

Press Release

First Half 2010 Results

**Net Profit of Euro 100.2 million¹, with quarterly pre-provision income reaching Euro 296.2 million
CEBS stress test result reinforces solid capital position**

Strong balance sheet to support performance recovery

- Best-in-class performance amongst Greek peers in CEBS stress test: 8.22% Tier I under the sovereign shock scenario in December 2011.
- Targeted balance sheet deleveraging, with securities declining by Euro 1.4 billion in Q2 to Euro 7.2 billion, representing 11% of assets. Greek government bonds at Euro 4.6 billion.
- Strong liquidity profile, with Euro 2.3 billion of untapped cash at the European Central Bank. ECB funding at Euro 14.5 billion is effectively reduced to Euro 9.6 billion on a net basis².
- NPLs at 6.9%³ are backed by Euro 1.9 billion of on-balance sheet provisions yielding 53% cash coverage before any collateral.

Resilient financial performance amidst continuing challenging environment

- Net interest income increased by 9% to Euro 917 million.
- Net Interest Margin increased by 10bps quarter-on-quarter to 2.7%.
- Operating income reaching Euro 1,133 million. Core income (excluding trading) rose by 5% to Euro 1,119 million as trading income was down by Euro 84.1 million.
- Second consecutive quarter of operating expenses contraction with a 0.3% decline year-on-year to Euro 571 million.
- Positive Net Profit Euro 100.2 million after Euro 421.3 million impairment charges.

“Greece has entered a period of substantial change and transformation. In a short period of time, important reforms have been introduced, which aim to put the country back on the path to stability and growth and we are encouraged by the supportive comments from international observers, praising our country’s commitment to the three year financing and adjustment programme. In this challenging environment, Alpha Bank, given its balanced approach and market leading position, stands firmly by its customers in their own adjustment efforts.”

Yannis S. Costopoulos, Chairman

“Despite a tough operating environment we delivered another solid quarterly operating performance from our core banking activities. We also made good progress along key priorities: maintaining our comfortable liquidity position by deleveraging parts of our securities portfolio and reducing our cost base as our cost containment efforts start delivering visible results. Our culture of capital preservation, as evidenced by the CEBS stress test results and our defensive loan book gives us confidence that we could survive even more adverse conditions and provides the platform for building on our financial performance in the future.”

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 Due to banks net of due from banks and cash available.

³ Non performing loans (NPLs) are defined as loans in arrears for more than 90 days.

KEY DEVELOPMENTS

- Greek GDP contracts while economic adjustment efforts accelerate

In the second quarter of 2010, economic activity in Greece slowed down as austerity and cutback measures affected savings, consumption and investment. In the second quarter, GDP fell by 3.5% on an annual basis, following a 2.3% decline in the first quarter, while the persistently high inflation has further eroded consumer spending appetite. During this period, the Hellenic Republic has made impressive progress towards delivering its substantial fiscal consolidation and structural reform agenda, as confirmed by the first European Commission Report on the Economic Adjustment Programme. Among these is the enactment of a far-reaching law reforming the country's pension system and the liberalisation of closed professions, starting with the ground transportation sector. Progressing the structural reforms agenda is key in bolstering Greece's competitiveness and unleashing its future growth potential.

In this challenging economic environment, the results of the EU-wide stress tests, announced on July 23, 2010 by the Committee of European Banking Supervisors (CEBS) confirmed Greek banks strong capital position. Five out of the six banks assessed, representing approximately 90% of the system's assets, maintained a Tier I ratio of 6% even after applying the particularly stressed parameters of a sovereign shock. We were pleased that Alpha Bank achieved the best position among its peer group.

- Our Benchmark capital position demonstrates our resilience under the most adverse stress scenario

Alpha Bank has a solid capital position with a Total Capital Adequacy of 13.0%, a Tier I ratio of 11.4% and a Core Tier I ratio of 8.7%. Our Tangible Common Equity stood at Euro 4.1 billion, effectively unscathed by the Greek sovereign debt crisis, translating into an assets-to-tangible common equity ratio of only 17x.

The results of the EU-wide stress tests highlighted Alpha Bank's position as enjoying one of the highest capital buffers amongst the Greek banking sector and its capacity to absorb significant potential shocks. In particular, under the adverse scenario assumptions, our Tier I ratio would decline from 11.6% as of end 2009, to 10.9% at the end 2011. The additional sovereign shock scenario on the banking book would have a further impact of 2.7 percentage points on the estimated Tier I capital ratio, bringing it down to 8.2% at the end of 2011, whereby no tax relief is included in this number. Alpha Bank's Tier I, excluding preference shares placed with the Greek government, would have still been ahead of the raised stress test threshold of 6%.

