

Press Release

First Quarter 2010 Results

Net Profit of Euro 52 million¹ after Euro 200 million of provisions

Tangible equity of Euro 4.2 billion, unaffected by adverse developments in sovereign credit markets

Strong balance sheet

- Solid capital position underpinned by Total Capital Adequacy of 13.1%, with Tier I ratio at 11.5% and Core Tier I at 8.8%.
- Strong liquidity profile, with Euro 3.5 billion of untapped cash available from the European Central Bank (ECB).
- Euro 4.2 billion of Greek government bonds, representing 6.1% of total assets.
- Comfortable loan to deposit ratio at 114%, adjusted for securitisations. Deposits and loans are up year-on-year by 1.1% and 1.5% respectively.
- Euro 1.8 billion of on-balance sheet provisions support 53% of our coverage of non-performing loans (NPLs) rising to 133% when collaterals are included; NPLs at 6.3%².

Resilient financial performance

- Pre-Provision income increased by 1.2% to Euro 266 million.
- Net Interest Margin remained stable quarter-on-quarter at 2.6%.
- Core revenues (excluding trading) rose by 8% to Euro 552 million.
- Operating expenses growth decelerated to 2.9% with cost to income ratio of 51.9%.
- Loan loss provisions at Euro 200 million, implying a cost of risk at 150 bps.

“The recent internationally backed Stand-by Agreement marks an important milestone for Greece. It paves the way for the implementation of fiscal consolidation measures and structural reforms, which should allow the country to re-affirm its important position in Southeastern Europe and to play a central role as a bridge between Europe and the East over the medium term. Alpha Bank is a key partner within the economy of the region and is well-positioned to benefit strongly when the Greek economy reaches its turning point.”

Yannis S. Costopoulos, Chairman

“In the first quarter of 2010 we delivered a solid operating performance by maintaining liquidity and protecting our franchise’s capital from the on-going turbulent situation in the economy. While our balance sheet is low risk, with measured sovereign exposure, and our asset base well collateralised, we will none the less continue to focus throughout the year on shielding Alpha Bank from contagion of the sovereign debt crisis and to deliver on our key priorities, which are: to maintain a comfortable liquidity position, to assist our customers to meet their loan payment obligations and to consolidate our cost base to maintain the current operating profitability levels.”

Demetrios P. Mantzounis, Managing Director - CEO

¹ Excluding adjustment for the one-off tax of Euro 61.9 million based on 2009 profits (Law 3845/2010).

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



KEY DEVELOPMENTS

- **Alpha Bank's solid balance sheet provides significant comfort in a challenging environment**
Since December 2009, the Greek economy has faced unprecedented negative market sentiment. Concerns about the sustainability of Greek public finances raised government bond spreads to levels never experienced before and transmitted market nervousness to the rest of the Euro-zone. Confidence throughout the economy, including both businesses and households, remained low.

In response to this environment, in May 2010 the Greek government reached an agreement with the European Commission, the European Central Bank and the International Monetary Fund for a multi-year financing package of Euro 110 billion along with a tough programme to improve public finances and to introduce structural reforms in a bid to restore investor, consumer and business confidence in the Greek economy.

Given the strength of its balance sheet, Alpha Bank is confident that it is well equipped to address successfully the unfolding situation in Greece. Key mitigating factors for these challenging operating conditions are its outstanding capital position, its significant accumulated provisions buffer, its relatively low risk loan book structure, its limited holdings in securities, and Greek government bonds in particular, and its diversified liquidity profile.

