

Press Release

9-Month 2007 Results Net Profit of Euro 670 million (+41.5%)

FINANCIAL SUMMARY

- Strong increase in gross loans by 24.8% to Euro 40.3 billion.
- Southeastern European credit grew significantly by 76.4%, and now accounts for 16% of total loans.
- Customer assets rose by 12.1% to Euro 44.8 billion.
- Net interest income net of impairment grew strongly by 16.5%.
- Fee and Commission Income rose robustly by 16.0%.
- Earnings per share at Euro 1.65 from Euro 1.20 last year (+38%).
- Return on equity at 30.4% from 28.6% over the same period last year.
- Cost to income ratio at 45.4%, despite continuing strong investment in our Southeastern European Network.
- Strong capitalisation levels with Tier I ratio at 9.8%.

“The results confirm our strong delivery on our “Agenda 2010” targets as we are accelerating the growth of our franchise in Greece and in Southeastern Europe, where our presence moves gradually to a more mature stage. Based on the visibility of our brand, the commitment of our Staff and the strengthening of the sales capacity of our Network we are convinced that our vision to transform Alpha Bank to a leading financial institution in the region should materialise sooner than expected.”

Yannis S. Costopoulos, Chairman

“In the third quarter of this year, we continued growing robustly with solid profitability, unaffected by the recent turmoil in credit markets. Our focused approach to grow our business is gathering very strong momentum, evidenced by our outstanding domestic retail lending growth and the remarkable achievement of our 2007 aggressive targets in Southeastern Europe before the end of the year. We are increasingly confident that our performance will exceed expectations and we are prepared to reflect this growing optimism in the forthcoming review of our business plan.”

Demetrios P. Mantzounis, Managing Director

KEY DEVELOPMENTS

- **Continued strong growth in Southeastern Europe supported by accelerated Network expansion.**
Our regional platform expanded in the third quarter by 33 Branches reaching 338 units at the end of September and is fully on track for year end target of 402 Branches. In the nine months to September 2007, lending growth increased by 115% in the Balkans and 42% in Cyprus, resulting in significant market share gains across the region as we added another Euro 832 million in loan balances in the third quarter. With the expected doubling of our Branch network until 2010, effectively tripling sales capacity given the network's maturity profile, we feel confident on Alpha Bank's positioning to capture financial services growth in Southeastern Europe.
- **Continued expansion in retail banking in Greece based on healthy volume growth.**
Retail lending expansion continued unabated, with consumer loans increasing by 34.1%, mortgages by 18.7%, and lending to very small business by 19.2%. These positive trends are also underpinned by new disbursements, especially in the consumer loans category, where the 45% increase in volume confirms the attractiveness of our enhanced product offering.
- **On-going improvement in credit conditions.**
Improved outlook in the Greek and Cypriot business environment coupled with continuous re-engineering efforts across our credit value chain allows for a marked improvement in credit quality.
- **Our growth agenda undisrupted by the recent turbulence in global financial markets.**
The midsummer credit squeeze had no impact on Alpha Bank's funding cost as we executed our full 2007 wholesale funding programme within the first half of the year. This development, along with the funding flexibility provided by our ability to attract retail deposits through our extensive Network, is giving us considerable leeway in the execution of our demanding growth strategy until later in 2008 without any immediate need for term funding. Moreover, Alpha Bank has no direct investments in subprime mortgages or indirect exposure to that market via credit-linked instruments nor does it provide support to any conduit structure.

