

Press Release

Full Year 2009 Results

Net Profit at Euro 392 million¹

Balance Sheet strengthened with Core Tier I rising to 9%

Strong balance sheet

- Benchmark tangible equity of Euro 4.3 billion following Euro 986 million rights issue. Core Tier I and Tier I ratios rose to 9% and 11.7% respectively.
- Solid liquidity profile, with year-end excess liquidity at Euro 3.5 billion along with further capacity to draw from our enhanced collateral pool at the European Central Bank (ECB).
- Loan to deposit ratio at a comfortable 110%, adjusted for securitisations. Loans and deposits are up year-on-year by 2% and 1% respectively.
- Euro 1.64 billion of on-balance sheet provisions underpin sound coverage of non-performing loans to 55%, rising to 135% when collaterals are included; NPLs at 5.7%².

Resilient financial performance

- Pre-Provision income for the year increased to Euro 1.2 billion.
- Net Interest Margin stands at 2.6%.
- Operating expenses up at Euro 1.2 billion, with growth decelerating substantially to 2% y-o-y, vs. a run rate of 14.9% in 2008.
- Operating income up at Euro 2.4 billion.
- Loan loss provisions at Euro 676 million, implying 129 bps cost of risk.

“In 2009, Alpha Bank tackled the challenges in the economic environment with foresight and competence. The success of our Euro 986 million rights issue has strengthened significantly our balance sheet as well as increased our confidence to cope with the impact of the ongoing difficult macro conditions in the Greek market. The introduction of a tough fiscal consolidation programme may subdue growth in the short term but we are confident that it will bear permanent medium-term benefits for the Greek economy and our business prospects across Southeastern Europe.”

Yannis S. Costopoulos, Chairman

“At the outset of 2010, our primary focus is to address the short-term impact of the Greek government debt crisis on our marginal funding. We also have to manage efficiently the risk from the effects of the austerity measures on our customers’ ability to meet their loan repayment obligations. Our sharpened focus over the past six quarters on strengthening the balance sheet has put us in a particularly good position to cope with these challenges. The introduction of additional measures to consolidate our cost base should preserve our profitability for this year in anticipation of the expected normalisation in the sovereign spread, which in turn should have an immediate benefit for our business.”

Demetrios P. Mantzounis, Managing Director - CEO

¹ Excluding adjustment for the one-off tax of Euro 42.4 million.

² Non-performing loans (NPLs) are defined as loans in arrears for more than 90 days.



KEY DEVELOPMENTS

- **Alpha Bank strengthens its balance sheet as operating conditions remain challenging in its home market.**

The global economic crisis is gradually abating and signs of stabilisation are increasingly evident across geographies and sectors. In Greece, however, the revelation in December of a 12.7% deficit of GDP for 2009 has sparked an unprecedented crisis with a direct impact on the Greek government bond market as well as undermining sentiment throughout the economy. In response to the crisis, the Greek government has introduced long-awaited tough fiscal consolidation measures aimed at controlling employment and wage growth in the public sector, ending persistent tax evasion and addressing the threat of social security deficits.

In mid February, Greece received the support of the European Council for its stability programme as well as an implicit guarantee on its debt. Peer group solidarity, along with progress in implementing concrete legislation effecting reforms, should restore investor, consumer and business confidence in the Greek economy, thus allowing Greece return to a growth trajectory in 2011.

Alpha Bank is confident in its ability to address the current strained circumstances in Greece as it has implemented successfully a series of policy measures throughout 2009 to strengthen its balance sheet by increasing its capital, diversifying its liquidity profile and bolstering its loan loss reserves.