- **Benchmark capital position**
Alpha Bank has a best-in-class capital position with a Total Capital Adequacy of 13.1%, a Tier I ratio of 11.5% and a Core Tier I ratio of 8.8%. Our Tangible Equity stood at Euro 4.2 billion, unscathed by the current sovereign debt crisis, keeping our leverage ratio at 6.1%, the best among Greek peers. By applying the standardised method on calculating our Risk Weighted Assets (RWA), Alpha Bank avoids the pro-cyclicality effects caused by the more risk-sensitive methods. This conservative approach is better suited to address the anticipated deterioration in asset quality and thus should manage to better contain capital requirements.
- **Well-balanced liquidity profile, relatively unaffected by a contained deposit contraction**
At the end of March 2010, our deposits stood at Euro 41.5 billion, up 1.1% on a year-on-year (y-o-y) basis, contracting, however, by Euro 1.5 billion compared to the end of 2009. Almost 60% of the deposit outflows stemmed from shipping and corporate customers, which had to adapt their cash-flows to the deteriorating operating environment. It is worth noting that balances of the small depositors' favourite deposit product in Greece, our traditional savings account, remained effectively unchanged compared to the end of 2009 and has risen by 9.9% y-o-y to Euro 8.2 billion.

But, our conservative approach means that we have taken several steps to mitigate for any further deterioration in deposit gathering. Firstly, we expanded the stock of ECB eligible assets by Euro 3 billion in Q1 2010, raising our untapped availability of ECB funding to Euro 3.5 billion, a more than threefold increase compared to the end of 2009. Furthermore, we are working to expand our collateral pool through another covered bond transaction and by refinancing corporate loans through the ECB. In addition, the Greek government is in the process of allocating to Greek banks a further Euro 15 billion of allowance to issue government-guaranteed bonds that are eligible for ECB refinancing. Following the recent ruling by the ECB, these government-guaranteed bonds will retain their ECB eligibility status irrespective of any potential future adverse rating action on the Greek sovereign.

Taking into account our contained debt maturity of Euro 1 billion for the remainder of 2010, the balanced nature of our banking book with a loan-to-deposit ratio of 114%, and the liquidity war-chest that we are building through the above mentioned actions, we feel that Alpha Bank's secure liquidity position is assured for the foreseeable future.

- **Earnings generation capacity maintained in a very challenging operating environment**
Alpha Bank's balanced business model has proved resilient in the current turmoil, and this is reflected in the stability of our core earnings. In Q1 2010, our core banking income (excluding trading) increased by 7.9% y-o-y to Euro 551.8 million. Our pre-provision income stood at Euro 265.8 million, up 1.2% compared to Q1 2009. This performance has been driven primarily by a solid increase in net interest income (up 13.2% y-o-y), reflecting our ability to re-price our loan portfolio in a way that can absorb the

impact of the negative backdrop to our deposit gathering cost. Following recent adverse movements in sovereign spreads, we recorded a 33 bps negative deposit spread in Q1 2010 compared to only 14 bps in Q1 2009. In addition, we remain focused on containing our operating expenses, which grew by 2.9% y-o-y, but were significantly reduced on a quarter-on-quarter (q-o-q) basis, falling 13.7%. Our aim for 2010 is to maintain a flat cost base compared to 2009 and to that end we are undertaking a thorough review of our procurement processes using relevant expert assistance.

- **Marginally higher NPL formation**

During the first quarter, we witnessed an anticipated deterioration of asset quality with NPLs rising by 60 bps to 6.3% at the end of March 2010, compared to the 50 bps deterioration in Q4 2009. In Greece, NPLs rose at the same pace compared to the previous quarter, adding 50 bps to 6.6%. In Cyprus, NPL formation in Q1 2010 was in line with 2009, adding 40 bps to 4.5%. In the Balkans, we experienced a significant NPL deterioration, by 1.9 percentage points during Q1 2010, bringing our overall Balkan NPLs to 6%. This accelerating NPL formation was mainly driven by business-related cases in Romania and Bulgaria. From a segmental perspective, we should note that consumer credit, which given its nature represents the most risky part of our loan book, is showing strong resilience, recording a deterioration of just 30 bps in the Q1 2010.