- Solid underlying performance from core banking business

In Q2 2010, Alpha Bank has reported a strong pre-provision income of Euro 296.2 million, up 11.5% on a quarter-on-quarter basis. It should also be highlighted that adjusting for trading gains, our pre-provision performance at Euro 282.4 million is up 6.6% q-o-q. This strong performance was influenced positively by the ongoing expansion of our net interest income, up 1.3% q-o-q and our efforts to contain our operating expenses, which were down by 0.9% q-o-q, delivering for a second consecutive quarter reduction of our cost base.

- Ongoing provisions build-up against stable NPL formation

Alpha Bank has used expanding pre-provision income to further strengthen its reserves, with impairment charges in Q2 2010 of Euro 221.3 million compared to Euro 200 million in the previous quarter. As a result, accumulated balance sheet provisions reached Euro 1.9 billion, translating to a 53% cash coverage ratio (133% when including collaterals). From a segmental perspective, business and consumer coverage stand at 63% and 69% respectively, and from a geographic point of view coverage stands at 59% in the Balkans and 72% in Cyprus, areas of more recent expansion of the Bank, vs. 50% in Greece.

The rate of deterioration of our NPLs did not increase compared to the previous quarter rising by 60 bps to 6.9% at the end of June 2010. In Greece, NPLs rose by 50 bps to 7.1% experiencing the same level of formation as in the previous quarter. In Cyprus, loans in arrears stood at 5.4% in Q2 2010, adding 90 bps, and in the Balkans at 7.2%, up 120 bps q-o-q. International NPL formation has been driven mainly by business-related cases in Bulgaria and Romania as the economic slowdown continues to affect the performance of business customers in these countries. From a segmental perspective, it is worth highlighting that consumer credit NPL formation is stabilising, recording a slower decline of 10 bps in Q2

2010 largely attributed to our focused collection approach and our consistent policy to write-off consumer loans when they are for more than a year in arrears.

- **Balanced liquidity profile, benefiting from active balance sheet management**

At the end of June 2010, our deposits stood at Euro 39.7 billion, down 7.4% or Euro 3.3 billion year-to-date. This compares with a 9% system-wide decline and is in line with our overall market share. Greek sovereign solvency concerns as well as the reduced liquidity in the market brought about by a variety of factors including increased taxation, have affected the sector's deposits. We note that Southeastern European deposit balances have remained broadly stable in the first half of the year (up 0.9% y-o-y), with a large part of outflows in Greece stemming from shipping and corporate customers, reflecting the management of their respective cash positions.

Against this challenging environment, Alpha Bank adopted a number of measures. Firstly, we decreased our securities portfolio from Euro 8.6 billion at end March to Euro 7.2 billion at the end of June 2010. This Euro 1.4 billion reduction reflected mainly the unwinding of a corporate bonds securitisation transaction and the sale of the underlying securities in the market. Secondly, we expanded the stock of ECB eligible assets by Euro 2 billion in Q2 2010, bringing our ECB utilisation to Euro 14.5 billion and our untapped liquidity at Euro 2.3 billion at the end of June 2010. Our ECB pool will further expand by a Euro 1 billion covered bond, issued in July, and by our allocation to a further Euro 25 billion of allowance to issue government-guaranteed bonds.

Taking the above into account along with our contained debt maturity of Euro 0.4 billion for the remainder of 2010 and the balanced nature of our banking book with a loan-to-deposit ratio of 120%, Alpha Bank's ample liquidity position is assured for the foreseeable future.

SUMMARY PROFIT AND LOSS

(in Euro million)	H1 2010	H1 2009	% change
Operating Income	1,133.1	1,166.9	(2.9%)
of which:			
Greece	844.0	905.3	(6.8%)
Southeastern Europe	276.4	250.3	10.4%
Operating Expenses	571.1	572.9	(0.3%)
of which:			
Greece	415.1	419.2	(1.0%)
Southeastern Europe	151.3	148.7	1.8%
Impairment Losses	421.3	326.7	28.9%
of which:			
Greece	325.7	264.2	23.3%
Southeastern Europe	95.6	62.5	53.0%
Profit before Tax	140.7	267.3	(47.4%)
of which:			
Greece	103.2	221.9	(53.5%)
Southeastern Europe	29.5	39.2	(24.7%)
Net Profit	38.2	214.7	(82.2%)
Net Profit excluding One-Off Tax	100.2	213.9	(53.1%)