- **Successful rights issue underpins benchmark capital structure**

In Q4 2009, we concluded a Euro 986 million rights issue to repay Euro 940 million of preference shares that were issued in favour of the Hellenic Republic. This transaction has strengthened our capital ratios by 200 basis points, with Core Tier I and Tier I reaching 9% and 11.7% respectively. At the end of December 2009, our tangible equity stood at Euro 4.3 billion, which in comparison to our balance sheet size of Euro 69.6 billion evidences the lowest leverage ratio among our peers. Furthermore, the negligible minorities and intangibles included in our equity, together with the absence of any material insurance underwriting risks, make Alpha Bank well suited for the upcoming Basle III regulation.

- **Strengthened and balanced liquidity profile**

Alpha Bank has a stable funding base with three quarters of its assets being funded through well-diversified customer deposits. In addition to that, throughout 2009, Alpha Bank utilised a number of liquidity sources beyond its capital increase: it raised Euro 1.5 billion of senior debt through public and private placements, it participated in the Greek government scheme for Euro 2 billion liquidity and it concluded three securitisations adding more than Euro 1.6 billion of ECB eligible securities to its Euro 11.4 billion collateral pool. At the end of December 2009, ECB usage was Euro 10.3 billion, which allowed for a net lending position in the interbank market of Euro 3.5 billion, confirming our precautionary approach to ECB funding.

Given our contained debt redemptions for the remaining 2010 (Euro 1 billion), the balanced nature of our banking book with a loan-to-deposit ratio of 110%, the relatively small and liquid securities portfolio, and the ability to draw further liquidity from our underutilised ECB line, Alpha Bank is well placed to cope with the short-term difficulties in the Greek market arising from the sovereign crisis.

- **Earnings generation capacity maintained in a very challenging year**

In 2009, our pre-provision income stood at Euro 1,178 million, effectively at the same level of 2008 and 2007. This achievement demonstrates the ability of our balanced business model to adapt to a challenging operating environment, which was characterised by unprecedented macro-economic imbalances in our region (Greek sovereign debt crisis, IMF intervention to support Romania and Serbia) and GDP reduction across the board. These factors created a negative backdrop to our deposit gathering cost (21 bps negative spread in Q4 2009 compared to a 74 bps positive spread in Q4 2008), and affected our fees and commissions (down 18.4%). Against these adverse developments we have been focussing on re-pricing our loans (spread widened by 65 bps in 2009), on containing our operating expenses (up 2% in 2009 from +14.9% in 2008) and being opportune in timing our investment in Greek government bonds.

- **Asset quality in Greece may come under pressure given fiscal consolidation measures**
In the fourth quarter, our NPL ratio increased by 50 bps to 5.7%. In Greece, NPLs rose by 60 bps in the fourth quarter, compared to a deterioration of 30 bps in the third quarter, as a result of the increased strain in the Greek economy, which affected adversely the financial condition of businesses and households. Against this deteriorating background, Alpha Bank has significant mitigating factors: we have a conservatively built and well collateralised loan portfolio, we have overhauled the early collection system and enjoy a Euro 1.2 billion pre-provision profitability buffer to accommodate impairments. Thus, we are committed to continuing to build up our reserves, adding Euro 179.6 million of impairments in the fourth quarter, and bringing our cash coverage ratio to 55%, (135% when including collaterals), which is one of the highest ratios among our peers.

SUMMARY PROFIT AND LOSS

(in Euro million)	FY 2009	FY 2008	% change
Operating Income	2,380.1	2,345.7	1.5%
of which:			
Greece	1,830.8	1,824.5	0.3%
Southeastern Europe	524.8	497.3	5.5%
Operating Expenses	1,201.9	1,178.3	2.0%
of which:			
Greece	884.7	869.1	1.8%
Southeastern Europe	306.7	295.7	3.7%
Impairment Losses	676.3	541.8	24.8%
of which:			
Greece	513.6	402.0	27.8%
Southeastern Europe	162.7	89.9	81.1%
Profit before Tax	501.8	625.6	(19.8%)
of which:			
Greece	432.4	553.4	(21.9%)
Southeastern Europe	55.4	111.7	(50.4%)
Net Profit	349.8	512.1	(31.7%)
Net Profit excluding One-Off Tax	391.5	513.4	(23.8%)

BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

(in Euro million)	31.12.2009	31.12.2008	% change
Assets	69,596	65,270	6.6%
Equity	5,372	3,021	77.8%
Loans (gross)	53,043	51,981	2.0%
of which:			
Greece	40,256	39,140	2.9%
Southeastern Europe	11,347	11,200	1.3%
Customer Assets	47,117	46,449	1.4%
Deposits	42,916	42,547	0.9%
of which:			
Greece	36,000	35,859	0.4%
Southeastern Europe	6,330	6,103	3.7%

- The publication of the audited annual Financial Statements will take place until the end of March 2010. The exact date will be announced by the Bank in due course.

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FY 2009 PERFORMANCE OVERVIEW

Net profit attributable to Shareholders amounted to Euro 349.8 million, a 31.7% year-on-year (y-o-y) decline, due to the slowdown of economic activity in Greece and in SEE. Adjusting for the one-off tax of Euro 42.4 million imposed by the Greek government on 2008 profits, the y-o-y decline falls to 23.8%. **Net interest income** reached Euro 1,762.6 million, down 2% year-on-year. In the fourth quarter, net interest income reached Euro 458.2 million, largely unchanged from the third quarter. This development is attributable mainly to the higher cost of attracting deposits in Greece and SEE, counter balanced from further progress in re-pricing our loan book. In addition, we should note the qualitative improvement in our net interest income as the contribution from our bond portfolio has diminished on a quarter-on-quarter (q-o-q) basis. The **net interest margin** has remained unchanged at 2.6% for Q4 2009. **Net fee and commission income** stood at Euro 378.8 million, 18.4% lower compared to 2008, reflecting the significant decrease in new loan disbursements and the slowdown in investment banking and asset management related activities. **Income from financial operations** stood at Euro 171.5 million as we benefited from positive developments in the credit markets in the second and third quarter of the year. **Other income** fell to Euro 67.1 million (-25%) as our non-financial holdings were impacted by the adverse economic environment.

Operating costs increased by 2% to Euro 1,201.9 million, which corresponds to a cost-to-income ratio of 50.5% in 2009. Staff costs declined by 4.1% to Euro 565.5 million, mainly due to the marginal decrease of headcount. General expenses increased by 9%. Our Southeastern European cost growth decelerated further to 3.7%, despite having increased the platform by 24% more Branches on average over the period. The increase in our operating costs in Greece was contained at 1.8%, assisted by the decrease in production-related expenses.

At the end of 2009, **customer assets** reached Euro 47.1 billion and **total deposits** stood at Euro 42.9 billion (up 0.9% y-o-y). **In Greece**, deposits totalled Euro 36 billion, largely stable compared to the end of December 2008, whereas sight and savings deposit balances stood at Euro 14.7 billion (up 15.1% or Euro 2 billion y-o-y, Euro 300 million of which was added in the fourth quarter). In **Southeastern Europe**, our deposit base increased by Euro 226 million compared to the end of December 2008 amounting to Euro 6.3 billion. Finally, **private banking** balances increased to Euro 3.4 billion (+ 13.8 % y-o-y), and **mutual fund** balances stood at Euro 1.6 billion.

Loans and advances to customers (gross) grew by 2%, reaching Euro 53 billion compared to Euro 52 billion at the end of December 2008. This development was driven primarily by a 2.9% volume expansion in Greece and an increase of 1.3% in our Southeastern European portfolio. Finally, we delivered on our ongoing commitment for responsible corporate citizenship by facilitating credit to SMEs and mortgages in Greece with new disbursements in Q4 2009 totalling Euro 1,565 million and Euro 320 million respectively.