The careful build up of Alpha Bank's loan portfolio allows for several mitigating factors against this deteriorating background. Firstly, our loan book is well collateralised and has a low risk profile given its limited exposure to consumer lending (11.5% of the book) and focus on long-term relationships with leading Greek corporates across a range of sectors. In addition, we have overhauled our early collection system in Greece and are also rolling out this revamped model to Southeastern Europe (SEE). Furthermore, we have a significant accumulated provisions buffer of Euro 1.8 billion and we are committed to continuing to build up our reserves, adding Euro 200 million of impairments in Q1 2010, bringing our cash coverage ratio to 53%, (133% when including collaterals), one of the highest ratios among our peers.

SUMMARY PROFIT AND LOSS

(in Euro million)	Q1 2010	Q1 2009	% change
Operating Income	552.7	541.4	2.1%
of which:			
Greece	411.9	412.4	(0.1%)
Southeastern Europe	134.3	123.7	8.5%
Operating Expenses	286.9	278.8	2.9%
of which:			
Greece	208.7	204.0	2.3%
Southeastern Europe	75.8	72.5	4.5%
Impairment Losses	200.0	157.3	27.2%
of which:			
Greece	154.6	133.6	15.7%
Southeastern Europe	45.4	23.6	92.1%
Profit before Tax	65.8	105.3	(37.5%)
of which:			
Greece	48.5	74.8	(35.1%)
Southeastern Europe	13.1	27.6	(52.5%)
Net Profit	(10.4)	85.7	...
Net Profit excluding One-Off Tax	51.6	85.3	(39.5%)

BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

(in Euro million)	31.03.2010	31.03.2009	% change
Assets	68,598	67,409	1.8%
Equity	5,312	3,037	74.9%
Loans (gross)	53,340	52,152	2.3%
of which:			
Greece	40,467	39,475	2.5%
Southeastern Europe	11,410	11,074	3.0%
Customer Assets	45,578	44,754	1.8%
Deposits	41,457	41,019	1.1%
of which:			
Greece	34,147	34,429	(0.8%)
Southeastern Europe	6,696	5,917	13.2%

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**Q1 2010 PERFORMANCE OVERVIEW**

Net profit reached Euro 51.6 million, a y-o-y decline of 39.5%, reflecting the slowdown of economic activity in Greece and SEE. Taking into account the one-off tax of Euro 61.9 million, imposed by the Greek government on 2009 profits, net profit attributable to shareholders amounted to Euro -10.4 million. **Net interest income** reached Euro 455.8 million, an increase of 13%, translating into a resilient **net interest margin** of 2.6% in Q1 2010 vs. 2.4% in Q1 2009. Compared to the previous quarter, net interest income recorded a slight decrease as the progress achieved in re-pricing our loan book was counter-balanced by higher cost of our deposits due to the escalating sovereign situation. **Net fee and commission income** stood at Euro 83 million, a decrease of 10.5%, in line with the slowdown in new loan disbursements and network-related transactions. **Income from financial operations** stood at Euro 0.8 million, as the positive contribution from foreign exchange related activities absorbed the trading losses recorded in Q1 2010 due to the extreme volatility in the Greek sovereign market. **Other income** stood at Euro 13 million (-19.4%) as our non-financial holdings were impacted by the recessionary economic environment.

Operating costs increased by 2.9% to Euro 286.9 million, but were down 13.7% q-o-q. The cost-to-income ratio declined to 51.9%. Staff costs increased by 3.1% to Euro 143 million, while general expenses grew by 3.5% to Euro 121.2 million. In Greece, operating costs went up by 2.3%, mainly affected by collection-related expenses and taxes, while in SEE our cost base increased by 4.5%.

Customer assets reached Euro 45.6 billion. At the end of March 2010, **total deposits** stood at Euro 41.5 billion (+1.1%). **In Greece**, deposits declined by 0.8% to Euro 34.1 billion, as business customers adjusted their liquidity planning to accommodate for a one-off tax imposed by the government and adapted their cash management to the emerging liquidity strained environment. Deposit declines were also affected by withdrawals of shipping and high net worth customers as they diversified part of their cash holdings away from Greece due to macro concerns. **In SEE**, deposits increased by 13.2% to Euro 6.7 billion. Finally, **private banking** balances increased to Euro 3.3 billion (+21%) and **mutual fund** balances stood at Euro 1.6 billion.