SUMMARY PROFIT AND LOSS

<i>(in Euro million)</i>	9M 2007	9M 2006	% change
Operating Income *	1,473.7	1,250.9	17.8%
<i>of which:</i>			
Greece	1,234.2	1,074.1	14.9%
Southeastern Europe	223.8	162.3	37.9%
Operating Expenses	740.0	647.4	14.3%
<i>of which:</i>			
Greece	589.9	531.2	11.0%
Southeastern Europe	140.9	107.1	31.6%
Profit before Tax	733.7	603.5	21.6%
<i>of which:</i>			
Greece	644.3	542.9	18.7%
Southeastern Europe	82.9	55.2	50.3%
Net Profit	669.7	473.4	41.5%

* Net of impairments

**BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS**

<i>(in Euro million)</i>	30.9.2007	30.9.2006	% change
Assets	51,244	47,481	7.9%
Equity	3,094	2,234	38.5%
Loans	40,297	32,285	24.8%
<i>of which:</i>			
Greece	32,799	27,846	17.8%
Southeastern Europe	6,421	3,641	76.4%
Customer assets	44,755	39,934	12.1%
Deposits	32,342	29,786	8.6%
<i>of which:</i>			
Greece	27,231	25,875	5.2%
Southeastern Europe	4,498	3,347	34.4%
Private Banking	5,573	4,440	25.5%
Mutual Funds	5,786	4,193	38.0%

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NINE-MONTH 2007 PERFORMANCE OVERVIEW

In the nine month period to September 2007, **net profit** attributable to shareholders rose by 41.5% to record level of Euro 669.7 million reaffirming the solid performance of our key businesses in Greece and the rapidly expanding delivery capabilities of our Southeastern European platform. **Net interest income** rose by 10.7% to Euro 1,168 million, which translates into an improving risk-adjusted **net interest margin** of 2.6%. Positive contributors to this development were the strong loan growth in Greece and Southeastern Europe, the contained credit cost and the benefit of widening liability spreads. **Fee and commission income** advanced by 16% supported by the continuous expansion in the retail segment as evidenced by the increase in loan related charges (+26.7%) and credit card fees (+33.3%). **Income from financial operations** amounted to Euro 58.8 million, and **other income** reached Euro 63 million.

Operating expenses increased by 14.3% to Euro 740 million, mainly due to an 11.4% increase in staff costs and a 17.3% increase in general expenses. Cost growth in Southeastern Europe of 31.6% reflects our cost front-loaded investment strategy in the region as we expand our Network by 114 Branches and 981 Employees respectively. Cost growth in Greece at 11.0% was mainly related to production-related expenses. Despite the deployment of our investment-intensive growth strategy, our operational efficiency (cost-income ratio) rose incrementally to 45.4%, with efficiency in Greece at 43%.

Loans and advances to customers (gross) recorded a significant increase of 24.8%, reaching Euro 40.3 billion at the end of September 2007. The acceleration of the growth rate is a function of strong credit expansion in Greece (+17.8%), where Euro 1,552 million new balances were added in the last quarter, and in Southeastern Europe (+76.4%), where loans increased by Euro 832 million over the same period. **Allowances for impairment** reached Euro 922 million representing 2.3% of total loans outstanding. **Credit costs** as a percentage of average loans stood at 57 bps in Q3 2007, confirming the trend towards a medium term target of 60 bps, supported mainly by the benign corporate credit environment in Greece and Cyprus and the on-going reengineering of our credit processes.

Customer assets at Euro 44.8 billion grew by 12.1%. Deposits in Greece, including Alpha Bank bonds placed with our retail customers, advanced to Euro 27.2 billion (+5.2%), while deposits in Southeastern Europe reached Euro 4.5 billion (+34.4%) benefiting from increased customer acquisition as we open new Branches. Private banking and mutual funds balances continued to grow strongly by 25.5% and 38% respectively, reflecting the attractiveness of our offering.