Impairment losses on loans amounted to Euro 676.3 million, of which Euro 162.7 million related to Southeastern Europe, bringing the **cost of credit** to 129 bps for the full year. Our Group NPL ratio, under IFRS 7, increased by 50 bps in Q4 2009 reaching 5.7% at the end of December 2009, whereby the NPL ratio for SEE reached 4.1%, up 60 bps on a q-o-q basis. **Allowances for impairment** were strengthened further to Euro 1.64 billion, representing 3.1% of loans compared to 2.5% at the end of December 2008. This translates to a **coverage ratio** of 55% of NPLs, which increases to 135% if collaterals are taken into account, which is a very comfortable margin given the conservative structure of our portfolio.

**BUSINESS UNIT ANALYSIS****CONSUMER AND SMALL BUSINESS BANKING**

Retail Banking (in Euro million)	FY 2009	FY 2008	% change
Total Income	988.1	1,293.9	(23.6%)
Total Expenses	618.9	595.3	4.0%
Impairment Losses	256.4	278.9	(8.0%)
Profit Before Tax	112.8	419.7	(73.1%)
Return on Regulatory Capital	9.9%	39.6%
Risk Weighted Assets	14,211	13,232	7.4%
Cost / Income Ratio	62.6%	46.0%
Customer Financing (end-period)	21,561	21,123	2.1%

In 2009, profit before tax reached Euro 112.8 million, compared to Euro 419.7 million last year. **Mortgage credit** growth slowed significantly to 0.7%, with balances reaching Euro 11.2 billion, reflecting households' continued aversion to taking on debt. **Consumer loan** balances totalled Euro 3.7 billion, reflecting a decelerating growth rate of 4.6%. **Credit card** advances increased by 5.6% to Euro 1.5 billion, underpinned by the sustained card usage from our loyalty schemes' customers (including our "Bonus Card" programme) and by the relative resilience in transaction volumes from our upper scale card customers, which are mainly serviced by our American Express products. Moreover, **small business loans** (extended to companies with turnover below Euro 2.5 million or credit limits up to Euro 1 million) increased by 2.4%, while loans to **very small businesses** (defined as those with credit limits up to Euro 150,000) increased by 9.1%. In the area of SMEs, business was sustained in 2009 by the established facility for SME investment financing, sponsored by the European Investment Bank. According to the agreement, EIB co-financed together with Alpha Bank SME projects of Euro 250 million in Greece. In the last quarter, we also concluded a two-level agreement with the EIB for Euro 50 million in Romania and Euro 10 million in Bulgaria.

We continue to promote actively our co-operation with the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME), which makes an important contribution to the financing of SMEs. Under the first funding round, Alpha Bank submitted 3,315 customer applications corresponding to Euro 514 million, which have been fully drawn. Under the second funding round, to the end February 2010, we submitted 3,617 applications corresponding to Euro 268 million, effectively all of which are clear of approval and have entered the funds draw-down stage.

OPERATIONS IN SOUTHEASTERN EUROPE

Operations in Southeastern Europe (in Euro million)	FY 2009	FY 2008	% change
Total Income	524.8	497.2	5.5%
Total Expenses	306.7	295.7	3.7%
Impairment Losses	162.7	89.9	81.1%
Profit Before Tax	55.4	111.6	(50.4%)
Return on Regulatory Capital	6.7%	15.9%	...
Risk Weighted Assets	10,275	8,794	16.8%
Cost / Income Ratio	58.4%	59.5%
Customer Financing (end-period)	11,347	11,200	1.3%
Customer Deposits (end-period)	6,330	6,103	3.7%

Profit before tax stood at Euro 55.4 million, a decrease of 50.4%, mainly due to the sizeable increase in impairment losses as we are enhancing our coverage ratio.