Loans and advances to customers (gross) grew by 2.3%, reaching Euro 53.3 billion compared to Euro 52.2 billion at the end of March 2009. This development was driven primarily by a 2.5% volume expansion in Greece and an increase of 3% in our SEE portfolio. We continued to provide liquidity to the Greek economy by facilitating credit to SMEs and mortgages with new disbursements, which totalled Euro 1,305 million and Euro 288 million respectively in Q1 2010.

Impairment losses on loans amounted to Euro 200 million, with the **cost of credit** rising to 150 bps for the quarter vs 129 bps in 2009. Our NPL ratio, under IFRS 7, increased by 60 bps in Q1 2010 reaching 6.3% at the end of March 2010. In Greece, NPLs reached 6.6%, and in SEE, the NPL ratio reached 6%.

Allowances for impairments were strengthened further to Euro 1.8 billion, representing 3.4% of loans compared to 2.6% at the end of March 2009. This translates to a **coverage ratio** of 53% of NPLs, increasing to 133% if collaterals are taken into account, which is a comfortable margin given the conservative structure of our loan portfolio.

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

Retail Banking (in Euro million)	Q1 2010	Q1 2009	% change
Total Income	242.9	231.2	5.1%
Total Expenses	146.8	140.6	4.4%
Impairment Losses	73.2	72.1	1.6%
Profit Before Tax	22.8	18.5	23.6%
Return on Regulatory Capital	7.9%	6.6%
Risk Weighted Assets	14,509	14,101	2.9%
Cost / Income Ratio	60.4%	60.8%
Customer Financing (end-period)	21,511	21,221	1.4%

In Q1 2010, profit before tax reached Euro 22.8 million, compared to Euro 18.5 million last year. **Mortgage credit** growth slowed significantly to 0.7%, with balances reaching Euro 11.3 billion, reflecting low consumer confidence. **Consumer loan** balances totalled Euro 3.7 billion, growing at a decelerating rate of 2.6%. **Credit card** advances increased by 5.2% to Euro 1.5 billion. Moreover, **small business loans** (extended to companies with credit limits up to Euro 1 million) increased by 0.9%, while loans to **very small businesses** (defined as those with credit limits up to Euro 150,000) increased by 6.1%. Under the second funding round of the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME), to the end of April 2010, Alpha Bank submitted 3,757 applications corresponding to Euro 277 million, all of which are effectively clear of approval and have entered the funds draw-down stage.

OPERATIONS IN SOUTHEASTERN EUROPE

Operations in Southeastern Europe (in Euro million)	Q1 2010	Q1 2009	% change
Total Income	134.3	123.7	8.5%
Total Expenses	75.8	72.5	4.5%
Impairment Losses	45.4	23.6	92.1%
Profit Before Tax	13.1	27.6	(52.5%)
Return on Regulatory Capital	6.3%	13.4%	...
Risk Weighted Assets	10,401	10,273	1.2%
Cost / Income Ratio	56.5%	58.6%
Customer Financing (end-period)	11,410	11,074	3.0%
Customer Deposits (end-period)	6,696	5,917	13.2%

Profit before tax stood at Euro 13.1 million, a decrease of 52.5%. While registering positive trends in operating income (up by 8.5%), our result was adversely affected by the sizeable increase in impairment losses to account for the deterioration in credit quality. However, we expect a gradual improvement in the economic fundamentals in Southeastern Europe, a trend that is evidenced by strengthening currencies across the region and lower interest rates in Romania and Serbia. This development should facilitate a stabilisation in asset quality and translate into a return of credit growth at a later stage.