BUSINESS UNIT ANALYSIS

CONSUMER AND SMALL BUSINESS BANKING

Retail Banking <i>(in Euro million)</i>	9M 2007	9M 2006	% change
Total Income	862.2	777.2	10.9%
Total Expenses	405.3	366.3	10.6%
Impairment Losses	77.9	126.8	(38.6%)
Profit Before Tax	379.0	284.1	33.4%
Return on Regulatory Capital	47.9%	43.1%	...
Risk Weighted Assets	13,199	10,994	20.1%
Cost / Income Ratio	47.0%	47.1%	...
Customer Financing (end-period)	17,778	14,769	20.4%

Pre tax profits totaled Euro 379 million for the nine-month period, increased by 33.4% compared to the respective period of 2006. **Mortgage** credit reached Euro 9.4 billion, up by 18.7%. **Consumer loan** outstanding balances rose by 34.1% to Euro 2.8 billion, boosting our market share further, with new disbursements reaching Euro 1.3 billion (up 44.6%). **Credit card** balances rose by 13.4% reaching Euro 1.1 billion, on the back of the successful roll-out of the proprietary "Bonus Card" multi retailer loyalty programme, currently counting more than 1,300 contracted retailers. Additionally, **small business lending** (extended to companies with turnover below Euro 2.5 million or credit limits up to Euro 1 million) increased by 18.1%, with loans to **very small businesses** (defined as those with up to Euro 90,000 credit limits), being the most dynamic segment with a growth rate of 19.2%. Since the beginning of the year, we have initiated an intense marketing strategy for this market segment, including the deployment of a mobile sales force dedicated to the small businesses.

OPERATIONS IN SOUTHEASTERN EUROPE

Operations in Southeastern Europe <i>(in Euro million)</i>	9M 2007	9M 2006	% change
Total Income	242.1	179.4	35.0%
Total Expenses	140.9	107.1	31.6%
Impairment Losses	18.2	17.1	6.7%
Profit Before Tax	82.9	55.2	50.3%
Return on Regulatory Capital	31.7%	27.9%	...
Risk Weighted Assets	4,364	3,292	32.6%
Cost / Income Ratio	58.2%	59.7%
Customer Financing (end-period)	6,421	3,641	76.4%

Pre tax profitability rose by 50.3% to Euro 82.9 million, in line with the expansion of our franchise in Southeastern Europe. Our geographical presence in the region amounts 338 Branches of which 96 in Romania, 66 in Bulgaria, 118 in Serbia, 17 in Albania, 12 in F.Y.R.O.M. and 29 in Cyprus, with 33 Branches added during the third quarter, while another 64 units are fully on track to start operations in the fourth quarter of this year.

In **Romania**, our lending market share reached 6% in September 2007, increasing by 1.9 percentage points since September 2006, as we have added Euro 392 million of loans in the third quarter. In September we have complemented our rapidly expanding branch network by introducing the "Alpha Point" flexible branch concept, which is located in shopping malls and other high-traffic areas. Customers have received warmly these retail outlets which are distinctive for their convenient service offering.

In **Bulgaria**, the doubling of our Branch network in the twelve month period to September (66 Branches in 2007 vs. 34 in 2006), has rendered Alpha Bank a top ten position in less than two years of full scale operations. Following recent management appointments to deepen the organisational structure and the launch of a full-scale advertising campaign, we recorded strong growth in the third quarter as we attracted 24% more deposit accounts and granted 49% more mortgages compared to last quarter.

In **Serbia**, we grew our loans to Euro 537 million, increased by 61% year on year, reaching a market share of close to 6%. Business lending grew by 59% while lending to households rose by 71% as we further expanded our Network to reach 130 Branches by the end of this year.

In **Albania**, our retail offering is already making 47% of our total loan book with mortgages growing by 134.4% to Euro 93 million. With the addition of three more units to reach a Network of 20 Branches by the end of 2007, we are well positioned to benefit from the positive business outlook in the country.

In **F.Y.R.O.M.** our presence will reach 15 Branches by the end of this year, representing a reliable partner for businesses and an acknowledged brand for individual customers. This perception is supporting our efforts to promote American Express cards in F.Y.R.O.M. and in Albania where we are its exclusive partner.