BALANCE AND OFF-BALANCE SHEET HIGHLIGHTS

(in Euro million)	30.06.2010	30.06.2009	% change
Assets	68,019	73,985	(8.1%)
Equity	5,187	4,225	22.8%
Loans (gross)	53,304	52,245	2.0%
of which:			
Greece	40,719	39,681	2.6%
Southeastern Europe	11,453	11,043	3.7%
Customer Assets	42,731	47,041	(9.2%)
Deposits	39,657	42,846	(7.4%)
of which:			
Greece	32,640	35,842	(8.9%)
Southeastern Europe	6,315	6,256	1.0%

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H1 2010 PERFORMANCE OVERVIEW

Net profit reached Euro 100.2 million, a decline of 53.1%, reflecting the slowdown of economic activity in Greece and SEE. Adjusting for the one-off tax of Euro 61.9 million, imposed by the Greek government on 2009 profits (which was booked in Q1 2010), net profit attributable to shareholders amounted to Euro 38.2 million. **Net interest income** reached Euro 917.4 million, an increase of 8.6% y-o-y and 1.3% compared to the first quarter. This performance reflected our continuous efforts for risk-adjusted loan re-pricing, which more than offset the higher cost of our deposits due to the sovereign situation. This positive development is also reflected in the 30 bps widening of the **net interest margin** (2.7% in H1 2010 compared to 2.4% in H1 2009). **Net fee and commission income** stood at Euro 172 million, a decrease of 10%, in line with the slowdown in new loan disbursements and network-related transactions. **Income from financial operations** stood at Euro 14.6 million, assisted from our foreign exchange related income. **Other income** stood at Euro 29.1 million (down 9.8%) as our non-financial holdings were impacted by the recessionary economic environment.

Operating costs contracted by 0.3% to Euro 571.1 million, which marks the second consecutive quarter where operating expenses decreased. Staff costs increased by 0.6% y-o-y to Euro 279.7 million and decreased by 4.8% compared to the first quarter, while general expenses decreased by 0.7% to Euro 246.7 million. In Greece, operating costs were reduced by 1% to Euro 415.1 million, while in SEE our cost base increased by 1.8% to Euro 151.3 million, as both demand-driven and structural cost containment efforts started to take effect.

Customer assets reached Euro 42.7 billion. At the end of June 2010, **total deposits** stood at Euro 39.7 billion (down 7.4%). In **Greece**, deposits declined by 9.1% to Euro 32.9 billion, as shipping and high net worth customers diversified part of their cash holdings away from Greece as a result of the Greek sovereign crisis and also as business customers adapted their cash management to the liquidity strained environment. In **SEE**, deposits increased by 1% to Euro 6.3 billion. Finally, **private banking** balances decreased to Euro 2.6 billion (down 20.2%) and **mutual fund** balances declined to Euro 1.3 billion (down 21.5%).

Loans and advances to customers (gross) grew by 2%, reaching Euro 53.3 billion compared to Euro 52.2 billion at the end of June 2009. This development was driven primarily by a 2.6% volume expansion in Greece and a 3.7% increase in our SEE portfolio. We continued to provide liquidity to the Greek economy by facilitating credit to SMEs and mortgages with new disbursements of Euro 2.6 billion and Euro 0.6 billion respectively in H1 2010.

Impairment losses on loans amounted to Euro 421.3 million, with the **cost of credit** rising to 158 bps for H1 2010, which corresponds to 166 bps for the second quarter. Our NPL ratio, under IFRS 7, increased by 60 bps in Q2 2010 reaching 6.9% at the end of June 2010. NPLs reached 7.1% in Greece and 7.2% in SEE. **Allowances for impairments** were strengthened further, reaching Euro 1.9 billion, representing 3.7% of loans compared to 2.7% at the end of June 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)	H1 2010	H1 2009	% change
Total Income	486.8	478.6	1.7%
Total Expenses	291.2	289.9	0.4%
Impairment Losses	150.3	141.0	6.6%
Profit Before Tax	45.3	47.7	(5.1%)
Return on Regulatory Capital	7.8%	8.4%	...
Risk Weighted Assets	14,596	14,126	3.3%
Cost / Income Ratio	59.8%	60.6%	...
Customer Financing (end-period)	21,387	21,337	0.2%