In **Cyprus**, our largest exposure in SEE, deposits increased by Euro 322 million (up 9.3%) amounting to Euro 3.8 billion, with loans stable at Euro 4.5 billion. In **Romania**, deposits increased by 15.4% amounting to Euro 1.6 billion, while loans stood at Euro 4.2 billion. In **Bulgaria**, deposit balances increased by 41.9% to reach Euro 436 million, as the maturity of our nationwide coverage continues, while loan balances remained virtually flat at Euro 1 billion. In **Serbia**, deposit balances increased by 28.8% to Euro 409 million and loans reached Euro 972 million (+20.5%). In **Albania**, deposits amounted to Euro 389 million (+1.8%) and loans to Euro 525 million, while in **F.Y.R.O.M** deposits stood at Euro 66 million and loans at Euro 115 million. In **Ukraine**, our deposits reached Euro 29 million while our loans amounted to Euro 59 million.

MEDIUM AND LARGE CORPORATES

Medium and Large Corporates (in Euro million)	Q1 2010	Q1 2009	% change
Total Income	125.2	106.3	17.8%
Total Expenses	32.6	31.5	3.6%
Impairment Losses	81.4	61.5	32.4%
Profit Before Tax	11.2	13.3	(16.1%)
Return on Regulatory Capital	3.1%	3.7%	...
Risk Weighted Assets	18,333	17,982	1.9%
Cost/Income Ratio	26.1%	29.6%	...
Customer Financing (end-period)	18,956	18,254	3.8%

Profit before tax was Euro 11.2 million with loans increasing by 3.8%. While there has been good progress in adjusting pricing to the prevailing credit environment, allowing our pre-provision income to grow by 23.7%, we continued to increase our impairment charges to cushion our balance sheet against deterioration in credit quality.

ASSET MANAGEMENT

Asset Management (in Euro million)	Q1 2010	Q1 2009	% change
Total Income	14.6	12.2	19.3%
Total Expenses	9.2	9.3	(1.2%)
Profit Before Tax	5.4	2.9	85.0%
Return on Regulatory Capital	30.4%	16.9%	...
Risk Weighted Assets	886	861	2.8%
Cost / Income Ratio	63.2%	76.3%
Customer Funds (end-period)	5,092	4,513	12.8%

Profit before tax amounted to Euro 5.4 million, positively influenced by increased commissions, and funds under management increased to Euro 5 billion (+12.8%). In private banking, our balances increased by Euro 574 million to Euro 3.3 billion.

INVESTMENT BANKING AND TREASURY

Investment Banking and Treasury (in Euro million)	Q1 2010	Q1 2009	% change
Total Income	27.6	53.7	(48.5%)
Total Expenses	8.4	9.6	(12.2%)
Profit Before Tax	19.2	44.0	(56.4%)
Return on Regulatory Capital	16.2%	38.4%	...
Risk Weighted Assets	5,938	5,730	3.6%
Cost / Income Ratio	30.5%	17.9%	...

Profit before tax for the period amounted to Euro 19.2 million (-56.4% y-o-y), largely attributable to Euro 9.8 million of trading losses we incurred in Q1 2010 relating mainly to the high volatility in the Greek government bond market.

ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS						
in Euro million	Mar. 2010	Dec.2009	Sep. 2009	Jun. 2009	Mar. 2009	% Mar. 2010 / Mar. 2009
Assets	68,598	69,596	68,806	73,985	67,409	1.8%
Loans (net)	51,552	51,400	51,012	50,853	50,802	1.5%
Securities	8,532	6,357	7,569	10,168	8,895	(4.1%)
Deposits	41,457	42,916	41,919	42,846	41,019	1.1%
Private Banking	3,312	3,359	3,597	2,676	2,738	21.0%
Mutual Funds	1,591	1,648	1,761	1,666	1,551	2.6%
Senior Debt	3,695	4,399	6,366	6,067	6,033	(38.7%)
Subordinated Debt	761	750	741	689	692	9.8%
Hybrid Capital	582	584	589	672	816	(28.6%)
Shareholders Equity	5,312	5,372	4,413	4,225	3,037	74.9%