In **Cyprus**, we have grown our franchise strongly to reach a market share of 11.1%. In the nine months to September 2007, we almost doubled our pre-tax profits to Euro 58.8 million as we grew our loan book in the third quarter by Euro 292 million to reach Euro 2.8 billion in total (+42%). Of particular note is the further development of our mortgage business, where our book has exceeded Euro 900 million, more than double last year's level.

MEDIUM AND LARGE CORPORATES

Medium and Large Corporate <i>(in Euro million)</i>	9M 2007	9M 2006	% change
Total Income	300.8	271.8	10.7%
Total Expenses	82.8	73.0	13.4%
Impairment Losses	61.0	43.9	39.0%
Profit Before Tax	157.0	154.9	1.4%
Return on Regulatory Capital	20.7%	22.2%	...
Risk Weighted Assets	12,637	11,624	8.7%
Cost / Income Ratio	27.5%	26.9%	...
Customer Financing (end-period)	15,021	13,077	14.9%

Profits before tax reached Euro 157 million, influenced by a 13.4% increase in operating expenses which mainly reflect start-up costs relating to the recently established Business Centres, which are gradually undertaking responsibility for medium-sized corporate clients. Full implementation of the Business Centre concept is key for enhancing our service offering to these customers which should facilitate a further increase of our share in the business we undertake for them.

ASSET MANAGEMENT

Asset Management <i>(in Euro million)</i>	9M 2007	9M 2006	% change
Total Income	86.6	74.6	16.1%
Total Expenses	44.0	38.5	14.2%
Profit Before Tax	42.6	35.9	18.7%
Return on Regulatory Capital	117.2%	118.7%	...
Risk Weighted Assets	606	503	20.5%
Cost / Income Ratio	50.8%	51.6%	...
Customer Funds (end-period)	11,704	8,916	31.3%

Pre tax profit for the period totaled Euro 42.6 million (+18.7%). **Mutual funds** reached Euro 5.8 billion at the end of September 2007 (+38%), with our overall market share rising to 22.3%, boosted significantly by 5 percentage points compared to year-end 2006. **Private banking** balances grew by 25.5% to Euro 5.6 billion evidencing the high quality and customisation of our services. Our bancassurance proposition is currently enhanced by new products developed in association with international insurer AXA, such as the innovative Investment/ Pension Programme "Alpha Up", which offers high yield with capital protection.

INVESTMENT BANKING AND TREASURY

Investment Banking and Treasury <i>(in Euro million)</i>	9M 2007	9M 2006	% change
Total Income	83.7	85.5	(2.2%)
Total Expenses	26.9	24.7	8.8%
Profit Before Tax	56.7	60.8	(6.7%)
Return on Regulatory Capital	22.9%	29.5%	...
Risk Weighted Assets	4,129	3,435	20.2%
Cost / Income Ratio	32.2%	28.9%

Profits before tax for the period amounted to Euro 56.7 million, of which Euro 17.4 million relate to investment banking business, primarily from brokerage activity.

ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS						
in Euro million	30/9/2007	30/6/2007	31/3/2007	31/12/2006	30/9/2006	%Sep, 2007 /Sep, 2006
Assets	51,244	52,211	52,177	49,443	47,481	7.9%
Loans (net)	39,375	36,590	33,848	32,223	31,125	26.5%
Securities	3,294	3,362	4,128	7,859	8,248	(60.1%)
Deposits	32,342	31,796	32,165	31,015	29,786	8.6%
Private Banking	5,573	5,624	5,200	4,916	4,440	25.5%
Mutual Funds	5,786	5,527	4,515	4,201	4,193	38.0%
Senior Debt	8,083	8,272	7,974	5,319	4,836	67.2%
Subordinated Debt	1,243	1,225	1,237	1,029	998	24.5%
Hybrid Capital	886	888	888	830	838	5.7%
Shareholders Equity	3,094	2,913	3,011	2,742	2,234	38.5%

