ALPHA BANK

ANNUAL FINANCIAL REPORT

For the period from 1st January to 31st December 2010

(In accordance with the Law 3556/2007)

Athens
March 22, 2011

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Statement by the Members of the Board of Directors
(in accordance with article 4 paragraph 2 of Law 3556/2007)

To the best of our knowledge, the annual financial statements that have been prepared in accordance with the applicable Accounting Standards, give a true view of the assets, liabilities, equity and financial performance of Alpha Bank A.E. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 4 paragraphs 3 and 4 of Law 3556/2007, and the Board of Directors' annual report presents fairly the information required by article 4 paragraphs 7 and 8 of Law 3556/2007 and the related decisions of the Hellenic Capital Market Commission.

Athens, March 22, 2011

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE EXECUTIVE DIRECTOR
YANNIS S. COSTOPOULOS **I.D. No X 661480**	**DEMETRIOS P. MANTZOUNIS** **I.D. No I 166670**	**ARTEMIS CH. THEODORIDIS** **I.D. No AB 281969**

Board of Directors' Annual Management Report as at 31.12.2010

Financial Environment

The activities and financial results of Alpha Bank in Greece and abroad for 2010 have reached a satisfactory level, amidst an extremely unfavourable economic environment in Greece as well as in the countries of Southeastern Europe. In Greece, the previous year was a period of deep recession for the economy, which deteriorated significantly during the second half of the year, resulting in a decrease of GDP by 4.5% in 2010, following a decrease of 2% in 2009 and an increase by 1% in 2008. The countries of Southeastern Europe exited the 2009 recession at a very slow pace, with Romania recording once again negative growth, Bulgaria entering a period of economic stabilization, and Serbia recording considerable recovery despite the relatively high level of inflation as well as its currency slide. More specifically:

Greece was excluded from the bond markets in the end of April 2010 and in the beginning of May 2010 a funding mechanism was set up for the country of € 110 billion from the countries in the Eurozone and the International Monetary Fund, conditional to the implementation of the Memorandum of Economic and Financial Policies (the Memorandum) which provides for drastic measures that relate to fiscal adjustments, in order to reduce the deficit below 3% of GDP from 2014, and structural reforms for basic sectors of the Greek economy.

The Memorandum is being implemented with profound effectiveness by the Greek government, by passing through the Parliament measures for the reduction of public expenditure and increase in public revenue, as well as by reforming the country's tax system (with the new tax law), reforming public administration and reorganization of local government (program "Kallikratis"), the in depth reform and restructuring of the country's social security system, the substantial reform of the labour market and the enforcement of its competitiveness in the product markets through the liberalization of restricted professions. The bill for the fundamental restructuring and reform of OSE (Hellenic Railways Organization S.A.) has passed the Parliament in October 2010. Moreover, a numper of legislative bills for a) the complete liberalization of restricted professions opening them up to competition, b) the restructuring of the urban public transportation in the Attica region and c) the reform of the health care system, with the introduction of a unified Primary Healthcare Organization, in connection with the reformation and rationalization of the procurement system for hospitals and healthcare institutions, passed the Parliament in the beginning of 2011.

The results from the implementation of the Memorandum are already remarkable, since they have contributed to the reduction of General Government deficit to 9.4% of GDP in 2010, from 15.4% of GDP in 2009. Moreover, it is estimated that with the implemented measures the General Government deficit will be further reduced to levels below 7.4% of GDP in 2011, as described in the Memorandum. Finally, the creation of the necessary institutional and organizational framework for the significant reduction of deficit, after 2011, until it is restricted at levels under 3% in 2014, is progressing fast. Finally, during the third examination of the progress of the Economic Adjustment Program by «Troika» (meaning, by the European Commission, the ECB and the IMF) in February of 2011, considerable emphasis was given to the issue of privatizations and exploitation of the Greek states' real estate assets for the collection of Euro 50 billion until 2015 (Euro 15 billion until 2013) and for the swift reduction of the central government's debt as a percentage of GDP.

However, in the current period, the above fiscal reform measures have led to a significant reduction in the household income and to the substantial distortion of the economy through strikes and other uncontrollable activities with negative impact particularly in tourism, construction and retail trade. Consumer and investor confidence remain at extraordinary low levels despite the slight improvement in January 2011. As a result, the economic activity in basic productive sectors of the economy, and especially those supported by domestic demand, was considerably reduced during 2010. More specifically the drastic decline of investments and transactions in the real estate sector continues, while minimal was the absorption of expenditure of the Public Investments Budget (PIB), the approval of investment programs of the investment incetives law and implementation of investment programmes of the National Strategic Reference Framework (NSRF) 2007-2013 which are co - funded by the European Union.

Thus, a decrease of GDP by 4.5% in 2010 was recorded, after its decrease of 2.3% in 2009. The GDP decrease in 2010 was due to the decline in domestic demand (and particularly of investments), while the foreign sector of the economy had a significantly positive effect on the GDPs increase, due to the increase of exported goods and services during the year and the simultaneous decline of imports. In the sector of foreign tourism, the negative effects of the first months of 2010 leveled to a degree during the second half of 2010, but remained negative for 2010 as a whole. On the contrary, the recovery of exported goods by 27.8% on a yearly basis in the fourth quarter of 2010, as well as the increase in orders for industrial products from abroad in the second half of 2010, were impressive. However, the remarkable recovery of production and exports of many export industrial sectors was not sufficient to counteract the negative effects of the substantial decrease of construction investments and consumer spending. Finally, a noticeable development during 2010 was the increase of CPI inflation to 4.7%, primarily due to the significant increase in indirect taxes (VAT and special consumption taxes on fuel, alcohol and cigarettes) and to the public utilities tariffs pursuant to the fiscal adjustment efforts.

Further to the above, Greek banks, in 2010 and in the beginning of 2011, are confronted with the negative consequences of the decrease in the Greek State's credit rating that negatively affects their own credit rating and basically excludes them from interbank and bond markets. This has forced Greek Banks to have to use the European Central Bank as a mechanism to cover their funding needs beyond their local customer deposits. Despite the fact that retail and corporate domestic deposits are sufficient to cover 90% of the Greek banks' credit facilities, due to the fiscal crisis the latter are adversely affected disproportionately. However, their strong capital base (certain banks have proceeded to increase their equity during the last months of 2010 and the first months of 2011) and business structure contribute so that banks continue to form a stability and support factor of the Greek economy.

In relation to their operations in the countries of Southeastern Europe, Greek banks continue to be confronted with an economic environment with limited increase in economic activity and very low credit expansion rate. Romania and Serbia are facing important issues in stabilizing their external exchange rate of their currencies and in funding their fiscal deficits, especially after the almost complete interaption of net capital inflows from abroad in these countries. Both these countries have turned to the IMF and the European Union and have agreed to obtain important financial assistance under the condition that they would achieve to set their public finances under effective control. Romania has increased its VAT rates by 5 percentage points, in June 2010, in order to reduce its fiscal deficit. Bulgaria on the other hand is obligated to maintain its fiscal deficits at low levels, in order to enable normal operations of its Currency Board implementing the fixed exchange rate of its currency with the Euro.

In the above economic environment, Greek banks in the countries of Southeastern Europe are currently aiming to increase their domestic deposits in these countries and to improve their loans over deposits ratio.

The economic environment in Greece and the countries of Southeastern Europe is greatly affected by the economic developments in the European Union and the rest of the world in general. Developments in the economies of the European Union are rather favorable, despite the fact that the great fiscal crisis in Greece caused great crisis in the markets of public debt and in other countries of South Europe while Ireland was eventually also excluded from the markets and was forced to join the European financing mechanism setup by the Eurogroup and the IMF, like Greece. However, growth in the big Eurozone economies and especially Germany was satisfactory (4% and 3.9% respectively for the fourth and third quarter of 2010, on a yearly basis), which resulted in the increase in the Eurozone GDP to reach 2% in the second half of 2010. Moreover, apart from Greece and Ireland, public debt crisis in the European Union seems to be effectively managed since, Spain, Portugal, Italy, the United Kingdom and even Germany have already implemented strict fiscal adjustment programs instead of fiscal enforcement programs that were applied from the end of 2008 up to the first quarter of 2010. It is estimated now that fiscal adjustment policies will limit the growth dynamics of many European Countries in 2011. As a result the increase in Eurozone GDP is estimated to reach 1.5% in the current year. Satisfactory development for the Eurozone countries is the stabilization of the Euro exchange rate at competitive levels, while supportive to their growth is the ECB policy which contributes to the smooth funding of Banks in all countries. Since June 2010, the ECB has enacted a programme of interventions in the secondary government bond markets as well, seeking the rationalization of their functioning, through the direct acquisition of government securities.

In relation to growth in the world economy the following should be noted: in the United States a satisfactory growth was noted, reaching 2.7% in 2010, while recent developments show a significant acceleration in 2011, with GDP growth exceeding 3.2%. The growth in the United States is reinforced by the continuing expansion of monetary policy, with significant quantitative easing aimed to boost the economy's liquidity (purchase of government bonds valued at USD 600 billion during the period from November 2010 to June 2011) and the expansionary fiscal policy, with the extension for another two years of the tax benefits that were established by the previous government. However, the growth in domestic demand also contributes to the further increase of the external goods and services deficit of the country.

In general, economies worldwide are coming out of the recession and are entering into a growth phase which is estimated (despite the uncertainties) to be viable. The chances for a double dip recession for the advanced economies and the world economy as a whole, following their recession in 2009 and the recovery of 2010 and the early 2011, are still present today but very limited. Despite concerns arising from the renewed deterioration of the US public finances and external imbalances, the consensus view among international analysts in February 2011 was that the world economy is already on a path of sustainable growth.

Estimations relating to the GDP growth percentage and world trade

	2009	2010	2011	2012
World GDP	(0.6)	5.0	4.4	4.5
World trade	(10.7)	12.0	7.1	6.8
USA	(2.6)	2.8	3.0	2.7
Eurozone	(4.1)	1.8	1.5	1.7
United Kingdom	(4.9)	1.7	2.0	2.3
Japan	(6.3)	4.3	1.6	1.8
Countries of Central and Eastern Europe	(3.6)	4.2	3.6	4.0
China	9.2	10.3	9.6	9.5
India	5.7	9.7	8.4	8.0

Source: IMF, Jan. 2011

However, the maintenance of oil prices at relatively high levels, over USD 100 per barrel during the last weeks, as well as the large increase in prices for food and raw materials, have brought to the foreground again the problem of inflation that has already reached high levels in developing markets, in China, in the Euro zone and in the United Kingdom, but remains at relatively low levels in the USA. The developments in this area during the next months will determine the monetary policy in the USA and in Europe. Already, the interest rates have increased significantly in the developing economies and in China, while the markets consider likely an increase in interest rates by the Bank of England and by the ECB in 2011. Less likely is the increase of interest rates by the FED, considering that the USA continues to follow the quantitative liquidity enhancement policy.

In the above adverse macroeconomic environment for 2010 and 2011, Greek banks expect the successful implementation of the fiscal adjustment program and the mobilization of the government mechanism, in order to implement the NSRF Program 2007-2013, as well as the timely enforcement of the new development legislation. It should be noted that credit expansion was slightly negative in Greece in December 2010 and a greater decrease is expected until the end of the first half of 2011. However, the banks' ability to continue to satisfactorily fund the Greek economy will depend upon the timely reinstatement of their ability to be funded by the bond and interbank markets. This favorable development mainly depends on the government and the government administration.

Analysis of Financial Information

Alpha Bank, operating in an environment of economic recession as analyzed above, has set as priority to maintain adequate liquidity, to manage its credit risk and control its operating costs.

Profit before impairment losses and income tax amounted to € 1,101.1 million in 2010 compared to €1,178.2 million during the previous year, presenting a decrease of 6.5%.

The continuous effort to limit the operating expenses resulted in the reduction of operating cost. Thus, total expenses were reduced compared to 2009 and limited to € 1,148.5 million compared to € 1,201.9 million, forming the efficiency ratio of total expenses over total income to 51.1%.

The total income amounted to € 2,249.6 million compared to € 2,380.1 million in 2009, presenting a decrease of 5.5%.

Analyzing total income, net interest income has increased by 3.2% and amounted to € 1,818.6 million versus € 1,762.6 million during the previous year, reflecting the continuous efforts for loan portfolio re-pricing and the adsorption of the higher costs arising from customer deposits.

The net interest margin amounted to 2.7% over the average total assets compared to 2.6% in 2009.

The Group's net commission income amounted to € 332.5 million on 31.12.2010 presenting a decrease of 12.2% compared to 2009 which mainly reflects the reduction in transaction volumes.

Gains and losses on financial transactions amounted to € 35.1 million, presenting a decrease of 79.5% compared to € 171.5 million recognized during the previous fiscal year that had been influenced by the favorable course of capital markets.

Other income amounted to € 63.3 million compared to € 67.1 million in 2009, reflecting the consequences in the Group's non-financial activities.

Impairment losses and provisions to cover credit risk amounted to € 884.8 million, an amount increased by 30.8% compared to the 2009 amount of € 676.3 million, resulting in an impairment ratio of 1.7%.

Thus, the final balance of the accumulated allowance for impairment losses for the Group, as at 31.12.2010, amounted to € 2,220 million, which represents a coverage of 4.3% over loans, while the coverage ratio for past due loans amounts to 51%. The corresponding balance on 31.12.2009 amounted to € 1,642.8 million.

While recognizing increased impairment losses and provisions to cover credit risk, profit as at 31.12.2010 after income tax and before extraordinary tax amounted to € 147.8 million, presenting a decrease of 62.2% compared to € 391.5 million for fiscal year 2009.

Moreover profits for fiscal year 2010, where further burdened by an amount of € 61.8 million which related to extraordinary tax imposed on net income for the fiscal year 2009 applying to legal entities with net income exceeding € 100 thousand, according to Article 5 of Law 3845/6.5.2010 "Measures for the implementation of the support mechanism for the Greek economy from member states of the Eurozone and the International Monetary Fund". The above mentioned extraordinary tax was imposed on profits after tax as reported under IFRS given that they are greater than total taxable profits based on Greek tax law.

Respectively, the 2009 profits were burdened by the extraordinary tax amount of € 42.4 million according to Article 2 of Law 3808/2009, where extraordinary tax was imposed on companies whose total net income for 2008 exceeded € 5 million.

On 31.12.2010 the Group's total assets amounted to € 66.8 billion.

Investment securities amounted to € 7.7 billion compared to € 6.3 billion on 31.12.2009, an increase which is mainly due to the acquisition of Greek Government securities. The Group's investments in Greek Government securities amount to € 5.5 billion as of 31.12.2010.

In the context of the planned loan portfolio reduction, the total amount of loans and advances to customers before impairment amounted to € 51.5 billion on 31.12.2010, presenting a decrease of 2.9% compared to 31.12.2009.

Corporate loans amounted to € 30.9 billion, presenting a decrease of 3.7% compared to 31.12.2009, representing 60% of the Group's total loans and advances to customers before impairment.

During 2010, the Bank securitized part of its credit card and revolving consumer loan portfolio through the special purpose entity «Pisti 2010-1 Plc», amounting to € 1.2 billion.

In 2010 bonds amounting to € 1.2 billion issued by the special purpose entity Talanto Plc and € 2 billion issued by the special purpose entity Alpha Covered Bond Plc under the indirect covered bond program, were cancelled. In addition on 23.12.2010 bonds amounting to € 1.7 billion, issued by the special purpose entity Epihiro Plc with coverage corporate loans, were partly repaid.

In addition, the Bank through the covered bond program proceeded to issues amounting to € 3.5 billion.

The Group's total deposits amounted to € 38.3 billion, presenting a decrease of 10.7% on a yearly basis. The decrease in deposits was mainly covered by the liquidity raised through the European Central Bank. The Group's borrowings from the European Central Bank amounted to € 14.2 billion on 31.12.2010.

Participation in the program for the enhancement of liquidity of the Greek economy

According to Law 3723/2008 for the enhancement of the Greek economy's liquidity program, the Bank proceeded with:

- The issuance of senior debt securities guaranteed by the Greek State amounting to € 9.5 billion.
- The lending of special securities issued by the Greek State amounting to € 1.6 billion.

The above mentioned securities were pledged to the European Central Bank in order to obtain liquidity.

Other information

The Bank's Ordinary General Meeting held on the 22nd, of June 2010 decided on the following:

- Payment to the Greek State an amount of € 57.9 million which corresponds to the accrued return for the fiscal year 2009 of the preference shares under its ownership as stipulated in its article of association.
- Not to distribute dividends to the common shareholders of the Bank for the fiscal year 2009 since Law 3576/2009 as amended by Law 3844/2010 allows for the distribution of dividend only in the form of shares.
- The formation of a statutory reserve amounting to € 21.4 million.

Risk Management

Alpha Bank Group, having already established a systematic and rigorous risk management framework in previous years, put in place in 2010 all necessary and appropriate measures to improve and reinforce itself against all types of financial risks.