In **Cyprus**, our largest exposure in SEE, deposits amounted to Euro 3.3 billion, while loans stood at Euro 4.4 billion at the end of December 2009. In **Romania**, deposits increased by 16% amounting to Euro 1.7 billion, while loans stood at Euro 4.3 billion at the end of December 2009. In **Bulgaria**, deposit balances increased by 52% to reach Euro 424 million while loan balances remained virtually flat at Euro 1 billion. In **Serbia**, deposit balances increased by 22.6% to Euro 398 million and loans reached Euro 923 million

(+11.7%). In **Albania**, deposits amounted to Euro 375 million and loans increased to Euro 525 million, while in **F.Y.R.O.M** deposits stood at Euro 59 million and loans to Euro 124 million. In the **Ukraine**, with a network of 23 Branches, our deposits reached Euro 32 million while our loans amounted to Euro 60 million.

MEDIUM AND LARGE CORPORATES

Medium and Large Corporates (in Euro million)	FY 2009	FY 2008	% change
Total Income	483.7	420.9	14.9%
Total Expenses	133.6	129.9	2.9%
Impairment Losses	257.2	172.6	49.0%
Profit Before Tax	92.9	118.4	(21.6%)
Return on Regulatory Capital	6.4%	8.7%	...
Risk Weighted Assets	18,043	17,035	5.9%
Cost/Income Ratio	27.6%	30.9%	...
Customer Financing (end-period)	26,032	25,654	1.5%

Profit before tax amounted to Euro 92.9 million with loans expanding by 1.5%. While there has been good progress in adjusting pricing to the prevailing credit risk environment, which allowed pre-provision income to grow by 20.3% y-o-y, impairments increased to Euro 257.2 million, up 49% compared to the previous year. These counterbalancing effects led to a decrease of profit before tax by 21.6%.

ASSET MANAGEMENT

Asset Management (in Euro million)	FY 2009	FY 2008	% change
Total Income	60.7	82.2	(26.1%)
Total Expenses	40.5	51.2	(20.9%)
Profit Before Tax	20.2	30.7	(33.9%)
Return on Regulatory Capital	29.2%	45.8%	...
Risk Weighted Assets	872	839	3.9%
Cost / Income Ratio	66.6%	62.3%
Customer Funds (end-period)	5,007	4,745	5.5%

Profit before tax amounted to Euro 20.2 million and funds under management increased to Euro 5 billion (+5.5%). Equity related mutual funds registered gross inflows of Euro 196 million in 2009, reflecting increased interest in equity-based products. In private banking our balances increased by Euro 407 million as the launch of new tailor-made products for private banking customers increased our penetration in this market segment.

INVESTMENT BANKING AND TREASURY

Investment Banking and Treasury (in Euro million)	FY 2009	FY 2008	% change
Total Income	270.6	49.6	444.8%
Total Expenses	38.7	40.7	(4.9%)
Profit Before Tax	231.9	8.8	...
Return on Regulatory Capital	49.1%	2.2%	...
Risk Weighted Assets	5,906	4,990	18.4%
Cost / Income Ratio	14.3%	82.0%	...

Profit before tax for the period amounted to Euro 231.9 million, largely attributable to strong fixed income trading results thanks to the successful analysis and positioning related to the tightening of the Greek government spreads in the second and third quarter of 2009.

ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS						
in Euro million	Dec.2009	Sep. 2009	Jun. 2009	Mar. 2009	Dec. 2008	% Dec. 2009 / Dec. 2008
Assets	69,596	68,806	73,985	67,409	65,270	6.6%
Loans (net)	51,400	51,012	50,853	50,802	50,705	1.4%
Securities	6,357	7,569	10,168	8,895	5,322	19.4%
Deposits	42,916	41,919	42,846	41,019	42,547	0.9%
Private Banking	3,359	3,597	2,676	2,738	2,952	13.8%
Mutual Funds	1,648	1,761	1,666	1,551	1,793	(8.1%)
Senior Debt	4,399	6,366	6,067	6,033	6,342	(30.6%)
Subordinated Debt	750	741	689	692	900	(16.6%)
Hybrid Capital	584	589	672	816	887	(34.2%)
Shareholders Equity	5,372	4,413	4,225	3,037	3,021	77.8%