In H1 2010, profit before tax reached Euro 45.3 million, compared to Euro 47.7 million last year. **Mortgage credit** growth slowed to 1.1%, with balances reaching Euro 11.3 billion, reflecting weak consumer confidence. **Consumer loan** balances totalled Euro 3.6 billion, which corresponds to a decline of 0.8%. **Credit card** advances increased by 5.1% to Euro 1.4 billion. Moreover, **small business loans** (extended to companies with credit limits up to Euro 1 million) decreased by 2.1%, while loans to **very small businesses** (defined as those with credit limits up to Euro 150,000) remained virtually unchanged. Under the second funding round of the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME), to the end of July 2010, Alpha Bank submitted 3,872 applications corresponding to Euro 284 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)	H1 2010	H1 2009	% change
Total Income	276.4	250.3	10.4%
Total Expenses	151.3	148.7	1.8%
Impairment Losses	95.6	62.5	53.0%
Profit Before Tax	29.5	39.2	(24.7%)
Return on Regulatory Capital	7.0%	9.5%	...
Risk Weighted Assets	10,452	10,271	1.8%
Cost / Income Ratio	54.8%	59.4%	...
Customer Financing (end-period)	11,453	11,043	3.7%
Customer Deposits (end-period)	6,315	6,256	1.0%

Profit before tax stood at Euro 29.5 million, a decrease of 24.7%. While registering positive trends in operating income (up 10.4%), our result was adversely affected by the sizeable increase in impairment losses (up 53%), which account for the deterioration in credit quality.

In **Cyprus**, our largest exposure in SEE, deposits decreased to Euro 3,594 million (down 2.2%) primarily due to the withdrawal of state related funds, while loans increased by 2.9% to Euro 4.6 billion. In **Romania**, deposits reached Euro 1.4 billion (down 1.6%), affected by the depreciation of the local currency, while loans amounted to Euro 4.1 billion (up 2.8%). In **Bulgaria**, deposit balances increased by 29.8% to reach Euro 437 million, as the maturity of our nationwide coverage continues, while loan balances dropped slightly by 1% to Euro 1 billion. In **Serbia**, deposit balances increased by 14.3% to Euro 397 million and loans reached Euro 993 million (up 21.9%). In **Albania**, deposits amounted to Euro 391 million (down 1.3%) and loans to Euro 526 million (up 1.6%), while in **F.Y.R.O.M** deposits stood at Euro 61 million and loans at Euro 108 million. Finally, in **Ukraine**, our deposits increased to Euro 38 million while our loans reached Euro 65 million.

MEDIUM AND LARGE CORPORATES

Medium and Large Corporates (in Euro million)	H1 2010	H1 2009	% change
Total Income	255.6	230.4	11.0%
Total Expenses	64.9	64.1	1.3%
Impairment Losses	175.4	123.2	42.4%
Profit Before Tax	15.3	43.2	(64.5%)
Return on Regulatory Capital	2.1%	6.0%	...
Risk Weighted Assets	18,447	17,986	2.6%
Cost / Income Ratio	25.4%	27.8%	...
Customer Financing (end-period)	19,332	18,344	5.4%

Profit before tax was Euro 15.3 million with loans increasing by 5.4%. While there has been continuous progress in adjusting pricing to the prevailing credit environment, allowing our pre-provision income to grow by 14.7%, we continued to increase our impairment charges to cushion our balance sheet against deterioration in credit quality.

ASSET MANAGEMENT

Asset Management (in Euro million)	H1 2010	H1 2009	% change
Total Income	28.5	27.3	4.5%
Total Expenses	18.4	19.2	(4.0%)
Profit Before Tax	10.1	8.1	25.3%
Return on Regulatory Capital	28.5%	23.4%	...
Risk Weighted Assets	888	865	2.7%
Cost / Income Ratio	64.6%	70.3%	...
Customer Funds (end-period)	3,910	4,925	(20.6%)

Profit before tax amounted to Euro 10.1 million positively influenced by increased commissions. Funds under management decreased to Euro 3.9 billion (down 20.6%). In private banking, our balances stood at Euro 2.6 billion.

INVESTMENT BANKING AND TREASURY

Investment Banking and Treasury (in Euro million)	H1 2010	H1 2009	% change
Total Income	68.0	152.9	(55.5%)
Total Expenses	17.1	19.2	(10.9%)
Profit Before Tax	50.8	133.6	(62.0%)
Return on Regulatory Capital	21.4%	57.2%	...
Risk Weighted Assets	5,928	5,834	1.6%
Cost / Income Ratio	25.2%	12.6%	...

Profit before tax for the period amounted to Euro 50.8 million (down 62%), mostly attributed to the positive contribution from our bond portfolio to interest income.