Having set as a basic target the implementation as well as the continuous improvement of the above mentioned framework, the Group focused on minimizing the potential negative impact of financial risk in the Bank's consolidated results, amid adverse economic circumstances.

Credit Risk

The basic aim of the Bank's credit risk management was to provide complete and current support for the decision making process of business units. This aim materialized through a continuously evolving framework of methodologies and systems, amidst an adverse economic environment (both domestically and internationally).

The indicative actions below represent the development and enhancement activities that took place in relation to the above mentioned framework.

- Implementation of new models for the rating of big and medium sized companies with complete financial statements and incorporation of them in the Business Credit Risk Rating System used at a Group level.
- Implementation of models for the rating of special lending (income producing real estate, Project Finance, Insurance Models) and incorporation of them in the Business Credit Risk Rating System used at a Group level.
- Development of collateral evaluation models (facility rating model) that aim to calculate the loss given default.
- Segregation of approval and collection procedures for freelancers and individual companies (with corporate limits up to € 150,000) and classification of them in different risk levels (pool basis analysis).
- Commencement of operations of an electronic platform for the input and process of applications (I-Apply) as well as of an electronic platform for managing past due debt (Qualco) of the Bank's subsidiaries abroad.
- Development of a mechanism in order to adjust credit limits of revolving consumer credit products based on the client's credit rating on his entire retail portfolio.
- Introduction of the term Total Retail Credit Risk and «Total Unsecured Amount» at a Group level.
- Modification of the credit policy for the entire retail portfolio, in order to incorporate changes in the macroeconomic environment as well as, recent economic measures (reductions in public servant salaries, reductions in pensions, the new bankruptcy law for individuals, increase in unemployment).
- Completion of credit rating models based on consumer transactional behavior (behavior scorecards) for the entire Retail Banking portfolio.
- Completion of models for the calculation of regulatory ratios such as PD, LGD and EAD for consumer and mortgage credit facilities, in accordance with Basel II framework, with the internal grading system (A-IRB).

In any case, the Bank's policy for accounting for sufficient provisions continues to be its basic tool to manage credit risk.

Market Risk

During the course of the year fluctuations in the Greek and Euro zone countries bond markets continued. The Bank maintains a small exposure in bonds and generally aims to keep market risk low, in an effort to minimize the effect of adverse market developments on the Group's profitability and capital adequacy.

Interest rate risk arising from fixed interest rate loans is hedged so that adverse interest rate fluctuations will not affect the Group's net interest income.

For the efficient monitoring of market risk, the Group sought to consolidate the relevant reports and analyses performed by the Group business units. The above mentioned goal materialized with the following analyses:

- Interest rate risk analysis with the capability of multiple scenario testing relating to interest rates and the business unit size.
- Bond portfolio sensitivity analysis in relation to interest rate and credit spread fluctuations, as well as open foreign exchange position, by performing stress test exercises.
- Monitoring of issuer and counterparty risk for the interbank market, as well as, the bond and derivatives market.

The above mentioned analyses are performed and presented at the local ALCO Committee meetings.

Liquidity Risk

During the year, the fiscal crisis in Greece deteriorated further which resulted in a crisis in the Greek bond market. For this reason the Stability and Growth Program came into effect and Greece received in May 2010 funding of Euro 110 billion from the countries of the Eurozone and the International Monetary Fund. At the same time, the outflow of customer deposits from the Greek banks continued while the program for the enhancement of the economy's Liquidity was extended.

The Bank, in an effort to cope with the adverse environment, restructured its securitizations, issued covered bonds and securitized a large portion of its loan portfolio. In addition, it utilized the program for the enhancement of the economy's liquidity and the funding mechanisms provided by the ECB.

The Groups total borrowings from the ECB amounted to € 14.2 billion on 31 December 2010 (2009: €10.3 billion). The Group's borrowings from the European Central Bank increased by 37.9% in 2010, while the respective lending of Greek banks as a whole increased by 131.2%. The increase in the Group's ECB borrowings in 2010 reflects the deterioration of the Greek liquidity market.

During the year, in an effort to efficiently monitor liquidity risk, reports and analyses performed by the Group business units were consolidated so that the format of the analyses presented in the local ALCO Committees to be standardized. The above aim has been accomplished through the following analyses:

- Liquidity risk analysis and calculation of liquidity ratios by alternative scenario analysis
- Monitoring of customer deposit concentration

In accordance with the Contingency Funding Plan, early warning indicators are monitored and applied, in order to detect liquidity problems, increases in liquidity risk or the increase of funding requirements. Moreover, during the year, the basic principles underlying the Contingency Funding Plan for the business units abroad were agreed upon.

Operational Risk

The adverse conditions of the fiscal crisis have, notwithstanding other risks, increased the exposure to operational risk, mainly due to the increased motives for internal or external fraud.

The monitoring of operational risk events, and the analysis of conditions under which they occur, contribute to the decision making process of taking steps towards preventing their repetition as much as possible. For this reason, a specialized information technology system has been established and operates at Group level for the recording and retrieval of detailed data relating to loss making operational risk events. As these operational risk events can relate to individual Group activities, the specialized role of «Operational Risk Coordinator» has been assigned to Officers of the Bank's Divisions and business units operating abroad to support the necessary communication and to promote corrective actions.

Specialized Operational Risk Management committees have been established and operate at the Group's Banks with the authority to review relevant information and take measures in order to limit operational risk.

Parallel to the recording and monitoring of the operational risk loss events, a process of assessing operational risk of Group activities is implemented on a periodic basis, in order to undertake preventive measures to discourage future loss events. Officers of the business units where the assessment process is implemented are required to describe the types of risks that result from the relevant activities. They are also required to propose measures for the limitation of the most significant risks. The implementation of proposed measures can either be carried out by the business unit being evaluated or, redirected for further evaluation to the relevant business units and committees, where the Operational Risk Management committees often participate.

Stress Test Exercises

The Bank performed stress test exercises in areas of risk such as liquidity, market, credit, and interest rate risk in order to account for the effects of those possible adverse events, with very low occurrence possibility, in the Group's results and its capital management.

The Bank participated in the stress test exercise performed at a European level (2010 EU Wide Stress Testing Exercise of European Banks), which was coordinated by the Committee of European Banking Supervisors (CEBS), in cooperation with the European Central Bank, and under the supervision of the Bank of Greece.

The exercise was conducted with the use of scenarios, methodologies and the basic assumptions provided by CEBS. The consequence of the adverse scenario assumptions was that the estimated Tier I capital adequacy ratio (on a consolidated basis) to be 10.9% in 2011 versus 11.6% in the end of 2009. An additional effect by 2.7% arises from the application of the adverse scenario which accounts for sovereign risk of European countries, resulting in the estimated Tier I ratio to fall to 8.2% in the end of 2011, compared to the minimum supervisory limit which is set at 4%.

Future Prospects

Greek Banks are expected to operate in 2011 as well, in an environment characterized by the adverse consequences caused by the deep recession and the public debt crisis that the Greek State's economy is facing.

However, the Bank's strong capital adequacy, proven by the stress test exercises performed in July 2010, the adequate accumulated provisions to cover credit risk and the relatively limited Greek State securities portfolio, if we consider the Bank's equity, have created a strong financial and business base for the Bank to base its operations.

Furthermore, for 2011 the Bank will continue its efforts to preserve resources through operational cost reduction programs.

Related party transactions

According to the corresponding regulatory framework, the present report must contain the main transactions with related parties. All the transactions between the related parties, the bank and the group's companies are performed in the ordinary business course, conducted according the market's conditions and are authorized by corresponding management personnel. There are no other material transactions between the related parties beyond those described in the following paragraph.

a. The outstanding balances of the transactions of the Group companies with members of their Boards of Directors, their close family members and the related companies to them as well as the corresponding results from those transactions as of 31.12.2010 are as follows:

Amounts in thousands of Euro

Loans and advances to customers	166,337
Due to customers	98,973
Debt securities in issue	19,763
Letters of guarantee	4,806
Interest and similar income	4,391
Other income	45
Interest expense and similar charges	3,620
Staff costs	11,849

b. The outstanding balances and the corresponding results of the most significant transactions with group companies are as follows:

A. SUBSIDIARIES

Amounts in thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Off Balance Sheet Accounts
Banks					
1. Alpha Bank London Ltd	173,051	7,509	1,720	728	284,058
2. Alpha Bank Cyprus Ltd	3,841,009	2,544,623	24,340	35,521	280,400
3. Alpha Bank Romania S.A.	2,930,398	328	44,188	96	21,141
4. Alpha Bank AD Skopje	39,353	1,020	973	5	1,221
5. Alpha Bank Jersey Ltd			149		
6. Alpha Bank Srbija A.D.	234,150	89,406	5,674	306	203,803
7. JSC Astra Bank	1,524	6,994		70	
Financing companies					
1. Alpha Leasing A.E.	482,589	975	9,789	174	
2. Alpha Leasing Romania IFN S.A.	9,596		394		
3. ABC Factors A.E.	441,733	73	14,674	6	9,000
Investment Banking					
1. Alpha Finance A.E.P.E.Y.	171	20,930	6,484	527	57
2. SSIF Alpha Finance Romania S.A.		195			
3. Alpha A.E. Ventures A.E.		22,745	11	568	
4. Alpha Ventures Capital Management	11	729	21	18	
Asset Management					
1. Alpha Asset Management A.E.D.A.K.	2,659	12,568	17,896	350	
Insurance					
1. Alpha Insurance Agents A.E.		1,971	6,080	31	
2. Alpha Insurance Ltd		56	231		
3. Alphalife A.A.E.Z.	465	8,114	6	883	
Real Estate and Hotel					
1. Alpha Astika Akinita A.E	470	44,078	1,583	6,299	
2. Ionian Hotel Enterprises A.E	75,401	5,217	1,861	228	
3. Oceanos A.T.O.E.E		680	214	9	
4. Alpha Real Estate Bulgaria E.O.O.D.		118		27	
5. Chardash Trading E.O.O.D.		919			

Name	Assets	Liabilities	Income	Expenses	Off Balance Sheet Accounts
Special purpose and holding entities					
1. Alpha Credit Group Plc	749,834	5,650,767	33,404	194,261	
2. Alpha Group Jersey Ltd	8,847	593,017	9,869		
3. Alpha Group Investments Ltd		4,234		19	
4. Ionian Holdings A.E.		242,467	3,201	1,938	
5. Messana Holdings S.A.		7			
6. Ionian Equity Participations Ltd		1,123	2		
7. Katanalotika Plc		774,319			
8. Epihiro Plc	134,879				
9. Irida Plc	380,280		4,768	77	
10. Pisti 2010-1 Plc	63,004				
Other companies					
1. Evremathea A.E.				2	
2. Kafe Alpha A.E.		198	18	136	
3. Alpha Supporting Services A.E.	53,962	11,585	5,966	15,280	
4. Real Car Rental A.E.		55			

B. JOINT VENTURES

Name	Assets	Liabilities	Income	Expenses	Off Balance Sheet Accounts
1. Cardlink A.E.		37	47	240	
2. APE Fixed Assets A.E.	15,924	177	506	5	
3. APE Commercial Property A.E.	36,287	5,576	1,152	128	
4. APE Investment Property S.A.	97,435	7,787	3,193	173	
5. Alpha TANEO A.K.E.S.		113			

C. ASSOCIATES

Name	Assets	Liabilities	Income	Expenses	Off Balance Sheet Accounts
1. Evisak A.E	24	307	16	16	
2. AEDEP Thessalias and Stereas Ellados		124		8	
Total	**9,773,056**	**10,061,141**	**198,430**	**258,129**	**799,680**

Explanatory Report of the Board of Directors for the year 2010

The Explanatory Report of the Board of Directors for the year 2010 to the Ordinary General Meeting of Shareholders contains detailed information in accordance with article 11a of Law 3371/2005, the reference date being 31.12.2010.

Specifically:

a. The share capital of the Bank is Euro 3,451,067,345.60 and is divided into 734,269,648 shares, of which 534,269,648 are common, registered, voting, paperless shares of nominal value of Euro 4.70 each and 200,000,000 are preferred, registered, without voting rights, paper, redeemable shares issued in accordance with the provisions of Law 3723/2008 of nominal value of Euro 4.70 each.

All common shares are listed for trading in the Securities Market of the Athens Exchange. The common shares are registered, voting and indivisible, in a paperless form or as the law provides from time to time.

The Hellenic Republic owns all the preferred shares. The preferred shares have the following privileges, attributes, rights, and claims:

(A) The right to draw a fixed return calculated at a rate of ten percent (10%) on the offer price of each preferred share to the Hellenic Republic:

(i) before the common shares,

(ii) before the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 and

(iii) independent of any dividend amount which is distributed to other Shareholders of the Bank and as long as after the payment of the return, the capital adequacy ratios of the Bank, on a stand alone and consolidated basis, satisfy the minimum ratios specified by the Bank of Greece.

The fixed return is calculated as accrued on an annual basis, proportional to the time that the Hellenic Republic remains as a preferred shareholder and is paid within a month after the approval of the annual financial statements of the respective year by the Ordinary General Meeting of the Shareholders and is under the provision that there are profits to be distributed as specified in article 44a of Codified Law 2190/1920 and specifically profits from the last fiscal period and/or from previous fiscal periods and/or reserves, under the condition that it has been preceded by a relevant decision of the General Meeting of the Common Shareholders concerning the distribution of the above. In case of inadequacy of the above distributed amounts, there is a right of preferred drawing (before the common shares) of the above return until these amounts are depleted. The amount paid out to the Hellenic Republic as per the above, is in addition to the dividend amount which is distributed in accordance with paragraph 3 of article 1 of Law 3723/2008 solely to the Common Shareholders of the Bank and which may not exceed 35% as stipulated in article 3 paragraph 1 of Emergency Law 148/1967.

(B) The right to vote at the General Meeting of the Preferred Shareholders under the conditions specified by Codified Law 2190/1920.

(C) The right to participate in the Board of Directors, with a representative, who is appointed as an additional member of the Board of Directors.

(D) The right of the appointed member of the Board of Directors to veto any decision concerning the distribution of dividend amounts and the remuneration policy concerning the Chairman, the Managing Director and the rest of the Members of the Board of Directors, as well as the General Managers and their deputies, following a decision by the Minister of Finance or if the representative of the Hellenic Republic deems that the decision of the Board of Directors could endanger the benefits of the depositors or could substantially affect the reliability and the smooth operation of the Bank.

(E) The right of the appointed additional member of the Board of Directors to appear in the General Meeting of the Common Shareholders of the Bank and the right to veto during the deliberations concerning the decisions on the above items.

(F) The right of the representative of the Hellenic Republic to have free access to the books and financial information of the Bank for the purposes stipulated by Law 3723/2008.

(G) The right of preferred payout from the product of liquidation, against all other shares in the case of the winding up of the Bank.

The preferred shares do not provide the right of cumulative returns.

The preferred shares are subject to partial or total repurchasing by the Bank after 1.7.2009, with the approval of the Bank of Greece, at their offer price, either with cash of equal value or with bonds of the Hellenic Republic, of equal value, with nominal value corresponding to the nominal value of the bonds issued for the assumption of the preferred shares by the Hellenic Republic.

The preferred shares are subject to the conversion to common shares or to another category of shares existing at the time of conversion, in case their acquisition is not possible by the Bank after a five year period from their date of issue due to the fact that the capital adequacy ratio set by the Bank of Greece is not met and under the condition of the submission from the Bank at the expiration of the five year period, and the approval by the Minister of Finance, following a relevant recommendation by the Governor of the Bank of Greece, of a restructuring plan of the Bank in accordance with the Minister of Economy and Finance decision 54201/B/2884/26-11-2008 and Law 3723/2008.

It is clarified that the above rights of the Hellenic Republic are in effect as added reference to the relevant clauses of the Articles of Incorporation and depending on the case, the suitable provisions of articles 1 and/or 2 of Law 3723/2008 will be applied.

The common shares represent 72.8% and the preferred shares represent 27.2% of the total share capital.

b. The Articles of Incorporation contain no restrictions on the transfer of shares, save as otherwise provided for in the law.

c. Based on the Bank's records there are no qualified, direct or indirect, holdings within the meaning of Law 3556/2007.

d. The Articles of Incorporation provide for no shares bestowing on their holders special rights of control, with the exception of the Hellenic Republic in reference to the privileges and rights bestowed to it in accordance with the Articles of Incorporation of the Bank and Law 3723/2008.

e. The Articles of Incorporation contain no restrictions on voting rights and the deadlines for exercising the same, save as otherwise provided for in the law.

f. To the knowledge of the Bank, there are no shareholder agreements providing for restrictions on share transfers or the exercise of voting rights.

g. There are no rules for the appointment and replacement of the Board of Directors, as well as for the amendment of the Articles of Incorporation, which are at variance with those stipulated in Laws 3601/2007, 3016/2002 and Codified Law 2190/1920.

h. The Bank may increase its share capital by virtue of a resolution of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the statutory provisions then in force. By virtue of a resolution in accordance with article 13 of Codified Law 2190/1920, the General Meeting of the Shareholders of the Bank may assign to the Board of Directors, the authority to cause an extraordinary increase of the share capital of the Bank. If such authority is exercised, then, under article 13 par. 4 of Codified Law 2190/1920, the share capital may be increased by an amount up to the issued and outstanding paid-in share capital on the date the above authority was granted. By virtue of a resolution of the General Meeting of Shareholders and subject to the publicity requirements of article 7b of Codified Law 2190/1920, this authority of the Board of Directors may be renewed for a period not to exceed five (5) years per each renewal, such renewal to take effect upon the expiration of each five-year period.