INCOME STATEMENT							
in Euro million	FY 2009	FY 2008	% change	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Operating Income	2,380.1	2,345.7	1.5%	578.7	634.4	625.6	541.4
Net Interest Income	1,762.6	1,798.6	-2.0%	458.2	459.5	442.3	402.6
Net fee and commission income	378.8	464.4	-18.4%	92.3	95.3	98.4	92.8
Income from financial operations	171.5	(6.8)	...	10.2	62.6	68.9	29.8
Other income	67.1	89.5	-25.0%	17.9	17.0	16.0	16.2
Operating Expenses	(1,201.9)	(1,178.3)	2.0%	(332.5)	(296.5)	(294.1)	(278.8)
Staff costs	(565.5)	(589.5)	-4.1%	(149.3)	(138.0)	(139.2)	(138.9)
General expenses	(544.7)	(499.9)	9.0%	(160.3)	(135.9)	(131.4)	(117.1)
Depreciation and amortization expenses	(91.8)	(88.9)	3.2%	(22.9)	(22.6)	(23.5)	(22.8)
Impairment losses	(676.3)	(541.8)	24.8%	(179.6)	(170.0)	(169.5)	(157.3)
Profit before tax	501.8	625.6	-19.8%	66.6	167.9	162.1	105.3
Income tax	(110.3)	(112.2)	-1.6%	(18.9)	(37.9)	(33.5)	(20.0)
Net Profit excluding one-off Tax	391.5	513.4	-23.8%	47.7	130.0	128.6	85.3
One-off tax	(42.4)	0.0	...	(42.4)	0.0	0.0	0.0
Net Profit after tax	349.1	513.4	-32.0%	5.3	130.0	128.6	85.3
Net Profit attributable to shareholders	349.8	512.1	-31.7%	5.2	130.0	129.0	85.7

RATIOS						
	FY 2009	FY 2008	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net Interest Income / Average Assets - MARGIN	2.6%	3.0%	2.6%	2.6%	2.5%	2.4%
Cost to Income Ratio	50.5%	50.2%	57.5%	46.7%	47.0%	51.5%
Return on Equity after tax and minorities - ROE	10.1%	15.7%	0.5%	15.4%	16.3%	11.3%
Capital Adequacy Ratio (Total)	13.3%	9.8%	13.3%	11.6%	11.2%	9.4%
Capital Adequacy Ratio (Tier I)	11.7%	8.0%	11.7%	10.1%	9.7%	7.9%

BUSINESS VOLUMES			
in Euro million	Dec. 2009	Dec. 2008	% change
Customer Financing	53,043	51,981	2.0%
<i>of which:</i>			
Greece	40,256	39,140	2.9%
Mortgages	11,231	11,156	0.7%
Consumer Loans	3,732	3,567	4.6%
Credit Cards	1,455	1,378	5.6%
Small Business Loans	5,143	5,022	2.4%
<i>of which: < €150,000 in limits</i>	2,036	1,866	9.1%
Medium and Large Business Loans	18,695	18,017	3.8%
Southeastern Europe	11,347	11,200	1.3%
Mortgages	3,035	2,877	5.5%
Consumer Credit	1,036	1,044	(0.8%)
Business Loans	7,276	7,279	(0.0%)

Customer Assets	47,117	46,449	1.4%
<i>of which:</i>			
Deposits	42,916	42,547	0.9%
Greece	36,000	35,859	0.4%
Sight & Savings	14,666	12,741	15.1%
Time deposits & Alpha Bank Bonds	21,334	23,118	(7.7%)
Southeastern Europe	6,330	6,103	3.7%
Mutual Funds	1,648	1,793	(8.1%)
Portfolio Management	3,554	3,173	12.0%
<i>of which: Private Banking</i>	3,359	2,952	13.8%