ASSETS - LIABILITIES AND OFF BALANCE SHEET ITEMS						
in Euro million	Jun 2010	Mar. 2010	Dec.2009	Sep. 2009	Jun. 2009	% Jun. 2010 / Jun. 2009
Assets	68,019	68,598	69,596	68,806	73,985	(8.1%)
Loans (net)	51,357	51,552	51,400	51,012	50,853	1.0%
Securities	7,191	8,532	6,357	7,569	10,168	(29.3%)
Deposits	39,657	41,457	42,916	41,919	42,846	(7.4%)
Private Banking	2,602	3,312	3,359	3,597	3,259	(20.2%)
Mutual Funds	1,308	1,591	1,648	1,761	1,666	(21.5%)
Senior Debt	3,032	3,695	4,399	6,366	6,067	(50.0%)
Subordinated Debt	789	761	750	741	689	14.5%
Hybrid Capital	578	582	584	589	672	(14.0%)
Shareholders Equity	5,187	5,312	5,372	4,413	4,225	22.8%

INCOME STATEMENT					
in Euro million	H1 2010	H1 2009	% change	Q2 2010	Q1 2010
Operating Income	1,133.1	1,166.9	(2.9%)	580.4	552.7
Net Interest Income	917.4	844.9	8.6%	461.6	455.8
Net fee and commission income	172.0	191.2	(10.0%)	89.0	83.0
Income from financial operations	14.6	98.7	(85.2%)	13.8	0.8
Other income	29.1	32.2	(9.8%)	16.0	13.0
Operating Expenses	(571.1)	(572.9)	(0.3%)	(284.2)	(286.9)
Staff costs	(279.7)	(278.1)	0.6%	(136.4)	(143.3)
General expenses	(246.7)	(248.5)	(0.7%)	(125.5)	(121.2)
Depreciation and amortization expenses	(44.7)	(46.3)	(3.4%)	(22.2)	(22.5)
Impairment losses	(421.3)	(326.7)	28.9%	(221.3)	(200.0)
Profit before tax	140.7	267.3	(47.4%)	74.9	65.8
Income Tax	(40.5)	(53.5)	(24.3%)	(26.2)	(14.2)
Net Profit excluding one-off Tax	100.2	213.9	(53.1%)	48.7	51.6
One-off tax	(61.9)	0.0	...	0.0	(61.9)
Net Profit after tax	38.4	213.9	(82.1%)	48.7	(10.3)
Net Profit attributable to shareholders	38.2	214.7	(82.2%)	48.7	(10.4)

RATIOS				
	H1 2010	H1 2009	Q2 2010	Q1 2010
Net Interest Income / Average Assets - MARGIN	2.7%	2.4%	2.7%	2.6%
Cost to Income Ratio	50.4%	49.1%	49.0%	51.9%
Return on Equity after tax and minorities - ROE	1.8%	13.6%	4.5%	(0.9%)
Capital Adequacy Ratio (Total)	13.0%	11.2%	13.0%	13.0%
Capital Adequacy Ratio (Tier I)	11.4%	9.7%	11.4%	11.4%

BUSINESS VOLUMES				
in Euro million	June 2010	June 2009	% change	Dec. 2009
Customer Financing	53,304	52,245	2.0%	53,043
<i>of which:</i>				
Greece	40,719	39,681	2.6%	40,256
Mortgages	11,303	11,184	1.1%	11,231
Consumer Loans	3,630	3,661	(0.8%)	3,732
Credit Cards	1,440	1,370	5.1%	1,455
Small Business Loans	5,014	5,122	(2.1%)	5,143
<i>of which: < €150,000 in limits</i>	<i>2,015</i>	<i>2,014</i>	<i>0.0%</i>	<i>2,036</i>
Medium and Large Business Loans	19,332	18,344	5.4%	18,695
Southeastern Europe	11,453	11,043	3.7%	11,347
Mortgages	3,252	2,926	11.2%	3,035
Consumer Credit	976	1,026	(4.8%)	1,036
Business Loans	7,224	7,092	1.9%	7,276
Customer Assets	42,731	47,041	(9.2%)	47,117
<i>of which:</i>				
Deposits	39,657	42,846	(7.4%)	42,916
Greece	32,868	36,148	(9.1%)	36,162
Sight & Savings	13,361	14,321	(6.7%)	14,828
Time deposits & Alpha Bank Bonds	19,507	21,827	(10.6%)	21,334
Southeastern Europe	6,315	6,256	1.0%	6,330
Mutual Funds	1,308	1,666	(21.5%)	1,648
Portfolio Management	2,749	3,444	(20.2%)	3,554
<i>of which: Private Banking</i>	<i>2,602</i>	<i>3,259</i>	<i>(20.2%)</i>	<i>3,359</i>