For as long as the Bank participates in the programmes for the enhancement of the economy's liquidity of Law 3723/2008, the Bank may not purchase its own shares as per article 28 par. 2 of Law 3756/2009.

The Bank does hold any of its own shares.

i. The Bank has entered into no major agreement, which comes into effect, is amended or expires upon a change of control of the Bank following a public tender offer.

j. The Bank has entered into no agreement with the Board Directors or the staff, providing for compensation upon their resignation, or dismissal without just cause, or termination of tenure/employment, owing to a public tender offer, except in accordance with the law.

Corporate Governance Report for the year 2010

The Board of Director's Annual Management Report includes the Corporate Governance Report in accordance with Law 3873/2010.

Specifically:

A. The Bank operates within the framework of the ALPHA BANK Corporate Governance Code, which is posted on the Bank's website (www.alpha.gr).

B. Alpha Bank adopted and implemented, as early as 1994, the principles of corporate governance, aiming at transparency in communication with the Bank's Shareholders and at keeping investors promptly and continuously informed.

   The corporate governance practices, which are implemented by the Bank, are in accordance with the provisions of the laws and the ALPHA BANK Corporate Governance Code. In addition to the laws, the Bank has separated the Chairman's duties from those of the Managing Director and implements a comprehensive system of internal audit for the Group in accordance with international standards and the current regulatory framework.

   Additionally, it has adopted a Code of Ethics for the performance of duties with the purpose to promote the standards required by modern corporate governance and effective Internal Audit.

   The proportion of Non Executive Members of the Board of Directors far exceeds the minimum requirement of 1/3 of the total number of Board Members set by law.

   In accordance with the provisions of Law 3016/2002, at least two Non Executive Members should be independent. There are six Non Executive Independent Members serving on the Board of Directors of Alpha Bank.

   The tenure of the Members of the Board of Directors is four years while Codified Law 2190/1920 stipulates up to six years.

   The Articles of Incorporation provide the Board of Directors with the option to meet by teleconference.

   It is important to mention the meeting of the Non Executive Board Members in order to examine issues of conflict of interest between the Bank and the Executive Members of the Board, as well as issues of evaluating the efficiency of the latter.

C. <u>Internal Control System</u>

   The Internal Control System consists of auditing mechanisms and procedures, relating to all the activities of the Bank, aiming at its effective and secure operation.

The Internal Control System ensures:

- the consistent implementation of the business strategy with an effective utilisation of the available resources,
- the identification and management of all risks undertaken,
- the completeness and the credibility of the data and information required for the accurate and timely determination of the financial situation of the Bank and the preparation of reliable financial statements,
- the compliance with the current regulatory framework, the internal regulations, the codes of ethics,
- the prevention and avoidance of erroneous actions that could jeopardise the reputation and interests of the Bank, the Shareholders and those transacting with it,
- the effective operation of the IT systems in order to support the business strategy and the secure circulation, processing and storage of critical business information.

The evaluation of the adequacy and effectiveness of the Internal Control System of the Bank is conducted:

a) on a continuous basis through audits effected by the Audit Division of the Bank.

   The audit plan of the Audit Division is based on the prioritisation of the audited areas by identifying and assessing the risks and the special factors associated with them. In addition, any instructions or decisions of the Management of the Bank, along with regulatory framework requirements and extraordinary developments in the overall economic environment are taken into account.

   The Audit Committee of the Board of Directors approves the audit plan and is updated every quarter on its implementation, the main conclusions of the audits and the implementation of the audit recommendations.

b) every three years by External Auditors, other than the regular ones.

   These are highly experienced individuals in the field of internal audit (external auditors or special advisors), who are independent of the Group and for whom there is no question of a conflict of interests.

   The Audit Committee determines the criteria and the selection procedures for external auditors and approves the scope and the content of audit operations.

The Audit Committee of the Board of Directors conducts an annual evaluation of the Internal Control System, based on the relevant data and information from the Audit Division, findings and observations from the External Auditors and the Regulating Authorities.

The Bank has in place adequately documented Policies and Procedures for the recognition of financial events and the preparation of the financial statements.

Transactions are carried out through specialised computerised applications, per business activity of the Bank and the Group, which support Officer authorisation limits and procedures for double-checking transactions and automatically generate the necessary accounting entries.

The accounting system of the Bank and the Group is supported by specialised IT systems which have been adapted to the business requirements of the Bank.

Audit and accounting reconciliation procedures have been established in order to ensure the correctness and the legitimacy of the entries in the accounting books as well as the completeness and validity of the financial statements.

Furthermore, in order to ensure the independence of the regular audit of the financial statements of the Group, the Board of Directors applies specific policies and procedures in order to formulate a recommendation for the General Meeting with regards to the election of a regular auditor.

The Audit Committee of the Board of Directors supervises and assesses the preparation procedures, in accordance with the current audit standards, for the periodic and annual financial statements of the Bank and studies the reports of the External Auditors as regards to deviations from the current accounting practices.

Risk Management

The Bank places great emphasis on the identification, measurement and management of the risks undertaken and has assigned these tasks to the Risk Management Unit. The Risk Management Unit reports on matters of its responsibility to the Managing Director and through the Risk Management Committee, to the Board of Directors of the Bank.

The effective management of all types of risk focuses on accurate and efficient measurement using specialised methods and computational models, and on the adoption of policies and limits through which the Bank's exposure to various risks is monitored.

The Operational Risk Committee convenes regularly or whenever deemed necessary by the circumstances and ensures that the appropriate processes, methodologies and infrastructure to manage the operational risk of the Group exist and approves recommendations to limit operational risk.

D. The following information is provided in accordance with article 10 par. 1 of the European Parliament Directive 2004/25/EC, the reference date being 31.12.2010:

section c) Based on the Bank's records there are no qualified, direct or indirect, holdings within the meaning of article 85 of Directive 2001/34/EC.

section d) The Articles of Incorporation provide for no shares bestowing on their holders special rights of control, with the exception of the Hellenic Republic in reference to the privileges and rights bestowed to it in accordance with the Articles of Incorporation of the Bank and Law 3723/2008.

The Hellenic Republic owns all the preferred shares. The preferred shares have the following privileges, attributes, rights, and claims:

(A) The right to draw a fixed return calculated at a rate of ten percent (10%) on the offer price of each preferred share to the Hellenic Republic:

(i) before the common shares,

(ii) before the dividend amount which is distributed in accordance with article 1 par. 3 of Law 3723/2008 and

(iii) independent of any dividend amount which is distributed to the other Shareholders of the Bank and as long as after the payment of the return, the capital adequacy ratios of the Bank, on a stand alone and consolidated basis, satisfy the minimum ratios specified by the Bank of Greece.

The fixed return is calculated as accrued on an annual basis, proportional to the time that the Hellenic Republic remains as a preferred shareholder and is paid within a month after the approval of the annual financial statements of the respective year by the Ordinary General Meeting of the Shareholders and is under the provision that there are profits to be distributed as specified in article 44a of Codified Law 2190/1920 and specifically profits from the last fiscal period and/or from previous fiscal periods and/or reserves, under the condition that it has been preceded by a relevant decision of the General Meeting of the Common Shareholders concerning the distribution of the above. In case of inadequacy of the above distributed amounts, there is a right of preferred drawing (before the common shares) of the above return until these amounts are depleted. The amount paid out to the Hellenic Republic as per the above, is in addition to the dividend amount which is distributed in accordance with article 1 par. 3 of Law 3723/2008 solely to the Common Shareholders of the Bank and which may not exceed 35% as stipulated in article 3 par. 1 of Emergency Law 148/1967.

(B) The right to vote at the General Meeting of the Preferred Shareholders under the conditions specified by Codified Law 2190/1920.

(C) The right to participate in the Board of Directors, with a representative, who is appointed as an additional member of the Board of Directors.

(D) The right of the appointed member of the Board of Directors to veto any decision concerning the distribution of dividend amounts and the remuneration policy concerning the Chairman, the Managing Director and the rest of the Members of the Board of Directors, as well as the General Managers and their deputies, following a decision by the Minister of Finance or if the representative of the Hellenic Republic deems that the decision of the Board of Directors could endanger the benefits of the depositors or could substantially affect the reliability and the smooth operation of the Bank.

(E) The right of the appointed additional member of the Board of Directors to appear in the General Meeting of the Common Shareholders of the Bank and the right to veto during the deliberations concerning the decisions on the above items.

(F) The right of the representative of the Hellenic Republic to have free access to the books and financial information of the Bank for the purposes stipulated by Law 3723/2008.

(G) The right of preferred payout from the product of liquidation, against all other shares in the case of the winding up of the Bank.

The preferred shares do not provide the right of cumulative returns.

The preferred shares are subject to partial or total repurchasing by the Bank after 1.7.2009, with the approval of the Bank of Greece, at their offer price, either with cash of equal value or with bonds of the Hellenic Republic, of equal value, with nominal value corresponding to the nominal value of the bonds issued for the assumption of the preferred shares by the Hellenic Republic.

The preferred shares are subject to the conversion to common shares or to another category of shares existing at the time of conversion, in case their acquisition is not possible by the Bank after a five-year period from their date of issue due to the fact that the capital adequacy ratio set by the Bank of Greece is not met and under the condition of the submission from the Bank at the expiration of the five-year period, and the approval by the Minister of Finance, following a relevant recommendation by the Governor of the Bank of Greece, of a restructuring plan of the Bank in accordance with the Minister of Economy and Finance decision 54201/B/2884/26-11-2008 and Law 3723/2008.

It is clarified that the above rights of the Hellenic Republic are in effect as added reference to the relevant clauses of the Articles of Incorporation and depending on the case, the suitable provisions of articles 1 and/or 2 of Law 3723/2008 will be applied.

section f) The Articles of Incorporation contain no restrictions on voting rights and the deadlines for exercising the same, save as otherwise provided for in the law.

section h) There are no rules for the appointment and replacement of the Board of Directors, as well as for the amendment of the Articles of Incorporation, which are at variance with those stipulated by Laws 3601/2007, 3016/2002 and Codified Law 2190/1920 as in effect.

section i) The Bank may increase its share capital by virtue of a resolution of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the statutory provisions then in force. By virtue of a resolution in accordance with article 13 of Codified Law 2190/1920, the General Meeting of the Shareholders of the Bank may assign to the Board of Directors, the authority to cause an extraordinary increase of the share capital of the Bank. If such authority is exercised, then, under article 13 par. 4 of Codified Law 2190/1920, the share capital may be increased by an amount up to the issued and outstanding paid-in share capital on the date the above authority was granted. By virtue of a resolution of the General Meeting of Shareholders and subject to the publicity requirements of article 7b of Codified Law 2190/1920, this authority of the Board of Directors may be renewed for a period not to exceed five (5) years per each renewal, such renewal to take effect upon the expiration of each five-year period.

For as long as the Bank participates in the programmes for the enhancement of the economy's liquidity of Law 3723/2008, the Bank may not purchase its own shares as per article 28 par. 2 of Law 3756/2009.

The Bank does not hold any of its own shares.

E. General Meeting of Shareholders

The General Meeting of Shareholders is the supreme governing body of the Bank and may resolve on all corporate matters, apart from those that fall within the jurisdiction of the Board of Directors, unless the latter resolves, on a particular item of its agenda, to relegate it to the General Meeting. Its resolutions shall be binding upon all the Shareholders including those absent or dissenting.

The General Meeting is vested with exclusive authority to resolve on the following matters:

(a) Amend the Articles of Incorporation, including the resolutions to increase or to reduce the share capital, provided that these resolutions do not contravene with any provision of the Articles of Incorporation;

(b) elect Members to the Board of Directors and award the status of Independent Member of the Board of Directors;

(c) appoint regular auditors and determine their remuneration;

(d) approve and reform the Annual Financial Statements and determine the distribution of the annual profits of the Bank;

(e) issue bond loans pursuant to articles 8 (without prejudice to article 3a par. 1 section b of Codified Law 2190/1920) and 9 of Law 3156/2003;

(f) merge, split-up, convert, revive, extend the term of operation or wind-up the Bank;

(g) change the nationality of the Bank;

(h) appoint liquidators and

(i) resolve on any other issues stipulated by law.

The Shareholders have the following rights in relation to General Meetings:

(a) Shareholders representing at least one twentieth (1/20) of the issued and outstanding paid-in share capital have the right to request the inclusion of items on the agenda of the General Meeting, if the application is received by the Bank's Board of Directors at least fifteen (15) days prior to the General Meeting. The Board of Directors is required to include the additional items on the agenda and the request must be accompanied by a justification or a draft resolution for approval by the General Meeting.

(b) Shareholders representing at least one twentieth (1/20) of the issued and outstanding paid-in share capital have the right to request the posting on the Bank's website (www.alpha.gr), six (6) days prior to the General Meeting, of draft resolutions on matters included in the initial or revised agenda, through an application which will have been delivered to the Board of Directors at least seven (7) days prior to the General Meeting.

(c) Any Shareholder may request, through an application to the Board of Directors which will have been delivered to the Bank at least five (5) days prior to the General Meeting, information on Bank issues, if deemed useful for the appraisal of the items on the agenda.

(d) Shareholders representing at least one twentieth (1/20) of the issued and outstanding paid-in share capital have the right to request from the Board of Directors to provide to the General Meeting information on the state of corporate affairs and assets of the Bank, through an application which will have been delivered to the Bank's Board of Directors at least five (5) days prior to the General Meeting.

F. Board of Directors

The Board of Directors is responsible for the general administration and management of corporate affairs, as well as for the representation of the Bank in all its relations and may resolve on all issues concerning the Bank. It performs any action for which the relevant authority is bestowed upon it in accordance with the provisions of the law, apart from those actions for which the General

Meeting of Shareholders is the sole competent authority.

The primary concern of the Board of Directors, while exercising its powers, is to meet the interests of the Shareholders, the Employees of the Bank and other interested parties. The Board of Directors monitors the compliance and adherence to the provisions of the law, within the framework of the corporate interest, as well as the compliance to procedures of reliable and timely information and communication.

The Audit Committee convenes at least once every quarter and supervises and evaluates the procedures followed in drawing up and publishing the Financial Statements of the Bank and of the Group along with the conduct of internal and external audits in the Bank.

The Risk Management Committee defines the principles of managing risk with regards to identifying, forecasting, measuring, monitoring, controlling and handling it in line with the adequacy of the available resources. The Committee convenes monthly.

The Remuneration Committee sets the policy for remuneration, bonuses and financial incentives as well as the overall remuneration of the Members of the Executive Committee and expresses its opinion on the level of emoluments paid to the Members of the Board of Directors and its Committees.

On 31.12.2010 the composition of the Board of Directors and the Board of Directors' Committees was as follows:

	Audit Committee	Risk Management Committee	Remuneration Committee
Chairman (Executive Member) Yannis S. Costopoulos			
Vice Chairman (Non-Executive Independent Member) Minas G. Tanes Chairman, Ericsson Hellas S.A.		●	
EXECUTIVE MEMBERS			
Managing Director – CEO Demetrios P. Mantzounis			
Executive Directors and General Managers			
Spyros N. Filaretos		○	
Artemis Ch. Theodoridis			
NON-EXECUTIVE MEMBERS			
Sofia G. Eleftheroudaki Managing Director, Bookstore and publishing company G.C. ELEFTHEROUDAKIS S.A.			
Paul G. Karakostas Chairman and Managing Director, GENKA COMMERCIAL S.A.	●		
Nicholaos I. Manessis Chairman of the Board of Directors, HELLENIC HALYVOURGIA S.A.			○
Ioanna E. Papadopoulou President and Managing Director, E.J. PAPADOPOULOS S.A. BISCUIT AND FOODWARE INDUSTRY			
NON-EXECUTIVE INDEPENDENT MEMBERS			
George E. Agouridis Lawyer	○		
Pavlos A. Apostolides Former Ambassador			●
Thanos M. Veremis Professor, Athens University			
Evangelos J. Kaloussis Chairman, NESTLE HELLAS S.A	○	○	
Ioannis K. Lyras President, PARALOS MARITIME CORPORATION S.A			○
NON-EXECUTIVE MEMBER in accordance with Law 3723/2008			
THE GREEK STATE, via its appointed representative, Mr. Sarantis-Evangelos Lolos, Professor of Economics, Panteion University			

● Committee Chairman ○ Committee Member

Management Committees

The Committees composed by Members of the Management are the Executive Committee, the Operations Committee and the Assets – Liabilities Management Committee (ALCO).

