2% to Euro 3.5 billion. **Credit cards** balances advanced by 16.7% reaching Euro 1.3 billion, driven by the success of our "Bonus Card Loyalty

Programme". In October, **Alpha Bank and American Express** renewed their exclusive co-operation on the issuance and acquiring of Amex products in Greece for another ten years.

Moreover, **small business loans** (extended to companies with turnover below Euro 2.5 million or credit limits up to Euro 1 million) rose by 15.1%, while loans to **very small businesses** (defined as those with credit limits up to Euro 90,000) increased by 20.4%. In the area of small businesses we continued to sharpen our focus in this segment through dedicated product offerings and centralisation of credit approvals and back office operations.

OPERATIONS IN SOUTHEASTERN EUROPE

Operations in Southeastern Europe (in Euro million)	9M 2008	9M 2007	% change
Total Income	359.8	242.1	48.6%
Total Expenses	207.6	141.0	47.3%
Impairment Losses	32.9	18.2	80.5%
Profit Before Tax	119.3	82.8	44.1%
Return on Regulatory Capital	23.8%	26.2%	...
Risk Weighted Assets	8,333	5,279	57.9%
Cost / Income Ratio	57.7%	58.2%
Customer Financing (end-period)	10,773	6,433	67.5%
Customer Deposits (end-period)	6,220	4,499	38.2%

Profit before tax grew to Euro 119.3 million, an increase of 44.1%.

In **Cyprus**, our Network numbered 36 Branches at the end of September 2008. Our franchise delivered in the nine months Euro 80.5 million in pre-tax profit, up 36.8% from last year. Our strong performance is matched by our number three position in lending with a market share of 13.1% by the end of the third quarter, a gain of 1.7 percentage points over the year, as well as by our fast improving position in the international banking segment. In the last quarter we added Euro 329 million of new loan balances reaching Euro 4.3 billion, while deposits totalled Euro 3.6 billion at the end of September.

In **Romania**, our Network reached 173 Branches. Our market share in loans grew by 1.6 percentage points to 7.6% by the end of September 2008. Profits before tax reached Euro 47.8 million. During the year we increased our loan book by 72% to reach Euro 4 billion, adding Euro 489 million of new loans in the third quarter, thus sustaining our top five ranking in the domestic lending market.

In **Bulgaria**, our Network numbered 101 Branches at the end of September 2008. Our presence in the country is gradually reaching critical mass as our market share in loans settled above 4%, corresponding to a top ten ranking in the country. Our market recognition continues to grow with positive results in new business origination. In the last twelve months, we have achieved a 106% increase in the number of mortgages granted and 2.5 times increase of retail deposit accounts over the same period last year.

In **Serbia**, we have a network of 149 Branches at end September, which provides a well-established origination platform, as evidenced by the 78.6% annual growth of our commercial loan portfolio.

In **Albania**, we have recently celebrated ten years of operating in the country with a network of 35 Branches at the end of September, delivered Euro 10.4 million of pre-tax profits in the nine month period, underpinned by our successful retail banking approach. The country loan book grew by 86% at Euro 406 million driven by retail business inflows, while deposits amounted to Euro 432 million (+33%), reflecting the viability of our operations.

In **F.Y.R.O.M.**, our Network reached 22 Units, as we added 3 more Branches during the third quarter. Credit expansion was maintained at approximately the levels of the first half of the year (+113%) with our loan book reaching Euro 153 million, mostly on account of strong retail business origination (+145%).

MEDIUM AND LARGE CORPORATES

Medium and Large Corporates <i>(in Euro million)</i>	9M 2008	9M 2007	% change
Total Income	325.1	300.8	8.1%
Total Expenses	92.6	82.8	11.8%
Impairment Losses	78.4	61.0	28.4%
Profit Before Tax	154.1	157.0	(1.8%)
Return on Regulatory Capital	15.3%	18.9%	...
Risk Weighted Assets	16,779	13,825	21.4%
Cost / Income Ratio	28.5%	27.5%	...
Customer Financing (end-period)	17,281	15,244	13.4%

Profit before tax decreased marginally by 1.8% to Euro 154.1 million, impacted by a pre-emptive rise in impairment charges as a precautionary measure to safeguard the quality of the most important part of our loan book. Operating income grew by 8.1%, supported by a robust increase in loans (+13.4%), and the ongoing repricing, which is carried out on a client-by-client basis.

ASSET MANAGEMENT

Asset Management <i>(in Euro million)</i>	9M 2008	9M 2007	% change
Total Income	66.8	86.6	(22.8%)
Total Expenses	38.8	44.0	(11.9%)
Profit Before Tax	28.0	42.6	(34.1%)
Return on Regulatory Capital	56.4%	119.7%	...
Risk Weighted Assets	832	593	40.4%
Cost / Income Ratio	58.0%	50.8%
Customer Funds (end-period)	7,050	11,704	(39.8%)

Profit before tax fell to Euro 28.0 million, on the back of persisting negative market sentiment. Funds under management stood at Euro 7.1 billion, despite prolonged investment inertia mainly affecting private banking accounts. The redesign of our asset gathering distribution function targeting mass affluent customers together with our leading product proposition in mutual funds and bancassurance products partially offset negative impact from unfavourable fundamentals.

INVESTMENT BANKING AND TREASURY

Investment Banking and Treasury <i>(in Euro million)</i>	9M 2008	9M 2007	% change
Total Income	55.9	83.7	(33.1%)
Total Expenses	28.6	26.9	6.1%
Profit Before Tax	27.1	56.8	(52.3%)
Return on Regulatory Capital	9.9%	19.9%	...
Risk Weighted Assets	4,576	4,763	(3.9%)
Cost / Income Ratio	51.1%	32.2%	...

Profit before tax for the period amounted to Euro 27.1 million materially affected by on-going capital markets volatility.