INCOME STATEMENT						
in Euro million	9M 2007	9M 2006	% change	Q3 2007	Q2 2007	Q1 2007
Operating Income	1,631.4	1,438.9	13.4%	574.8	536.9	519.7
Net Interest Income	1,168.2	1,055.5	10.7%	415.7	390.3	362.1
Impairment losses	(157.7)	(188.0)	(16.1%)	(55.1)	(40.2)	(62.4)
Net Interest Income (net of impairment losses)	1,010.5	867.5	16.5%	360.6	350.1	299.8
Fee and commission income	341.3	294.2	16.0%	119.6	114.2	107.5
Income from financial operations	58.8	38.4	53.2%	18.2	10.7	29.9
Other income	63.0	50.9	23.9%	21.2	21.7	20.1
Operating Expenses	(740.0)	(647.4)	14.3%	(254.8)	(251.7)	(233.5)
Staff costs	(390.7)	(350.7)	11.4%	(132.0)	(131.4)	(127.3)
General expenses	(294.3)	(250.8)	17.3%	(102.8)	(102.1)	(89.3)
Depreciation and amortization expenses	(55.0)	(45.9)	19.8%	(19.9)	(18.2)	(16.9)
Profit before tax	733.7	603.5	21.6%	264.9	244.9	223.8
Income Tax	(143.4)	(129.7)	10.5%	(48.7)	(45.4)	(49.2)
Net Profit from continuing operations	590.3	473.8	24.6%	216.2	199.5	174.6
Profit from discontinued operations	80.4	1.3	...	0.0	(1.4)	81.8
Net Profit	669.7	473.4	41.5%	215.7	197.8	256.1

RATIOS					
	9M 2007	9M 2006	Q3 2007	Q2 2007	Q1 2007
Net Interest Income (net of impairment losses) / Average Assets - MARGIN	2.6%	2.5%	2.8%	2.7%	2.4%
Cost to Income Ratio	45.4%	45.0%	44.3%	46.9%	44.9%
Return on Equity after tax and minorities -ROE	30.4%	28.6%	28.7%	26.7%	35.6%
Capital Adequacy Ratio (Total)	12.8%	11.8%	12.8%	13.2%	13.6%
Capital Adequacy Ratio (Tier I)	9.8%	9.2%	9.8%	10.1%	10.3%

BUSINESS VOLUMES				
in Euro million	Sep, 2007	Sep, 2006	% change	Dec, 2006
Customer Financing	40,297	32,285	24.8%	33,200
<i>of which:</i>				
Greece	32,799	27,846	17.8%	28,454
Mortgages	9,421	7,935	18.7%	8,386
Consumer Loans	2,784	2,076	34.1%	2,215
Credit Cards	1,119	987	13.4%	1,033
Small Business Loans	4,454	3,771	18.1%	3,904
<i>of which: < €90.000 in limits</i>	<i>1,105</i>	<i>927</i>	<i>19.2%</i>	<i>963</i>
Medium and Large Business Loans	15,021	13,077	14.9%	12,916
Southeastern Europe	6,421	3,641	76.4%	4,029
Mortgages	1,354	594	128.1%	733
Consumer Credit	629	368	70.7%	392
Business Loans	4,438	2,678	65.7%	2,904
Customer Assets	44,755	39,934	12.1%	41,170
<i>of which:</i>				
Deposits	31,729	29,222	8.6%	30,296
Greece	27,231	25,875	5.2%	26,673
Sight & Savings	14,465	14,265	1.4%	14,654
Time deposits & Alpha Bank Bonds	12,766	11,610	10.0%	12,019
Southeastern Europe	4,498	3,347	34.4%	3,623
Bond Sales	2,212	2,477	(10.7%)	2,286
Mutual Funds	5,786	4,193	38.0%	4,201
Portfolio Management	5,918	4,723	25.3%	5,128
<i>of which: Private Banking</i>	<i>5,573</i>	<i>4,440</i>	<i>25.5%</i>	<i>4,916</i>