The Executive Committee carries out a review of the domestic and international economy and market developments, and examines issues of business planning and policy along with issues relating to the development of the Group.

The Operations Committee undertakes a review of the market and the sectors of the economy, examines the course of business and new products. It approves the policy on Network and Group development and determines the credit policy.

The Assets – Liabilities Management Committee (ALCO) examines issues referring to results, budget and management of Assets – Liabilities, the total limits of the undertaken risks and is responsible for managing the interest rate risk of the investment portfolio and the trading book. Finally, it is responsible for the capital adequacy ratio and for the liquidity risk and the funding of assets on the balance sheet.

Athens, March 22, 2011

THE CHAIRMAN OF
THE BOARD OF DIRECTORS

YANNIS S. COSTOPOULOS
I.D. No. X 661480

Independent Auditors' Report

(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ALPHA BANK A.E. (the "Bank") which comprise the consolidated balance sheet as of 31 December 2010 and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated financial position of ALPHA BANK A.E. as of 31 December 2010 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

(a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraphs 3d of article 43a and 3f of article 107 of C.L. 2190/1920.

(b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying consolidated financial statements within the scope set by articles 37, 43a and 108 of C.L. 2190/1920.

Athens, 22 March 2011

KPMG Certified Auditors A.E.

AM SOEL 114

Nikolaos Vouniseas
Certified Auditor Accountant
AM SOEL 18701

Harry Sirounis
Certified Auditor Accountant
AM SOEL 19071

Group Financial Statements as at 31.12.2010

Consolidated Income Statement

(Thousands of Euro)

	Note	From 1 January to 31.12.2010	31.12.2009
Interest and similar income	2	3,543,386	3,874,672
Interest expense and similar charges	2	(1,724,756)	(2,112,073)
Net interest income	2	1,818,630	1,762,599
Fee and commission income		383,475	425,194
Commission expense		(50,938)	(46,371)
Net fee and commission income	3	332,537	378,823
Dividend income	4	2,678	2,646
Gains less losses on financial transactions	5	35,139	171,522
Other income	6	60,427	67,430
		98,244	241,598
Total income		**2,249,411**	**2,383,020**
Staff costs	7	(548,839)	(565,466)
General administrative expenses	8	(497,396)	(540,184)
Depreciation and amortization expenses	20, 21, 22	(93,286)	(91,765)
Other expenses	9	(8,937)	(4,482)
Total expenses		**(1,148,458)**	**(1,201,897)**
Impairment losses and provisions to cover credit risk	10	(884,754)	(676,343)
Share of profit/(loss) of associates	19	172	(2,963)
Profit before income tax		**216,371**	**501,817**
Income tax	11	(68,531)	(110,337)
		147,840	**391,480**
Extraordinary tax (Law 3845/2010 and Law 3808/2009)	11	(61,801)	(42,403)
Profit after income and extraordinary tax		**86,039**	**349,077**
Profit attributable to:			
Equity owners of the Bank		**85,649**	**349,814**
Non-controlling interests		390	(737)
Earnings per share:			
Basic and diluted (€ per share)	12	0.02	0.64

The attached notes (pages 33 to 112) form an integral part of the consolidated financial statements

Consolidated Balance Sheet

(Thousands of Euro)

	Note	31.12.2010	31.12.2009
ASSETS			
Cash and balances with Central Banks	13, 47	4,124,283	3,814,673
Due from banks	14, 47	2,397,664	5,108,146
Securities held for trading	15	41,268	70,600
Derivative financial assets	16	441,082	347,178
Loans and advances to customers	17	49,304,745	51,399,939
Investment securities			
- Available for sale	18a	2,375,964	1,418,162
- Held to maturity	18b	5,282,498	4,868,493
Investments in associates	19	49,617	50,715
Investment property	20	71,729	72,668
Property, plant and equipment	21	1,240,658	1,258,451
Goodwill and other intangible assets	22	193,191	178,109
Deferred tax assets	23	427,554	293,289
Other assets	24	666,984	599,984
		66,617,237	69,480,407
Non-current assets held for sale	25	181,078	115,640
Total Assets		**66,798,315**	**69,596,047**
LIABILITIES			
Due to banks	26	16,461,381	13,235,439
Derivative financial liabilities	16	1,105,433	603,932
Due to customers (including debt securities in issue)	27	38,292,501	42,915,694
Debt securities in issue held by institutional investors and other borrowed funds	28	3,561,188	5,148,875
Liabilities for current income tax and other taxes	29	136,520	108,487
Deferred tax liabilities	23	263,510	202,492
Employee defined benefit obligations	30	52,592	47,850
Other liabilities	31	1,058,511	1,304,862
Provisions	32	82,745	55,057
Total Liabilities		**61,014,381**	**63,622,688**
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	33	3,451,067	3,451,067
Share premium	34	406,867	406,867
Reserves	35	104,441	239,253
Retained earnings	36	1,248,496	1,274,961
		5,210,871	**5,372,148**
Non-controlling interests		**13,413**	**17,424**
Hybrid securities	38	**559,650**	**583,787**
Total Equity		**5,783,934**	**5,973,359**
Total Liabilities and Equity		**66,798,315**	**69,596,047**

The attached notes (pages 33 to 112) form an integral part of the consolidated financial statements

Consolidated Statement of Comprehensive Income

(Thousands of Euro)

	Note	From 1 January to 31.12.2010	31.12.2009
Profit after income tax, recognized in the income statement		**86,039**	**349,077**
Other comprehensive income recognized directly in Equity :			
Change in available for sale securities' reserve	11	(145,174)	74,124
Change in cash flow hedge reserve	11	(38,206)	
Exchange differences on translating and hedging the net investment in foreign operations	11, 47	(13,259)	(22,480)
Income tax	11, 47	41,455	(17,775)
Total other comprehensive income recognized directly in Equity, after income tax	11	**(155,184)**	**33,869**
Total comprehensive income for the year, after income tax		**(69,145)**	**382,946**
Total comprehensive income for the year attributable to:			
Equity owners of the Bank		**(69,992)**	**383,676**
Non-controlling interests		847	(730)

The attached notes (pages 33 to 112) form an integral part of the consolidated financial statements

Consolidated Statement of Changes in Equity

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2009		**1,931,590**		**188,404**	**969,815**	**(68,985)**	**3,020,824**	**32,567**	**887,306**	**3,940,697**
Changes for the period 1.1 - 31.12.2009										
Profit for the year, after income and extraordinary tax					349,814		349,814	(737)		349,077
Other comprehensive income, after income tax recognized directly in Equity	11			33,862			33,862	7		33,869
Total comprehensive income for the year, after income tax				**33,862**	**349,814**		**383,676**	**(730)**		**382,946**
Share capital increase with the issuance of preference shares acquired by the Greek State	33	940,000					940,000			940,000
Share capital increase through cash payment	33, 34	579,477	406,867				986,344			986,344
Expenses relating to the share capital increase, after income tax					(39,929)		(39,929)			(39,929)
Purchases/sales and change of ownership interests in subsidiaries					(5,402)		(5,402)	(14,032)		(19,434)
Purchases/sales of treasury shares and hybrid securities, after income tax					71,641	68,985	140,626		(303,519)	(162,893)
Dividends distributed to non-controlling interests								(381)		(381)
Dividends paid to hybrid securities owners					(53,887)		(53,887)			(53,887)
Appropriation to reserves				16,987	(16,987)					
Other					(104)		(104)			(104)
Balance 31.12.2009		**3,451,067**	**406,867**	**239,253**	**1,274,961**	**-**	**5,372,148**	**17,424**	**583,787**	**5,973,359**

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total	Non-controlling interests	Hybrid securities	Total
Balance 1.1.2010		**3,451,067**	**406,867**	**239,253**	**1,274,961**	**5,372,148**	**17,424**	**583,787**	**5,973,359**
Changes for the period 1.1 - 31.12.2010									
Profit for the year, after income and extraordinary tax					85,649	85,649	390		86,039
Other comprehensive income, after income tax recognized directly in Equity	11			(155,641)		(155,641)	457		(155,184)
Total comprehensive income for the year, after income tax				**(155,641)**	**85,649**	**(69,992)**	**847**		**(69,145)**
Expenses relating to the share capital increase, after income tax					(607)	(607)			(607)
Purchases/sales and change of ownership interests in subsidiaries					(11,241)	(11,241)	(4,528)		(15,769)
Purchases, redemptions/sales of hybrid securities, after income tax					6,315	6,315		(24,137)	(17,822)
Dividend paid for preference shares	36				(57,945)	(57,945)			(57,945)
Dividends distributed to non-controlling interests							(330)		(330)
Dividends paid to hybrid securities owners					(28,173)	(28,173)			(28,173)
Appropriation to reserves				20,829	(20,829)				
Other					366	366			366
Balance 31.12.2010		**3,451,067**	**406,867**	**104,441**	**1,248,496**	**5,210,871**	**13,413**	**559,650**	**5,783,934**

Consolidated Statement of Cash Flows

(Thousands of Euro)

	Note	From 1 January to 31.12.2010	31.12.2009
Cash flows from operating activities			
Profit before income tax		216,371	501,817
Adjustments for:			
Depreciation of fixed assets	20, 21	64,156	65,423
Amortization of intangible assets	22	29,130	26,342
Impairment losses from loans and provisions		921,594	781,516
Other adjustments			2,349
(Gains)/losses from investing activities		30,607	(174,282)
(Gains)/losses from financing activities		98,141	39,461
Share of (profit)/loss from associates	19	(172)	2,963
		1,359,827	**1,245,589**
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		(636,002)	531,864
Securities held for trading and derivative financial assets		(64,573)	148,383
Loans and advances to customers		1,074,073	(1,485,689)
Other assets		(23,122)	(52,282)
Net increase/(decrease) in liabilities relating to operating activities:			
Due to banks		3,225,942	4,271,643
Derivative financial liabilities		464,147	(202,264)
Due to customers		(6,226,365)	(1,571,057)
Other liabilities		(160,431)	(65,578)
Net cash flows from operating activities before taxes		**(986,504)**	**2,820,609**
Income taxes and other taxes paid		(143,915)	(136,200)
Net cash flows from operating activities		**(1,130,419)**	**2,684,409**
Cash flows from investing activities			
Investment in subsidiaries and associates		(14,499)	(21,265)
Dividends received	4	2,678	2,646
Purchases of fixed and intangible assets		(106,382)	(200,135)
Disposals of fixed and intangible assets		11,209	16,440
Net (increase)/decrease in investment securities		(1,539,679)	143,152
Net cash flows from investing activities		**(1,646,673)**	**(59,162)**
Cash flows from financing activities			
Share capital increase			986,344
Expenses relating to the share capital increase		(799)	(53,240)
Dividends paid to preference shares owners and non-controlling interests		(59,217)	(982)
(Purchases)/sales of treasury shares			71,495
Debt issued			1,024,832
Expenses of debt issuance			(12,630)
Repayment of debt securities		(135,739)	(1,156,000)
(Purchases), (Redemptions)/Sales of hybrid securities		(14,309)	(234,387)
Dividends paid to hybrid securities owners		(28,173)	(53,887)
Net cash flows from financing activities		**(238,237)**	**571,545**
Effect of exchange rate fluctuations on cash and cash equivalents		(20,566)	(23,245)
Net increase /(decrease) in cash and cash equivalents		**(3,035,895)**	**3,173,547**
Cash and cash equivalents at the beginning of the year		**6,187,183**	**3,013,636**
Cash and cash equivalents at the end of the year	13	**3,151,288**	**6,187,183**

The attached notes (pages 33 to 112) form an integral part of the consolidated financial statements

Notes to the Group Financial Statements

GENERAL INFORMATION

The Alpha Bank Group, which includes companies in Greece and abroad, offers the following services: corporate and retail banking, financial services, investment banking and brokerage services, insurance services, real estate management, hotel activities.

The parent company of the Group is ALPHA BANK A.E. which operates under the brand name of ALPHA BANK. The Bank's registered office is 40, Stadiou Street, Athens and it is listed as a societe anonyme with registration number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, for its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, community, foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

Based on the decision of the Ordinary General Meeting of Shareholders, held on 22.6.2010, the reelection of the currently serving members of the Bank's Board of Directors, for a four year tenure, was approved, apart from the Greek State's representative whose tenure expires as stated in Law 3723/2008.

The Board of Directors as at December 31, 2010, according to the minutes of its meeting held on 28.9.2010, consists of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non-Executive Independent Member)

Minas G. Tanes ***

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO) ***
Artemis Ch. Theodoridis

NON-EXECUTIVE MEMBERS

Sophia G. Eleftheroudaki
Paul G. Karakostas *
Nicholaos I. Manessis **
Ioanna E. Papadopoulou

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis *
Pavlos A. Apostolides **
Thanos M. Veremis
Evangelos J. Kaloussis */***
Ioannis K. Lyras **

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3723/2008)

Sarantis – Evangelos G. Lolos

SECRETARY
Hector P. Verykios

The Ordinary General Meeting of Shareholders, held on 22.6.2010, has appointed as auditors of the semi annual and annual financial statements for 2010 the following:

Principal Auditors: Nikolaos E. Vouniseas
Charalambos G. Sirounis

Substitute Auditors: Nikolaos Ch. Tsiboukas
John A. Achilas

of KPMG Certified Auditors A.E.

The Bank's shares have been listed in the Athens Stock Exchange since 1925. As at December 31, 2010 Alpha Bank was ranked seventh in terms of market capitalization. Additionally, the Bank's share is included in a series of international indices, such as S&P Europe 350, FTSE Med 100, MSCI Europe, DJ Euro Stoxx and FTSE4Good.

Apart from the Greek listing, the shares of the Bank are listed in the London Stock Exchange in the form of international certificates (GDRs) and they are traded over the counter in New York (ADRs).

As at December 31, 2010 the Bank has 534,269,648 ordinary and 200,000,000 preference shares in issue.

During the year of 2010 an average of 2,358,778 shares have been traded daily.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: Ba1 (from 9.3.2011: Ba3)
- Fitch Ratings: BBB- (from 17.1.2011: BB+)
- Standard & Poor's: BB

The financial statements were approved by the Board of Directors on March 22, 2011.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

These consolidated financial statements relate to the fiscal year 1.1 – 31.12.2010 and they have been prepared:

a) in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and

b) on the historical cost basis except for the following assets and liabilities which were measured at fair value:

- Securities held for trading
- Derivative financial instruments
- Available-for-sale securities

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The estimates and judgments applied by the Group companies in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate.

The estimates and assumptions are reviewed on an ongoing basis to take into account current conditions, and the effect of any revisions is recognized in the period in which the estimate is revised.

The accounting policies for the preparation of the financial statements have been consistently applied by the Group to the years 2009 and 2010, after taking into account the following amendments of International Accounting Standards as well as the new Interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union and which are effective for annual periods beginning on 1.1.2010:

- **Amendment of International Financial Reporting Standard 1** «First time adoption of International Financial Reporting Standards» (Regulation 1136/25.11.2009)

  On 27 November 2008 a revised edition with changes in the structure of this standard was published. The purpose of this change was to improve information and to facilitate implementation of future amendments.

  The above amendment does not apply to the Group's financial statements.

- **Amendment of International Financial Reporting Standard 1** «Additional Exemptions for first-time adopters» (Regulation 550/23.6.2010)

  On 23.7.2009 an amendment of IFRS 1 was issued with which the following exemptions are induced for first-time adopters:

  i. Entities are allowed not to reassess the determination of whether an arrangement contains a lease if the same assessment as that required by IFRIC 4 was made under previous GAAP and

  ii. Entities, in the oil and gas industry, are allowed to use their previous GAAP carrying amounts as deemed cost at the date of transition for oil and gas assets.

  The above amendment does not apply to the Group's financial statements.

- **Amendment of International Financial Reporting Standard 2** «Share-based payments-Group cash settled share-based payment transactions» (Regulation 244/23.3.2010)

  The aim of this amendment, which was issued on 18.6.2009, is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

  In particular, according to the amendment, an entity shall apply IFRS 2 in accounting for all share-based payment transactions, whether or not the entity can identify specifically some or all of the goods or services received. In addition, it is clarified that IFRS 2 should be applied for the accounting of share-based payment transactions which are settled by another group entity or a shareholder of any group entity on behalf of the entity receiving or acquiring the goods or services. The standard should be applied for both the entity which receives the goods or services and the entity which has the obligation to settle the transaction.

  The adoption of the amendment did not have any impact on Group's financial statements.

- **Amendment of International Accounting Standard 27** «Consolidated and Separate Financial Statements» and International Financial Reporting Standard 3 «Business combinations» (Regulations 494-495/3.6.2009)

  The main changes from the amended standards issued on 10 January 2008 are summarized as follows:

  i. In cases of changes in ownership interests of subsidiaries with which control is obtained or lost, the value of the investment existed prior to the change of ownership interest or the remaining ownership interest, should be measured at fair value with changes recognized in profit and loss account.

  ii. Upon initial recognition non-controlling interests might be measured at fair value. In addition non-controlling interests should absorb the total losses incurred attributable to their interest.

iii. Any contingent consideration from the acquisition of an entity is recognised as a liability and measured at fair value

iv. Costs incurred by the acquirer are not included in the cost of a business combination but are expensed.