INCOME STATEMENT						
in Euro million	Q1 2010	% Q1 2010 / Q1 2009 change	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Operating Income	552.7	2.1%	578.7	634.4	625.6	541.4
Net Interest Income	455.8	13.2%	458.2	459.5	442.3	402.6
Net fee and commission income	83.0	(10.5%)	92.3	95.3	98.4	92.8
Income from financial operations	0.8	(97.2%)	10.2	62.6	68.9	29.8
Other income	13.0	(19.4%)	17.9	17.0	16.0	16.2
Operating Expenses	(286.9)	2.9%	(332.5)	(296.5)	(294.1)	(278.8)
Staff costs	(143.3)	3.1%	(149.3)	(138.0)	(139.2)	(138.9)
General expenses	(121.2)	3.5%	(160.3)	(135.9)	(131.4)	(117.1)
Depreciation and amortization expenses	(22.5)	(1.4%)	(22.9)	(22.6)	(23.5)	(22.8)
Impairment losses	(200.0)	27.2%	(179.6)	(170.0)	(169.5)	(157.3)
Profit before tax	65.8	(37.5%)	66.6	167.9	162.1	105.3
Income tax	(14.2)	(28.8%)	(18.9)	(37.9)	(33.5)	(20.0)
Net Profit excluding one-off Tax	51.6	(39.5%)	47.7	130.0	128.6	85.3
One-off tax	(61.9)	...	(42.4)	0.0	0.0	0.0
Net Profit after tax	(10.3)	...	5.3	130.0	128.6	85.3
Net Profit attributable to shareholders	(10.4)	...	5.2	130.0	129.0	85.7

RATIOS					
	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net Interest Income / Average Assets - MARGIN	2.6%	2.6%	2.6%	2.5%	2.4%
Cost to Income Ratio	51.9%	57.5%	46.7%	47.0%	51.5%
Return on Equity after tax and minorities - ROE	(0.9%)	0.5%	15.4%	16.3%	11.3%
Capital Adequacy Ratio (Total)	13.1%	13.3%	11.6%	11.2%	9.4%
Capital Adequacy Ratio (Tier I)	11.5%	11.7%	10.1%	9.7%	7.9%

BUSINESS VOLUMES				
in Euro million	Mar. 2010	Mar. 2009	% change	Dec. 2009
Customer Financing	53,340	52,152	2.3%	53,043
<i>of which:</i>				
Greece	40,467	39,475	2.5%	40,256
Mortgages	11,264	11,186	0.7%	11,231
Consumer Loans	3,689	3,594	2.6%	3,732
Credit Cards	1,450	1,378	5.2%	1,455
Small Business Loans	5,107	5,063	0.9%	5,143
<i>of which: < €150,000 in limits</i>	<i>2,043</i>	<i>1,925</i>	<i>6.1%</i>	<i>2,036</i>
Medium and Large Business Loans	18,957	18,254	3.9%	18,695
Southeastern Europe	11,410	11,074	3.0%	11,347
Mortgages	3,129	2,904	7.7%	3,035
Consumer Credit	1,006	1,037	(3.0%)	1,036
Business Loans	7,275	7,134	2.0%	7,276
Customer Assets	45,578	44,754	1.8%	47,117
<i>of which:</i>				
Deposits	41,457	41,019	1.1%	42,916
Greece	34,147	34,429	(0.8%)	36,000
Sight & Savings	13,932	12,369	12.6%	14,666
Time deposits & Alpha Bank Bonds	20,215	22,060	(8.4%)	21,334
Southeastern Europe	6,696	5,917	13.2%	6,330
Mutual Funds	1,591	1,551	2.6%	1,648
Portfolio Management	3,501	2,962	18.2%	3,554
<i>of which: Private Banking</i>	<i>3,312</i>	<i>2,738</i>	<i>21.0%</i>	<i>3,359</i>