In addition, changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The Group had already implemented the above accounting policy.

- **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and Measurement» concerning eligible hedged items
(Regulation 839/15.9.2009)

This amendment, issued on 31 July 2008, provides clarifications regarding the application of hedge accounting. It is clarified that in a fair value hedge or a cash flow hedge the following can be designated as hedged items:

i. The partial change in fair value or cash flows of financial instruments

ii. The change in cash flows related to inflation (under conditions)

iii. The increase or decrease of cash flow or fair value in relation to a specific reference value (one-sided risk).

The adoption of the amendment did not have any impact on Group's financial statements.

- **Improvements to International Accounting Standards: Amendment of IFRS 5** «Non-current assets held for sale and discontinued operations»
(Regulation 70/23.1.2009)

As part of the improvements project, on 22.5.2008 an amendment of IFRS 5 was issued. According to the amendment, an entity that is committed to a sale plan involving loss of control of a subsidiary shall classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its subsidiary after the sale.

The adoption of the above improvement did not have any impact on Group's financial statements.

- **Improvements to International Accounting Standards**
(Regulation 243/23.3.2010)

As part of the improvements project, the International Accounting Standards Board issued, on 16 April 2009, certain amendments to various standards. The majority of these are effective for annual periods beginning on 1.1.2010.

The adoption of these improvements did not have any impact on Group's financial statements.

- **Interpretation 17** «Distribution of non-cash assets to owners» (Regulation 1142/26.11.2009)

This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners.

The adoption of the interpretation had no impact on Group's financial statements.

- **Interpretation 18** «Transfer of assets from customers» (Regulation 1164/27.11.2009)

This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above.

This interpretation does not apply to Group activities.

Apart from the above Standards and Interpretations, the European Union adopted the following standards and interpretations, which are effective for annual periods beginning after 1.1.2010 and which have not been early adopted by the Group.

- **Amendment of International Financial Reporting Standard 1** «Limited Exemption from Comparative IFRS7 Disclosures for First-time Adopters»
(Regulation 574/30.6.2010)

Effective for annual periods beginning on or after 1.7.2010

On 28.1.2010, a new amendment of IFRS 1 was issued, with which first-time adopters are permitted to use the same transition provisions, permitted for existing prepares of financial statements prepared in accordance with IFRSs, with regards to additional disclosures required by the amendment of IFRS 7, issued on 5.3.2009.

The amendment does not apply to the Group financial statements.

- **Amendment of International Accounting Standard 24** «Related Party Disclosures»
(Regulation 632/19.7.2010)

Effective for annual periods beginning on or after 1.1.2011

The revised IAS 24 amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.

The Group evaluates the potential impact of this amendment on its financial statements.

- **Amendment of International Accounting Standard 32** «Classification of Rights Issues»
(Regulation 1293/23.12.2009)

  Effective for annual periods beginning on or after 1.2.2010

  According to the above amendment, which was issued on 8.10.2009, financial instruments that give their holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency should be classified as equity instruments, provided the entity offers this right pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

  The Group evaluates the potential impact of this amendment on its financial statements.

- **Improvements to International Accounting Standards** (Regulation 149/18.2.2011)

  As part of the improvements project, the International Accounting Standards Board issued, on 6 May 2010, certain amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2011

  The Group examines the impact of the above improvements on its financial statements.

- **Amendment of Interpretation 14** «Prepayment of a Minimum Funding Requirement»
(Regulation 633/19.7.2010)

  Effective for annual periods beginning on or after 1.1.2011

  The aim of this amendment is to remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than as an expense.

  The Group evaluates the potential impact of this amendment on its financial statements.

- **Interpretation 19** «Extinguishing Financial Liabilities with Equity Instruments» (Regulation 662/23.7.2010)

  Effective for annual periods beginning on or after 1.7.2010

  According to IFRIC 19, which was issued on 26.11.2009, the issue of an entity's equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with IAS 39. The equity instruments issued to a creditor to extinguish all or part of a financial liability should be measured, at initial recognition, at the fair value, unless that fair value cannot be reliably measured. If only part of the financial liability is extinguished, the entity shall assess whether some of the consideration paid relates to a modification of the terms of the liability that remains outstanding. If part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the consideration paid shall be recognised in profit or loss. It should be noticed that the above Interpretation should be applied only in cases of renegotiation of the terms of the contract and not in the cases that the possibility to settle financial liabilities through the issuance of equity instruments is available in the original contact.

  The Group evaluates the potential impact of this interpretation on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards which have not yet been adopted by the European Union and they have not been early adopted by the Group.

- **Amendment of International Financial Reporting Standard 1** «Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters»

  Effective for annual periods beginning on or after 1.7.2011

  On 20.12.2010 the International Accounting Standards Board issued an amendment of IFRS 1 according to which:

  i. In cases of an entity that has a functional currency that was or is the currency of a hyperinflationary economy, then it should be determined whether the currency was subject to severe hyperinflation before the date of transition to IFRSs. When an entity's date of transition to IFRSs is on or after the functional currency "normalization" date, the entity may elect to measure assets and liabilities held before the functional currency "normalization" date at fair value on the date of transition to IFRSs and use the fair value as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. When the functional currency "normalization" date falls within the comparative period, the comparative period presented in the first IFRS financial statements may be less than 12 months.

  ii. The fixed dates (1.1.2004 and 25.10.2002) defined by the existing standard regarding the exceptions for first-time adopters for the derecognition and the initial fair value measurement of financial instruments are abolished. Those dates are replaced by the phrase "the date of transition to IFRSs".

The above amendment does not apply to the Group financial statements.

- **Amendment of International Financial Reporting Standard 7** «Disclosures – Transfers of financial assets»

  Effective for annual periods beginning on or after 1.7.2011

  On 7.10.2010, the International Accounting Standards Board issued an amendment of IFRS 7 regarding the disclosures that are required when financial assets are transferred. With the above amendment the existing disclosures are revised in order to achieve greater transparency in the reporting of transfer transactions, particularly those that involve securitisation of financial assets.

  The Group examines the potential impact of the above amendment on its financial statements.

- **International Financial Reporting Standard 9** «Financial Instruments»

  Effective for annual periods beginning on or after 1.1.2013

  On 12 November 2009, IFRS 9: «Financial Instruments» was issued by the International Accounting Standards Board. The new standard was issued as part of the first phase of the project for the replacement of IAS 39; therefore, the scope of the first phase is the classification and measurement of financial assets. According to the new standard, financial instruments should be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

  i. The entity's business model for managing the financial assets and

  ii. The contractual cash flow characteristics of the financial assets.

  In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, If the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative should not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

  In addition, on 28.10.2010, the International Accounting Standards Board issued the revised requirements regarding the classification and measurement of financial liabilities. According to the new requirements, which were included in IFRS 9, in the case of financial liabilities that are initially designated at fair value through profit or loss, the change in the fair value of the liability should be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which should be recognised directly in other comprehensive income.

  The Group evaluates the potential impact from the adoption of this standard on its financial statements.

- **Amendment of International Accounting Standard 12** «Deferred Tax: Recovery of Underlying Assets»

  Effective for annual periods beginning on or after 1.1.2012

  On 20.12.2010, the International Accounting Standards Board issued an amendment of IAS 12 regarding the way with which deferred taxation should be calculated when it is difficult to determine the expected manner of recovery of the underlying assets and the manner of recovery affects the determination of the tax base and the tax rate. In the revised IAS 12, it is clarified that when an asset is classified either as «Investment Property» and measured using the fair value model or as «Property, plant and equipment» and measured using the revaluation model, there is a rebuttable presumption that its carrying amount will be recovered entirely by sale; therefore, for the calculation of deferred taxation the respective tax rate and tax base should be used. However, it also clarified that for the cases of investment property only, this presumption is rebutted if the asset is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the asset over time, rather than through sale.

  The Group examines the potential impact of the above amendment on its financial statements.

1.2 Basis of consolidation

The consolidated financial statements include the parent company Alpha Bank, its subsidiaries, associates and joint ventures. The financial statements used to prepare the consolidated financial statements have been prepared as of 31.12.2010 and the accounting policies applied in their preparation, when necessary, were adjusted to ensure consistency with the Group accounting policies.

a. Subsidiaries

Subsidiaries are entities controlled, directly or indirectly, by the Bank. The Group assesses control based on voting rights which are presently excercisable and the power to govern the financial and operating policies of the entities. The financial statements of subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

Special purpose entities are consolidated when the substance of the relationship between the Bank or its subsidiaries and the entity indicates that the entity is controlled by the Bank or its subsidiaries. In assessing control, besides voting rights and the power to govern the financial and operating policies, the following circumstances may indicate a relationship in which, in substance, the Group controls the SPE:

i. the activities of the SPE are being conducted on behalf of the Group according to its specific business needs so that the Group obtains benefits from the SPE's operation,

ii. the Group has the decision-making powers to obtain the majority of the benefits of the activities of the SPE,

iii. the Group has rights to obtain the majority of the benefits of the SPE and therefore may be exposed to risks incident to the activities of the SPE.

iv. the Group retains the majority of the residual or ownership risk related to the SPE or its assets in order to obtain benefits from its activities.

The Group, based on voting rights or the above mentioned circumstances, controls special purposes entities which were set up to accommodate the securitization of financial assets and the issuance of debt.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. When the cost of acquisition exceeds the fair value of the Group's share of the identifiable net assets acquired, the excess is recorded as goodwill and is tested for impairment annually. If the cost of acquisition is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

When the Group's interest in a subsidiary increases as a result of an acquisition, the difference between the consideration paid and the share of net assets acquired is recognized directly in retained earnings.

Sales of ownership interests in subsidiaries that do not result in a loss of control for the Group, are accounted for as equity transactions and the gain or loss arising from the sale is recognized directly in retained earnings.

b. Associates

Associates are entities over which the Group has significant influence but not control. Significant influence is generally presumed to exist when the Group holds, directly or indirectly, between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. The investment is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate.

The Group's share of the associate's profit or loss and other comprehensive income is separately recognized in the income statement and in the statement of comprehensive income, accordingly.

c. Joint ventures

According to IAS 31, joint ventures are those entities over whose activities, the Group has joint control, established by contractual agreement whereby two or more parties undertake an economic activity.

In the consolidated financial statements the Group's interests in joint ventures are accounted for using the proportionate consolidation method.

Inter company transactions are eliminated, unless the transaction provides evidence of impairment of the asset transferred, in which case, it is recognized in the consolidated balance sheet.

A detailed list of all Group subsidiaries, associates and joint ventures, as well as the Group's ownership interest in them, is provided in note 40.

1.3 Segment reporting

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of recourses between the Group's operating segments and the assessment of their performance.

Based on the above, as well as the Group's administrative structure and activities, the following operating segments have been determined:

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- South Eastern Europe
- Other

Since the Group operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:

- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 41.

1.4 Transactions in foreign currency and translation of foreign operations

a. Transactions in foreign currency

The consolidated financial statements are presented in Euro, which is the functional currency and the currency of the country of incorporation of the parent company Alpha Bank.

Items included in the financial statements of the subsidiaries are measured in the functional currency of each subsidiary which is the currency of the company's country of incorporation or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency of each subsidiary at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

b. Translation of foreign operations

The financial statements of all group entities that have a functional currency that is different from the presentation currency of the Group financial statements are translated as follows:

i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.

ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange difference from the retranslation and those arising from other monetary items designated as a part of the net investment in the entity are recorded in equity. When a foreign subsidiary is sold, the exchange differences are reclassified to the income statement as part of the gain or loss on sale.

1.5 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents consists of:

a. Cash on hand

b. Non-restricted placements with Central Banks and

c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances due from banks are amounts that mature within three months of the balance sheet date.

1.6 Classification and measurement of financial instruments

Initial recognition

The Group recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Upon initial recognition the Group measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Subsequent measurement of financial assets

The Group classifies its financial assets as:

- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

For each of the above categories the following apply:

a) Loans and receivables

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market can be classified as loans and receivables. The Group has classified the following as loans and receivables:

i. loans to customers

ii. amounts paid to acquire a portion or the total of series of bonds that are not quoted in an active market

iii. all receivables from customers, banks etc.

This category is measured at amortized cost using the effective interest rate method and is periodically tested for impairment based on the procedures described in note 1.13.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date, so that the present value of cash flows is equal to the carrying amount of the financial instrument including fees or transaction costs.

b) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold until maturity can be classified as Held-to-maturity investments.

The Group has classified bonds, treasury bills and other debt securities in this category.

Held-to-maturity investments are measured at amortized cost using the effective interest rate method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the present value of the estimated future cash flows discounted at the original effective interest rate, and the difference is recognised in profit and loss.

c) Financial assets at fair value through profit or loss

Financial assets included in this category are:

i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

   The Group has included in this category bonds, treasury bills and a limited number of shares.

ii. Financial assets the Group designated, at initial recognition, as at fair value through profit and loss.

This classification is used in the following circumstances:

- When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
- When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortized cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through the profit or loss).
- When a financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Group had not designated any financial assets as at fair value through profit and loss.

d) Available-for-sale

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

The Group has included in this category bonds, treasury bills, debt securities, shares and mutual fund units.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity, are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. In case of impairment, the cumulative loss already recognised in equity, is reclassified in profit and loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss if it can objectively be related to an event occurring after the impairment loss was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit and loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.7. apply.

Reclassification of financial assets

Reclassification of non-derivative financial assets is permitted as follows:

i. Reclassification out of the “held-for-trading” category to the “loans and receivables” category, “investments held-to-maturity” category or “available-for-sale” category is permitted only when there are rare circumstances and the financial assets are no longer held for sale in the foreseeable future.

ii. Reclassification out of the “held-for-trading” category to either “loans and receivables” or “available-for-sale” is permitted only if the financial assets meet the definition of loans and receivables and there is the intention to hold them for the foreseeable future or until maturity.

iii. Reclassification out of the “available-for-sale” category to the “loans and receivables” category is permitted for financial assets that would have met the definition of loans and receivables and the entity has the intent to hold the financial asset for the foreseeable future or until maturity.

iv. Reclassification out of the “available-for-sale” category to the “held-to-maturity” category is permitted for financial assets that meet the relevant characteristics and the entity has the intent and ability to hold that financial asset until maturity.

Reclassification out of the held-to-maturity category to other categories is not permitted. Any sale or reclassification of a more than insignificant amount of held-to-maturity investment would result in the reclassification of all held-to-maturity investments as available-for-sale. This would prohibit the classification of any securities as held for maturity for the current and the following two financial years.

Permitted reclassifications of the above categories iii and iv (further analyzed in notes 17 and 18) have been made by the Group.

Derecognition of financial assets

The Group derecognizes financial assets when:

- the cash flows from the financial assets expire.
- the contractual right to receive the cash flows of the financial assets is transferred and at the same time both risks and rewards of ownership are transferred.
- loans or investments in securities are no longer recoverable and consequently written off.

In the case of transactions, where despite the transfer of the contractual right to recover the cash flows from financial assets, both the risk and rewards remain with the Group no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Group in such transactions are discussed further in notes 1.19 and 1.20.

In the case of transactions, whereby the Group neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Group's continuing involvement. If the Group does not retain control of the assets then they are derecognised, and in their position the Group recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

Subsequent measurement of financial liabilities

The Group classifies financial liabilities in the following categories for measurement purposes:

a) Financial liabilities measured at fair value through profit or loss

i. This category includes financial liabilities held for trading, that is:
   - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
   - derivatives not used for hedging purposes.

Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measured according to the principles set out in note 1.7.

ii. this category also includes financial liabilities which are designated by the Group as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).

The Group has not designated, upon initial recognition, any financial liabilities as at fair value through profit or loss.

b) Financial liabilities carried at amortized cost

The liabilities classified in this category are measured at amortized cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Group and other loan liabilities are classified in this category.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.7.

Derecognition of financial liabilities

The Group derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expire.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only in cases when the Group has both the legal right and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

1.7 Derivative financial instruments and hedge accounting

Derivative financial instruments

Derivatives are financial instruments that upon inception have a minimal or zero value that subsequently changes in accordance with a particular underlying instrument (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In the cases when derivatives are embedded in other financial instruments, such as bonds, loans, deposits, borrowed funds etc and the host contract is not itself carried at fair value through profit or loss, then they are accounted for as separate derivatives when the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. These embedded derivatives are measured at fair value and are recognized as derivative assets or liabilities.

In the cases where derivatives are embedded in financial instruments that are measured at fair value through profit or loss, the changes in the fair value of the derivative are included in the fair value change of the combined instrument and recognized in gains less losses on financial transactions.

The Group uses derivatives as a means of exercising Asset-Liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Group uses derivatives for trading purposes to exploit short-term market fluctuations, within the Group risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions.

When the Group uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction, and that the effectiveness of the hedge is monitored on an ongoing basis at each balance sheet date.

We emphasize the following:

a. Synthetic Swaps

The parent company (Alpha Bank), in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY with a simultaneous forward purchase of JPY to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, foreign exchange differences and other gains less losses on financial transactions.

b. FX Swaps

These types of swaps are entered into primarily to hedge the exposures arising from customer loans and deposits.

As there is no documentation to support hedge accounting they are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest, foreign exchange differences in order to match with the interest element and foreign exchange differences resulting from the deposits and loans, and other gains less losses on financial transactions.

Hedge accounting

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied.

Documentation of the hedge relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and is repeated at each reporting date.

a. Fair value hedges

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged. Changes in the fair value of both the hedging instrument and the hedged item in respect of the specific risk being hedged are recognized in the income statement.

When the hedge relationship no longer exists, the hedged items are remeasured based on the classification and valuation principles set out in note 1.6.

Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used, up to the point that the hedge relationship ceases to be effective, is amortized to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Group uses interest rate swaps (IRS's) to hedge risks relating to borrowings, bonds, loans and fixed rate term deposits.

b. Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument form a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective portion is recognized in profit or loss. The accounting treatment of the hedged item does not change.

When the hedging relationship is discontinued, the amount recognized in equity remains there separately until the cash flows or the future transaction occur. When the cash flows or the future transaction occur the following apply:

- If the result is the recognition of a financial asset or a financial liability, the amount is reclassified to profit or loss in the same periods during which the hedged forecast cash flows affect profit or loss.
- If the result is the recognition of a non-financial asset or a non-financial liability or a firm commitment for which fair value hedge accounting is applied, the amount recognized in equity either is reclassified to profit or loss in the same periods during which the asset or the liability affect profit or loss or adjusts the carrying amount of the asset or the liability.

If the expected cash flows or the transaction are no longer expected to occur, the amount is reclassified to profit or loss.

During the current reporting period, the Group applied cash flow hedge accounting for a specific group of term deposits. The hedging relationship was revoked during the current reporting period. The amount recognized in equity will be linearly amortized in the periods during which the hedged cash flows from the aforementioned term deposits affect profit or loss.

c. Hedges of net investment in a foreign operation

The Group uses foreign exchange derivatives or borrowings to hedge foreign exchange risks arising from investment in foreign operations.

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

1.8 Property, plant and equipment

This caption includes: land, buildings used by branches or for administrative purposes, additions and improvements of leased property and equipment.

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: up to 50 years.
- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 3 to 50 years.

Land is not depreciated but it tested for impairment.

The right to use of land for indefinite period that is held by Alpha Real Estate D.O.O. Belgrade, a subsidiary of the Group, is recorded as land and is not depreciated.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

1.9 Investment property

The Group includes in this category buildings or portions of buildings together with their respective portion of land that are held to earn rental income.

Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method, are the same as those applied to property, plant and equipment.

1.10 Goodwill and other intangible assets

Goodwill

Goodwill represents the difference between the cost of an acquisition as well as the value of non-controlling interests and the fair value of the assets and liabilities of the entity acquired, as at the acquisition date.

Positive goodwill arising from acquisitions after 1/1/2004 is recorded to "Goodwill and other intangible assets" if it relates to the acquisition of a subsidiary. Goodwill on acquisitions of associates is included in "Investment in associates".

At the end of each fiscal year recognized goodwill is tested for impairment.

Negative goodwill is recognized in profit or loss.

Other intangible assets

The Group has included in this caption:

a) Intangible assets (deposit base, relationships with customers and brand name) which were recognized from the acquisition of the Serbian Bank Jubanka A.D. Beograd (currently Alpha Bank Srbija A.D.) in accordance with IFRS 3.

The intangible assets are carried at cost less accumulated amortization. The amortization is charged over the estimated useful life of each asset which is as follows:

- Deposit base and customer relationships: 6 years
- Brand name: 2 years

b) Software, which is measured at cost less accumulated amortization. The cost of separately acquired software comprises of its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. The cost of internally generated software comprises of expenditure incurred during the development phase, including employee benefits arising from the generation of the software. Amortization is charged over the estimated useful life of the software which the Group has estimated between 3 to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred.

c) Brand names and other rights are measured at cost less accumulated amortization. The amortization is charged over the estimated useful life which the Group has estimated to 5 years.

Intangible assets are amortized using the straight line method, excluding those with indefinite useful life, which are not amortized. All intangible assets are tested for impairment.

No residual value is estimated for intangible assets.

1.11 Leases

The Group enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Group is the lessor

i. Finance leases:

For finance leases where the Group is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments, and the aggregate amount of lease payments, is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.13.

ii. Operating leases:

When the Group is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

b) When the Group is the lessee

i. Finance leases:

For finance leases, where the Group is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if this is not available the Group's borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Group is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

ii. Operating leases:

For operating leases the Group as a lessee does not recognize the leased asset but charges in general administrative expenses, the lease payments on an accrual basis.

1.12 Insurance activities

a) Insurance reserves

The insurance reserves are the current estimates of future cash flows arising from insurance life and non-life contracts. The reserves consist of:

i. Mathematical reserves

The insurance reserves for the term life contracts (e.g. term, comprehension, investment) are calculated on actuarial principles using the present value of future liabilities less the present value of premiums to be received.

The calculations are based on technical assumptions (mortality tables, interest rates) in accordance with the respective supervisory authorities on the date the contract was signed.

If the carrying amount of the insurance reserves is inadequate, the entire deficiency is provided for.

ii. Unearned premiums reserves

They represent part of net premiums earned which cover proportionally the period from the balance sheet date to the termination of the period the net premium covers.

iii. Outstanding claims reserves

They concern liabilities on claims occurred and reported but not yet paid at the balance sheet date. These claims are determined on a case-by-case basis based on existing information (loss adjustors' reports, doctors' reports, court decisions etc) at the balance sheet date.

Provisions are also determined for claims incurred but not reported at the balance sheet date (IBNR), the calculation of these provisions is based on the estimated average cost of claim.

iv. Reserves for investments held on behalf and at risk of the insurance policy holders

These reserves are accounted for as assets and liabilities at the current value of the associated investments.

b) Revenue recognition

Revenue from life and non-life insurance contracts is recognized when it becomes payable.

c) Reinsurance

The reinsurance premiums ceded and the respective ceded portion of the insurance reserves follow the terms of the relevant reinsurance agreements.

d) Distinction of insurance products

In accordance with IFRS 4 contracts that do not transfer significant insurance risk are characterized as investment and/or service contracts, and their accounting treatment is covered by IAS 32 and IAS 39 for financial instruments, and IAS 18 for revenue.

Based on the above the following were separated from insurance services:

i. The individual unit-linked contracts with zero insured capital,

ii. Group pension fund contracts under unit-linked management,

iii. Group contract services provided for which the Group acts as intermediate (e.g. motor assistance and accident care).

e) Liability adequacy test

In accordance with IFRS 4 an insurer shall assess at each reporting date whether its recognized insurance reserves less deferred acquisition costs are adequate to cover the risk arising from the insurance contracts.

If that assessment shows that the carrying amount of its insurance reserves is inadequate, the entire deficiency is recognized against profit or loss.

The methodology applied for life insurance was based on current estimates of all future cash flows from insurance contracts and of related handling costs. These estimates were based on assumptions representing current market conditions and regarding mortality, cancellations, future changes and allocation of administrative expenses, medical inflation relating to medical changes and the discount rate. The guaranteed return included in certain insurance contracts has also been taken into account in estimating cash flows.

For the liability adequacy test of claims reserves, the triangulation method (chain-ladder/link ratio) was used which is based on the assumption that the proportional relation occurred in past years between the amounts of cumulative claims (paid and outstanding) will be repeated in the future. Data of the last five years were used for the calculation of the relevant test.

1.13 Impairment losses on loans and advances

The Group assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

a. Establishment of events that provide objective evidence that a loan is impaired (trigger events)

The loans and advances with payment of interest or principal overdue by more than 90 days represent the majority of the loans which are tested for impairment by the Group.

In addition an impairment test may be performed for accounts with delays less than 90 days, or accounts with no delay when:

i. procedures for forced recovery have commenced against the borrower by other creditors or when the settlement of debts, with more burdensome conditions for the Group, have been initiated or

ii. the Group has information that indicates that the financial position of the borrower is deteriorating (reduced sales, gross margins, profit etc.) or other events (bankruptcy filing, extra-ordinary events such as floods, fire, etc at the installations of the borrower) which occurred after the date of initial recognition and which are considered to affect the ability of the borrower to adhere to the agreed repayment schedule.

Finally, an impairment test is performed on loans and advances granted to sectors of the economy or geographical regions which are experiencing problems that arose after the date of initial recognition of the loans.

b. The criteria of assessment on an individual or collective basis

The outstanding balance is the basic factor in determining whether the assessment of impairment will be performed on an individual basis or on a collective basis.

In determining the amount for each entity of the Group numerous factors were considered such as the composition of the loan portfolio, the specific circumstances of the market and experience obtained from the management of the portfolio.

More specifically for the Group's parent company Alpha Bank the separation point is the amount of €1 million.

c. Establishment of groups of assets with similar risk characteristics

In those instances whereby, based on the amount outstanding, the assessment of impairment is performed on a collective basis of assets with similar risk characteristics with respect to credit risk, the collective groups were determined as follows:

i. buckets arising from ageing analysis of loans and advances to customers.

ii. the type of loan (consumer, credit cards, mortgage etc.) for retail loans.

Based on detailed internal data the above groups are either expanded or combined in the event that this is justified from the historical data.

d. Methodology in determining future cash flows from impaired loans

The Group has accumulated a significant amount of historical data of the last six years, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

On the basis of this data the amount of the impairment is determined on both an individual and collective basis taking into account the time value of money.

The cash flows are discounted at the loans' original effective interest rate.

e. Interest income recognition

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

f. Impairment recognition

Amounts of impaired loans are recognized on allowance accounts until the Group decides to write off these amounts.

g. Recoveries

If in a subsequent period after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in impairment losses and provisions to cover credit risk.

1.14 Accounting for income tax

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income tax, both current and deferred, is recognized in profit or loss expect when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

1.15 Non-current assets held for sale

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

These items consist of assets acquired through the enforcement of security over customer loans and advances.

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting policy. Thereafter they are measured at the lower of their carrying amount and fair value less cost of sale.

Any loss arising from the above measurement is recorded in profit or loss. This loss which can be reversed in the future, is allocated to assets in the disposal group that are within the scope of the measurement requirements of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Property in this category is not depreciated, however, it is reviewed for impairment at each reporting date.

Gains or losses from the sale of these assets are recognized in the income statement.

1.16 Employee benefits

The Group has both defined benefit and defined contribution plans.

A defined contribution plan is where the Group pays fixed contributions into a separate entity and the Group has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the entity of the Group.

The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

The liability recognized in the consolidated financial statements in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs.

The amount determined by the above comparison may be negative, a receivable. The amount of the receivable recognised in the financial statements cannot exceed the total of

a) any cumulative unrecognized net actuarial losses and past service cost, and
b) the present value of any economic benefits available to the Group entity in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there in no deep market in corporate bonds.

Cumulative actuarial gains and losses arising from experience adjustments and changes and actuarial assumption variations, to the extent that they exceed 10 per cent of the greater of the accrued obligation or the fair value of plan assets, are amortized over a period equal to the average remaining working lives of the employees.

Past-service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In the second case, the past service costs are amortized on a straight line basis over the vesting period.

1.17 Share options granted to employees

The Group rewards the performance of its executives and managers by granting share options. The number of granted share options, the price and the exercise date are decided from the Board of Directors in accordance to Shareholders' Meeting approvals.

The fair value calculated at grant date, is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Group and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

1.18 Provisions

A provision is recognized if as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure.

Provisions are determined by discounting the expected future cash flows required to settle the obligation. The discount rate applied reflects current market assessments of the time value of money. Cash payments are recorded to provisions to the extent that they relate to the specific provision. At each reporting period provisions are re-assessed.

Provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The expense recognized in profit or loss relating to the provision may be presented net of the amount of the reimbursement.

1.19 Sale and repurchase agreements and securities lending

The Group enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized as investments.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the consolidated balance sheet and are measured in accordance with the accounting policy of the category that they have been classified in and are presented as investments.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed by the Group under securities lending agreements are not recognized in the consolidated balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

1.20 Securitization

The Group securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the assessment of control of the special purpose entity is considered, based on the circumstances mentioned in note 1.2, so as to examine whether it should be consolidated. In addition, the contractual terms and the economic substance of transactions are considered, in order to decide whether the Group should proceed with the derecognition of the securitised financial assets, as referred in note 1.6.

1.21 Equity

Distinction between debt and equity

Financial instruments issued by Group companies to obtain funding are classified as equity when, based on the substance of the transaction, the Group does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when Group companies are required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

Share premium

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Group.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

Retained earnings

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the Shareholders in General Meeting.

1.22 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest rate method. Interest on impaired financial assets is determined on their balance after impairment using the effective interest rate.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

As at the reporting date no borrowing costs have been capitalised.

1.23 Fee and commission income

Fee and commission income is recognized in the income statement on an accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit or loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

1.24 Dividend Income

Dividend income from investments in shares is recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Group has invested in.

1.25 Gains less losses on financial transactions

Gains less losses on financial transactions include the fair value changes of financial assets measured at fair value through profit and loss, gains or losses on their disposal and the exchange differences arising from the translation of financial instruments denominated in foreign currencies. Impairment losses on bonds are also included in gains less losses on financial transactions.

Differences that may arise between the carrying amount of financial liabilities settled or transferred and the consideration paid, are also recognised in gains less losses on financial transactions.

1.26 Discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or has been classified as held for sale and represents:

- a major line of Group's business; or
- a geographical area of operations; or
- a subsidiary acquired exclusively with a view to resale.

The assets and liabilities of discontinued operations are presented separately from other assets and liabilities in the balance sheet and are not offset.

Any cumulative income or expense recognized directly in equity relating to a discontinued operation is presented separately (as a separate line in equity).

The post tax profit or loss from discontinued operations and any losses recognized on the measurement to fair value less costs to sell of the disposal group are presented in a separate line in the face of the income statement after net profit from continuing operations.

The comparative financial statements are restated only for the income statement and the cash flow statement.

1.27 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

INCOME STATEMENT

2. Net interest income

	From 1 January to	
	31.12.2010	31.12.2009
Interest and similar income		
Due from banks	42,861	76,416
Loans and advances to customers	2,321,501	2,617,010
Securitized loans	468,081	319,208
Securities held for trading	6,589	6,858
Available for sale securities	144,961	163,755
Held to maturity securities	133,192	111,823
Securitized instruments	16,567	50,068
Derivative financial instruments	389,014	512,953
Other	20,620	16,581
Total	**3,543,386**	**3,874,672**
Interest expense and similar charges		
Due to banks	(159,592)	(188,094)
Due to customers	(828,482)	(1,035,354)
Debt securities in issue and other borrowed funds	(171,578)	(236,031)
Derivative financial instruments	(471,749)	(554,481)
Other	(93,355)	(98,113)
Total	**(1,724,756)**	**(2,112,073)**
Net interest income	**1,818,630**	**1,762,599**

3. Net fee and commission income

	From 1 January to	
	31.12.2010	31.12.2009
Loans	80,207	79,878
Letters of guarantee	46,684	44,971
Imports-Exports	11,443	11,509
Credit cards	50,618	54,830
Fund transfers	62,657	69,359
Mutual funds	27,560	31,143
Advisory fees and securities transaction fees	3,084	5,933
Brokerage services	13,916	22,625
Other	36,368	58,575
Total	**332,537**	**378,823**

4. Dividend income

	From 1 January to	
	31.12.2010	31.12.2009
Available for sale securities	2,678	2,646
Total	**2,678**	**2,646**

5. Gains less losses on financial transactions

	From 1 January to	
	31.12.2010	31.12.2009
Foreign exchange differences	38,258	45,450
Securities held for trading:		
- Bonds	(2,031)	(1,678)
- Shares	1,434	(711)
- Other securities	(19)	
Investment securities:		
- Bonds	(8,447)	132,758
- Shares	965	(748)
- Other securities	448	(26)
Loan portfolio	(2,791)	
Derivative financial instruments	8,298	(7,371)
Other financial instruments	(976)	3,848
Total	**35,139**	**171,522**

6. Other income

	From 1 January to	
	31.12.2010	31.12.2009
Insurance activities	6,408	5,642
Hotel activities	30,681	34,991
Operating lease income	8,591	10,552
Sale of fixed assets	742	1,633
Other	14,005	14,612
Total	**60,427**	**67,430**

Income from insurance activities is analyzed as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Non-life Insurance		
Premiums and other related income	15,908	16,467
Less:		
- Reinsurance premiums ceded	(5,627)	(4,487)
- Commissions	(365)	(986)
- Claims from policyholders	(6,918)	(6,109)
Reinsurers' participation	910	167
Net income from non-life insurance	**3,908**	**5,052**
Life Insurance		
Premiums and other related income	33,152	11,279
Less:		
- Reinsurance premiums ceded	(2,477)	(1,285)
- Commissions	(2,655)	(1,333)
- Claims from policyholders	(26,354)	(8,964)
Reinsurers' participation	834	893
Net income from life insurance	**2,500**	**590**
Total	**6,408**	**5,642**

7. Staff costs

	From 1 January to	
	31.12.2010	31.12.2009
Wages and salaries	391,103	403,174
Social Security contributions	96,093	96,188
Common Insurance Fund of Bank Employees	16,496	18,496
Employee defined benefit obligation (note 30)	11,168	9,753
Other	33,979	37,855
Total	**548,839**	**565,466**

The total employees of the Group as at 31.12.2010 were 14,896 (31.12.2009: 15,163) of which 8,010 (31.12.2009: 8,246) are employed in Greece and 6,886 (31.12.2009: 6,917) are employed abroad.

Defined contribution plans

All the employees of the Group in Greece receive their main pension from the Social Insurance Fund (IKA). Specifically for the Bank's employees the following apply:

a. The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is TAPILTAT, a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if the fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and it is accounted for as such. The Bank has applied for membership in ETAT (Common Insurance Fund of Bank Employees) for it's employees who are insured in TAPILTAT (Pension Plan for employees of Ionian – Popular Bank and other Banks).

b. Employees of former Ioniki and Popular Bank of Greece are insured for the lump sum benefit in the Bank Employee and Companies Common Benefit Plan (TAYTEKO) which is a defined contribution plan.

c. All employees of the Bank receive medical benefits from the Bank Employee and Companies Common Benefit Plan (TAYTEKO). This plan has been accounted for as a defined contribution plan.

d. Employees of former Alpha Credit Bank are insured, for supplementary pension, in the Common Insurance Fund of Bank Employees after it absorbed TAP, since 1.1.2008 according to article 10, Law 3620/2007. The Bank pays to E.T.A.T. fixed contribution percentage over employee salaries in addition to the annual installment that relates to the total cost of joining ETAT which amounts to € 543 million, which was calculated with the reference date being 31.12.2006, in accordance with a special economic study as stipulated by Law 3371/2005.

Defined benefit plans

An analysis of liabilities arising from defined benefit plans are set out in note 30.

8. General administrative expenses

	From 1 January to	
	31.12.2010	31.12.2009
Rent of buildings	57,683	60,343
Rent and maintenance of EDP equipment	27,970	27,080
EDP expenses	44,152	45,668
Marketing and advertisement expenses	34,126	44,833
Telecommunications and postage	36,116	40,830
Third party fees	55,386	57,916
Consultants fees	8,679	9,142
Contribution to Deposit Guarantee Fund	20,423	20,811
Insurance	8,979	11,160
Consumables	8,465	11,246
Electricity	12,128	11,865
Agency fees	2,164	5,560
Taxes (VAT, real estate etc)	60,533	54,823
Services from collection agencies	24,098	19,814
Other	96,494	119,093
Total	**497,396**	**540,184**

9. Other expenses

	From 1 January to	
	31.12.2010	31.12.2009
Impairment losses on assets	2,983	586
Provisions for operational restructuring program (Note 32)	7,381	
Other provisions (Note 32)	(1,427)	3,896
Total	**8,937**	**4,482**

The Group decided within the year to carry out an operational restructuring program. In this context, the decision has been made for the restructuring of its branch networks in Greece and in Southeastern Europe as well as, the change in certain operations in order to achieve general cost reduction. The above mentioned program began in 2010 and the total expenditure is estimated at € 11.7 million.

10. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.12.2010	31.12.2009
Impairment losses on loans and advances to customers (note 17)	901,877	698,600
Reversal of impairment losses from due from banks (note 14)		(4)
Provisions to cover credit risk relating to off balance sheet items	(91)	(4,335)
Recoveries	(17,032)	(17,918)
Total	**884,754**	**676,343**

11. Income tax

In accordance with Greek tax Law, up to 2009, profits of entities operating in Greece were taxed at a rate of 25%. According to Law 3697/2008 the tax rate for 2010 is 24% and will be reduced by one percent each year until the rate reaches 20% in 2014 and thereafter. Dividends distributed by entities established in Greece and approved by the General Meetings of Shareholders held after 1.1.2009 are subject to a withholding tax of 10% with no further tax obligation for the beneficiary (Law 3697/2008).

The nominal tax rates of years 2009 and 2010 of the subsidiaries and the Bank's branches operating abroad, are as follows:

Cyprus	10
Bulgaria	10
Serbia	10
Romania	16
FYROM	10 (1)
Albania	10
Ukraine	25
Jersey	10
United Kingdom	28
Luxembourg	28.59

In accordance with Law 3842/2010, a tax rate of 40% is imposed on distributed or capitalized profits of legal entities from 1.1.2011, while undistributed profits are taxed according to the current tax rate. After the payment of a tax rate 40% there is no further tax obligation for the beneficiary legal entity, while the individual beneficiary is subject to tax under the prevailing tax framework. The above is also applicable to prior year profits that will be either distributed or capitalized from 1.1.2011 and thereon.

The above are amended with article 14 of draft law "Fighting tax evasion, reforming the tax administration and other provisions under the responsibility of the Ministry of Finance" which was submitted to the Parliament in order to be approved, which states that for the periods commencing from 1.1.2011 and thereon, a 20% tax rate is effective for the legal entities. For profit distribution, withholding tax is imposed with a 25% tax rate. For financial statements up to 31.12.2010 a tax rate of 21% is imposed on distributed profits.

Additionally, in accordance with article 10, paragraph 3 of Law 3842/2010, the portion of the credit balance arising from the banks' income tax statements for the fiscal year 2010 (accounting year 1.1 - 31.12.2009), relevant to withholding tax on interest of bonds of any kind will not be returned. For the year 2010 a credit balance did not arise due to the above.

In accordance with article 5 of Law 3845/6.5.2010 "Measures for the implementation of the supporting mechanism of the Greek economy through the Eurozone Member-States and the International Monetary Fund" an extraordinary tax was imposed to legal entities for social responsibility purposes and is calculated on the total net income for fiscal year 2010 (accounting year 1.1 - 31.12.2009) provided that it exceeds € 100,000. The extraordinary tax is imposed on profits before income tax as reported under International Financial Reporting Standards (IFRS), only if these are greater than the total taxable profits.

The extraordinary tax recognized in the Consolidated Financial Statements as at 31.12.2010 amounts to € 61.8 million which was paid in January 2011.

Respectively profits for 2009 were burdened by the extraordinary tax amount of € 42.4 million according to article 2 of Law 3808/2009, which imposes an extraordinary tax on companies whose total net income for 2008 exceeded € 5 million.

Finally, in accordance with Law 3888/2010 the voluntary settlement of tax obligation for the unaudited tax years was established. All group companies that fulfilled the requirements set by the law, came under the arrangement and settled their unaudited tax years up to 2009. The total charge for the Group amounted to € 0.98 million.

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(1) *From 1.1.2009 non distributable profits are not subject to tax. When distributed they are taxed at the rate applicable on the date of distribution.*

The income tax expense is analysed as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Current	103,870	90,967
Deferred	(36,507)	19,370
Additional tax audit charge	1,168	
Total	**68,531**	**110,337**
Extraordinary tax (Law 3845/2010 & Law 3808/2009)	61,801	42,403

Deferred tax recognized in the income statement is attributable to temporary differences the effects of which are analyzed as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Depreciation and fixed asset write-offs	4,284	3,757
Valuation of loans	20,307	(7,703)
Suspension of interest accruals	50,233	31,896
Loans impairment	(99,267)	(45,690)
Employee defined benefit obligations	11,898	11,869
Valuation of derivatives	(8,543)	30,554
Application of effective interest rate	(19,099)	11,856
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,194)	210
Valuation of bonds	17,328	(2,732)
Valuation of other securities	(10,737)	4,750
Tax losses carried forward	(614)	299
Other temporary differences	1,897	(19,696)
Total	**(36,507)**	**19,370**

A reconciliation between the effective and nominal tax rate is provided below:

	From 1 January to			
	31.12.2010		31.12.2009	
	%		%	
Profit before income tax		**216,371**		**501,817**
Income tax (tax rate)	20.29	43,900	23.42	117,522
Increase/(decrease) due to:				
Additional tax on income of fixed assets	0.36	770	0.06	299
Non taxable income	(1.61)	(3,481)	(5.81)	(29,136)
Non deductible expenses	16.10	34,859	4.74	23,772
Additional tax audit charge	0.54	1,168		
Other temporary differences	(4.01)	(8,685)	(0.42)	(2,120)
Income tax (effective tax rate)	**31.67**	**68,531**	**21.99**	**110,337**

The applicable income tax rate of 20.29% for 2010 and 23.42% for 2009 is the weighted average nominal tax rate based on the nominal income tax rate and the profit before tax of the Group's subsidiaries.

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	31.12.2010			31.12.2009		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities reserve	(145,174)	31,019	(114,155)	74,124	(17,010)	57,114
Change in cash flow hedge reserve	(38,206)	8,787	(29,419)			
Exchange differences on translating and hedging the net investment in foreign operations	(13,259)	1,649	(11,610)	(22,480)	(765)	(23,245)
Total	**(196,639)**	**41,455**	**(155,184)**	**51,644**	**(17,775)**	**33,869**

In addition, in 2010, a deferred tax credit resulting from hybrid securities and amounting to € 3,710 is included in retained earnings. The respective amount for 2009 was a deferred tax debit of the amount of € 6,002.

In addition, in 2009, current tax relating to expenses of share capital increase, amounting to € 13,310, was included in retained earnings. The respective amount of 2010 is € 192.

12. Earnings per share

a. Basic

Basic earnings per share are calculated by dividing the profit after income tax for the year, attributable to ordinary equity owners of the Bank, by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by Group companies, during the year.

b. Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Group does not have diluted potential ordinary shares and additionally, based on the preference shares' terms of issuance, basic and dilutive earnings per share should not differ.

	From 1 January to	
	31.12.2010	31.12.2009
Profit attributable to ordinary equity owners of the Bank	85,649	349,814
Weighted average number of outstanding ordinary shares	534,269,648	451,781,227
Basic and diluted earnings per share (in €)	0.16	0.77

After taking into consideration the accrued return on preference shares of the Greek State, the earning per share are as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Profit attributable to ordinary equity owners of the Bank less the accrued return on preference shares of the Greek State (Law 3723/2008)	13,269	291,064
Weighted average number of outstanding ordinary shares	534,269,648	451,781,227
Basic and diluted earnings per share (in €)	0.02	0.64

ASSETS

13. Cash and balances with Central Banks

	31.12.2010	31.12.2009
Cash	310,158	415,158
Cheques receivable	63,894	86,661
Placements with the European Central Bank	1,816,013	1,300,009
Balances with Central Banks	1,934,218	2,012,845
Total	**4,124,283**	**3,814,673**
Less: Deposits pledged to Central Banks	(1,932,475)	(1,719,697)
Total	2,191,808	2,094,976

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate inter-bank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 2% of customer deposits.

These deposits bear interest at the refinancing rate as set by the European Central Bank which as at 31.12.2010 was 1% (31.12.2009: 1%).

The subsidiaries that operate abroad and offer banking services, maintain pledged deposits as established by the respective central banks.

Cash and cash equivalents (as presented for the purposes of the statement of cash flow)

	31.12.2010	31.12.2009
Cash and balances with Central Banks	2,191,808	2,094,976
Receivables from sale and repurchase agreements (Reverse Repos)	356,611	3,983,852
Short-term placements with other banks	602,869	108,355
Total	**3,151,288**	**6,187,183**

14. Due from banks

	31.12.2010	31.12.2009
Placements with other banks	1,024,289	560,634
Guarantees for derivative securities coverage	886,932	390,185
Sale and repurchase agreements (Reverse Repos)	356,611	3,983,852
Loans to credit institutions	138,458	181,124
Less:		
Allowance for impairment losses	(8,626)	(7,649)
Total	**2,397,664**	**5,108,146**

Allowance for impairment losses

Balance 1.1.2009	7,867
Changes for the period 1.1 - 31.12.2009	
Decrease of impairment losses from due from banks (note 10)	(4)
Foreign exchange differences	(214)
Balance 31.12.2009	**7,649**
Changes for the period 1.1 - 31.12.2010	
Foreign exchange differences	977
Balance 31.12.2010	**8,626**

15. Securities held for trading

	31.12.2010	31.12.2009
Greek government bonds	27,561	56,980
Other government bonds	9,213	11,244
Other issuers		
- Listed	1,648	1,662
- Non-listed		410
Shares		
- Listed	2,101	304
Other variable yield securities	745	
Total	**41,268**	**70,600**

16. Derivative financial instruments (assets and liabilities)

	31.12.2010		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	965,478	10,873	12,496
Currency swaps	1,833,920	22,115	13,001
Cross currency swaps	5,299,552	86,603	439,591
Currency options	29,473	538	571
Currency options embedded in customer products	3,803	10	
Total non-listed	**8,132,226**	**120,139**	**465,659**
b. Interest rate derivatives			
Interest rate swaps	14,793,182	227,993	250,207
Interest rate options (caps & floors)	883,290	7,107	7,216
Total non-listed	**15,676,472**	**235,100**	**257,423**
Futures	300,000		8
Total listed	**300,000**		**8**
c. Index derivatives			
Futures	2,440	80	126
Total listed	**2,440**	**80**	**126**
d. Credit derivatives			
Credit default swaps embedded in debt securities	246,484		22,964
Total non-listed	**246,484**		**22,964**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	75,599		1,448
Cross currency swaps	376,116	66,975	706
Total non-listed	**451,715**	**66,975**	**2,154**
b. Interest rate derivatives			
Interest rate swaps	5,504,991	18,788	357,063
Interest rate options (caps &floors)	3,766		36
Total non-listed	**5,508,757**	**18,788**	**357,099**
Grand total	**30,318,094**	**441,082**	**1,105,433**

	31.12.2009		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	1,471,472	4,693	20,517
Currency swaps	3,306,967	41,956	24,479
Cross currency swaps	593,840	23,691	44,058
Currency options	18,218	104	280
Currency options embedded in customer products	12,410	116	
Total non-listed	**5,402,907**	**70,560**	**89,334**
b. Interest rate derivatives			
Interest rate swaps	15,804,576	247,208	226,232
Interest rate options (caps)	768,834	6,245	6,092
Total non-listed	**16,573,410**	**253,453**	**232,324**
c. Commodity derivatives			
Commodity swaps	1,161	425	424
Total non-listed	**1,161**	**425**	**424**
d. Index derivatives			
Options	743	5	
Futures	352	7	26
Total listed	**1,095**	**12**	**26**
e. Credit derivatives			
Credit default swaps embedded in debt securities	255,929		20,637
Total non-listed	**255,929**		**20,637**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	68,354	120	6,344
Cross currency swaps	225,293	10,095	
Total non-listed	**293,647**	**10,215**	**6,344**
b. Interest rate derivatives			
Interest rate swaps	6,189,882	12,513	254,843
Total non-listed	**6,189,882**	**12,513**	**254,843**
Grand total	**28,718,031**	**347,178**	**603,932**

17. Loans and advances to customers

	31.12.2010	31.12.2009
Individuals		
Mortgages:		
- Non-securitized	14,288,457	11,040,759
- Securitized		2,713,146
Consumer:		
- Non-securitized	2,701,235	3,404,039
- Securitized	1,958,435	1,464,555
Credit cards:		
- Non-securitized	466,927	1,277,859
- Securitized	724,027	
Other	68,541	78,501
Total	**20,207,622**	**19,978,859**
Companies:		
Corporate loans:		
- Non-securitized	27,494,817	26,878,943
- Securitized	1,562,067	3,196,024
Leasing:		
- Non-securitized	736,627	849,967
- Securitized	460,872	486,072
Factoring	612,211	634,977
Total	**30,866,594**	**32,045,983**
Receivables from insurance and re-insurance activities	11,197	10,430
Other receivables	439,324	1,007,475
	51,524,737	**53,042,747**
Less:		
Allowance for impairment losses [1]	(2,219,992)	(1,642,808)
Total	**49,304,745**	**51,399,939**

Allowance for impairment losses

Balance 1.1.2009	**1,275,994**
Changes for the period 1.1. - 31.12.2009	
Impairment losses for the year (note 10)	698,600
Change in present value of impairment reserve	81,545
Foreign exchange differences	10,585
Loans written-off during the year	(423,916)
Balance 31.12.2009	**1,642,808**
Changes for the period 1.1. - 31.12.2010	
Impairment losses for the year (note 10)	901,877
Change in present value of impairment reserve	129,278
Foreign exchange differences	10,107
Loans written-off during the year	(464,078)
Balance 31.12.2010	**2,219,992**

[1] *In addition to the allowance for impairment losses, an additional provision of € 438 (31.12.2009: € 521) has been recorded to cover credit risk relating to off balance sheet items. The total provision recorded to cover credit risk amounts to € 2,220,430 (31.12.2009: € 1,643,329).*

The Bank and Alpha Leasing A.E. have proceeded in securitizing, consumer, corporate loans and credit cards and finance leases through special purpose entities controlled by them.

Based on the contractual terms and structure of the above transactions (e.g. allowance for guarantees or/ and credit enhancements or due to the Bank owing the bonds issued by the special purpose entities) the Bank and Alpha Leasing AE retained in all cases the risks and rewards deriving from securitized portfolios.

The Bank, during 2010, securitized a portion of the credit cards and the revolving consumer loans portfolio, through the special purpose entity Pisti 2010-1 Plc.

In 2010, bonds amounting to € 2 billion issued by the special purpose entity Alpha Covered Bond Plc under the indirect cover bond program, were cancelled. In addition on 23.12.2010, bonds amounting to € 1.7 billion, issued by the special purpose entity Epihiro Plc with coverage corporate loans were partially repaid. In addition, the Bank according to the direct issuance covered bond program, proceeded with the issuance of an amount of € 3.5 billion which was covered by mortgage loans. As of 31.12.2010 the value of mortgage loans provided as coverage for the above mentioned bonds amounted to € 4.2 billion.

In accordance with amendments to IAS 39, in the third quarter of 2008 the Group reclassified securities of € 21.7 million from the available for sale portfolio to the loans portfolio since these securities are not traded in an active market and the Group had the intention to hold them in the foreseeable future. The above securities were impaired as of 31.12.2009 by an amount of € 20.1 million. In 2010, the Group sold the above mentioned securities and recorded € 3.3 million gain in profit and loss of the respective period.

The finance lease receivables by duration are as follows:

	31.12.2010	31.12.2009
Up to 1 year	392,531	410,493
From 1 year to 5 years	557,665	546,021
More than 5 years	515,750	597,551
	1,465,946	**1,554,065**
Non accrued finance lease income	(268,447)	(218,026)
Total	**1,197,499**	**1,336,039**

The net amount of financial lease receivables by duration is analyzed as follows:

	31.12.2010	31.12.2009
Up to 1 year	353,345	374,047
From 1 year to 5 years	429,892	453,958
More than 5 years	414,262	508,034
Total	**1,197,499**	**1,336,039**

18. Investment securities

a. Available for sale

	31.12.2010	31.12.2009
Greek government bonds	1,378,311	107,110
Other government bonds	554,811	617,787
Other issuers:		
- Listed	322,777	549,559
- Non-listed	3,707	10,133
Shares:		
- Listed	25,063	39,598
- Non-listed	41,005	37,190
Other variable yield securities	50,290	56,785
Total	**2,375,964**	**1,418,162**

During 2010 the Bank has recognized impairment for the above portfolio that amounts to € 26,376 (2009: € 31,121) which is included in "Gains less losses on financial transactions".

b. Held to maturity

	31.12.2010	31.12.2009
Greek government bonds:		
- Non securitized	4,067,960	2,598,364
Other government bonds:		
- Non-securitized	43,312	25,532
- Securitized		58,869
Other issuers:		
- Non-securitized:		
Listed	1,200,429	1,240,838
Non-listed	4,454	14,995
- Securitized:		
Listed		949,521
Total	**5,316,155**	**4,888,119**
Less:		
Allowance for impairment losses	(33,657)	(19,626)
Total	**5,282,498**	**4,868,493**

Allowance for impairment losses

Balance 1.1.2009	
Changes for the period 1.1 - 31.12.2009	
Impairment charge for the year [1]	19,626
Balance 31.12.2009	**19,626**
Changes for the period 1.1 - 31.12.2010	
Impairment charge for the year [1]	21,854
Change in present value of impairment reserve	516
Foreign exchange differences	660
Securities written-off during the year	(8,999)
Balance 31.12.2010	**33,657**

[1] *Impairment losses for the year are included in "Gains less losses on financial transactions"*

The Bank during the first quarter of 2009 securitized bonds through the special purpose entity Talanto plc. On 17.5.2010 the Bank's Executive Committee approved the redemption and cancellation of the above transaction, which was completed during the second quarter of 2010.

The held to maturity portfolio includes bonds that amount to € 165.8 million, which until 30.9.2010 were classified in "available for sale".

The amounts were reclassified in accordance with their fair value on the transfer date.

19. Investments in associates

	From 1 January to	
	31.12.2010	31.12.2009
Opening balance	50,715	59,260
Purchase/Recognition of participation	267	1,020
Returns of capital (note 46r)	(1,099)	(6,585)
Dividends received	(438)	(17)
Share of profit/(loss)	172	(2,963)
Closing balance	**49,617**	**50,715**

The purchase in 2010 represents the acquisition of the company Biokid A.E. as included in note 46k.

Group's investments in associates are analyzed as follows:

		Group's ownership interest %	
Name	**Country of incorporation**	31.12.2010	31.12.2009
a. Evisak A.E.	Greece	27.00	27.00
b. AEDEP Thessalias & Stereas Ellados [1]	Greece	50.00	50.00
c. A.L.C Novelle Investments Ltd	Cyprus	33.33	33.33
d. EL.P.ET. Balcan A.E.	Greece	26.71	26.71
e. Kritis Gi - Tsatsakis A.V.E.E	Greece	22.95	22.95
f. Biokid A.E.	Greece	27.22	

The Group's share in equity and profit / (loss) of each associate is set out below:

	Group's share on equity		Share of profit/ (loss) From 1 January to	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Name				
a. Evisak A.E.	932	932		17
Less: Impairment of Evisak A.E.	(932)	(915)	(17)	
b. AEDEP Thessalias & Stereas Ellados [1]	74	74		
c. A.L.C. Novelle Investments Ltd	1,946	3,233	250	(32)
d. EL.P.ET Balcan A.E.	46,826	46,887	(61)	(2,432)
e. Kritis Gi – Tsatsakis A.V.E.E	504	504		(516)
f. Biokid A.E.	267			
Total	**49,617**	**50,715**	**172**	**(2,963)**

[1] *It is a non profit company.*

20. Investment property

	Land and Buildings
Balance 1.1.2009	
Cost	72,244
Accumulated depreciation	(5,369)
1.1.2009 - 31.12.2009	
Net book value 1.1.2009	66,875
Foreign exchange differences	(59)
Additions	1,069
Disposals	(2)
Reclassification from "Property, plant and equipment" [1]	5,555
Depreciation charge for the year	(770)
Net book value 31.12.2009	**72,668**
Balance 31.12.2009	
Cost	79,570
Accumulated depreciation	(6,902)
1.1.2010 - 31.12.2010	
Net book value 1.1.2010	72,668
Foreign exchange differences	(124)
Depreciation charge for the year	(815)
Net book value 31.12.2010	**71,729**
Balance 31.12.2010	
Cost	79,426
Accumulated depreciation	(7,697)

The fair value of investment property as at 31.12.2010 as determined by Alpha Astika Akinita A.E. amounted to €84.2 million.

[1] *The reclassification of €5,555, during 2009, from property, plant and equipment concerns a building that has been leased.*

21. Property, plant and equipment

	Land and buildings	Leased equipment	Equipment	Total
Balance 1.1.2009				
Cost	1,373,990	2,814	454,795	1,831,599
Accumulated depreciation	(253,339)	(1,007)	(323,013)	(577,359)
1.1.2009 - 31.12.2009				
Net book value 1.1.2009	1,120,651	1,807	131,782	1,254,240
Foreign exchange differences	(5,771)	(97)	(1,622)	(7,490)
Additions	39,949	12,743	27,323	80,015
Disposals/ impairments	(4,291)	(3,106)	(1,303)	(8,700)
Additions from companies consolidated for the first time in 2009	10,594			10,594
Reclassification to "Investment property" (note 20)	(5,861)	420	(114)	(5,555)
Depreciation charge for the year	(28,327)	(2,387)	(33,939)	(64,653)
Net book value 31.12.2009	**1,126,944**	**9,380**	**122,127**	**1,258,451**
Balance 31.12.2009				
Cost	1,404,715	12,191	471,015	1,887,921
Accumulated depreciation	(277,771)	(2,811)	(348,888)	(629,470)
1.1.2010 - 31.12.2010				
Net book value 1.1.2010	1,126,944	9,380	122,127	1,258,451
Foreign exchange differences	(3,954)	(20)	(410)	(4,384)
Additions	30,257	367	26,952	57,576
Disposals/ impairments	(3,425)	(3,807)	(412)	(7,644)
Reclassification	(18)	77	(59)	-
Depreciation charge for the year	(29,508)	(1,551)	(32,282)	(63,341)
Net book value 31.12.2010	**1,120,296**	**4,446**	**115,916**	**1,240,658**
Balance 31.12.2010				
Cost	1,425,109	7,419	491,675	1,924,203
Accumulated depreciation	(304,813)	(2,973)	(375,759)	(683,545)

22. Goodwill and other intangible assets

	Goodwill	Software	Other intangible	Total
Balance 1.1.2009				
Cost	52,036	227,612	37,983	317,631
Accumulated amortization		(144,777)	(12,893)	(157,670)
1.1.2009 - 31.12.2009				
Net book value 1.1.2009	52,036	82,835	25,090	159,961
Foreign exchange differences	(3,225)	(523)	(497)	(4,245)
Additions		33,887	15,295	49,182
Disposals		(109)	(338)	(447)
Reclassifications		(61)	61	
Amortization charge for the year		(21,415)	(4,927)	(26,342)
Net book value 31.12.2009	**48,811**	**94,614**	**34,684**	**178,109**
Balance 31.12.2009				
Cost	48,811	260,424	51,718	360,953
Accumulated amortization		(165,810)	(17,034)	(182,844)
Balance 1.1.2010				
Net book value 1.1.2010	48,811	94,614	34,684	178,109
Foreign exchange differences	(3,980)	(394)	(205)	(4,579)
Additions		47,896	911	48,807
Disposals		(16)		(16)
Amortization charge for the year		(23,656)	(5,474)	(29,130)
Net book value 31.12.2010	**44,831**	**118,444**	**29,916**	**193,191**
Balance 31.12.2010				
Cost	44,831	307,642	51,252	403,725
Accumulated amortization		(189,198)	(21,336)	(210,534)

The annual impairment test performed on the goodwill arising from the acquisition of Alpha Bank Srbija A.D. confirmed that no adjustment to the carrying amount is necessary. Specifically, the recoverable amount of the investment which is the highest amount between the value in use and the fair value less costs to sell, was determined to be higher than the carrying amount of the subsidiary presented in the consolidated financial statements and therefore no impairment loss exists to the goodwill which had risen even after the recognition of other intangible assets.

Other intangible assets which were recognized upon acquisition of the above mentioned bank have been fully depreciated within the fiscal year 2010.

23. Deferred tax assets and liabilities

	31.12.2010	31.12.2009
Assets	427,554	293,289
Liabilities	(263,510)	(202,492)
Total	**164,044**	**90,797**

Deferred tax assets and liabilities arise from:

	1.1.2010 - 31.12.2010				
		Recognized in			
	Balance 1.1.2010	Income Statement	Equity	Foreign Exchange Differences	Balance 31.12.2010
Depreciation and fixed assets write-offs	(3,013)	(4,284)			(7,297)
Tax revaluation of fixed assets	8,236				8,236
Valuation of loans	(64,005)	(20,307)			(84,312)
Suspension of interest accruals	(125,324)	(50,233)			(175,557)
Impairment of loans	73,072	99,267			172,339
Valuation of derivative financial instruments	53,942	8,543	8,787		71,272
Tax losses carried forward	4,464	614			5,078
Other temporary differences	91,357	(1,897)		(7,993)	81,467
Effective interest rate	(25,230)	19,099			(6,131)
Employee defined benefit obligations	70,677	(11,898)			58,779
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(7,763)	4,194			(3,569)
Valuation of other securities	2,451	10,737	3,710		16,898
Valuation of bonds	12,266	(17,328)	31,019		25,957
Exchange differences on translating and hedging the net investment in foreign operations	(333)		1,649	(432)	884
Total	**90,797**	**36,507**	**45,165**	**(8,425)**	**164,044**

	1.1.2009 - 31.12.2009				
		Recognized in			
	Balance 1.1.2009	Income Statement	Equity	Foreign Exchange Differences	Balance 31.12.2009
Depreciation and fixed assets write-offs	744	(3,757)			(3,013)
Tax revaluation of fixed assets	8,236				8,236
Valuation of loans	(71,708)	7,703			(64,005)
Suspension of interest accruals	(93,428)	(31,896)			(125,324)
Impairment of loans	27,382	45,690			73,072
Valuation of derivative financial instruments	84,496	(30,554)			53,942
Tax losses carried forward	4,763	(299)			4,464
Other temporary differences	73,437	19,696		(1,776)	91,357
Effective interest rate	(13,374)	(11,856)			(25,230)
Employee defined benefit obligations	82,546	(11,869)			70,677
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(7,553)	(210)			(7,763)
Valuation of other securities	13,203	(4,750)	(6,002)		2,451
Valuation of bonds	26,544	2,732	(17,010)		12,266
Exchange differences on translating and hedging the net investment in foreign operations	432		(765)		(333)
Total	**135,720**	**(19,370)**	**(23,777)**	**(1,776)**	**90,797**

24. Other Assets

	31.12.2010	31.12.2009
Investments on behalf of life insurance policyholders	24,734	23,723
Prepaid expenses	68,051	17,601
Accrued income	1,810	3,866
Tax advances and withholding taxes	176,223	223,881
Receivables from employee defined benefit plan (note 30)	44,881	45,905
Deposit and Investment Guarantee Fund	199,026	114,649
Other	152,259	170,359
Total	**666,984**	**599,984**

In accordance with article 6 of Law 3714/7.11.2008 the amount of the deposits guaranteed by the deposit guarantee system, increased from € 20,000 to €100,000 per depositor. The percentages calculating the contribution paid by banks to Deposit Guarantee Fund also increased.

In accordance with article 6 of Law 3746/2009 further to the Finance Minister's decision on 21.7.2010, the criteria for calculating the regular annual contribution relating to investment coverage, of credit institions, to the Hellenic Deposit and Investment Guarantee Fund were defined.

The Law 3746/16.2.2009 concerning the "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" provides that the contribution amount relating to investment coverage and the difference between the regular annual contribution of credit institutions resulting from the application of article 6 of Law 3714/2008 will be included in a special assets group whose elements are jointly included in the proportion of each participant in the credit institutions.

25. Non-current assets held for sale

As at 31.12.2010 "Non-current assets held for sale" include land and buildings amounting to € 181,035 (31.12.2009: € 115,615) and office equipment amounting to €43 (31.12.2009: € 25).

As at 31.12.2010 the fair value of "Non-current assets held for sale" as determined by Alpha Astika Akinita A.E. amounted to € 182,989.

LIABILITIES

26. Due to banks

	31.12.2010	31.12.2009
Deposits:		
- Current accounts	49,725	96,599
- Term deposits		
European Central Bank	14,242,970	10,285,015
Other credit institutions	994,563	1,555,206
Sale and repurchase agreements (Repos)	597,260	490,203
Borrowing funds	576,863	808,416
Total	**16,461,381**	**13,235,439**

27. Due to customers (including debt securities in issue)

	31.12.2010	31.12.2009
Deposits:		
- Current accounts	5,686,225	7,372,548
- Saving accounts	7,689,783	8,713,036
- Term deposits	23,521,586	24,729,568
Dept securities in issue	1,238,779	1,929,937
Sale and repurchase agreements (Repos)	3,226	8,283
	38,139,599	**42,753,372**
Cheques payable	152,902	162,322
Total	**38,292,501**	**42,915,694**

28. Debt securities in issue and other borrowed funds

a. Short term

i. Securities (ECP)

Balance 1.1.2010	**89,411**
Changes for the period 1.1 – 31.12.2010	
New issues	91,188
Maturities/Redemptions	(181,126)
Accrued interest	171
Foreign exchange differences	356
Balance 31.12.2010	**-**

The short-term securities (ECP) paid an average spread of 30 basis points over Euribor of the respective period.

b. Long term

i. Issues guaranteed by the Greek State (Law 3723/2008)

According to Law 3723/2008 for the enhancement of the Greek economy's liquidity program, the Bank proceeded with the issuance of senior debt securities guaranteed by the Greek State which as at 31.12.2010 amount to €9.5 billion and are analyzed as follows:

- On 24.9.2009 an amount of €1 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 2%.
- On 30.4.2010 an amount of €2.1 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 3%.
- On 10.5.2010 an amount of €440 million, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 4.5%.
- On 24.6.2010 an amount of €2.3 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 4%.
- On 27.12.2010 an amount of €3.6 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 8.5%.

The above mentioned securities are not presented in the "Debt securities in issue and other borrowed funds", as they are held by the Bank.

- The unamortized balance of capitalized expenses as at 31.12.2009 amounting to €(3,106) was recognized in the income statement of the year 2010.

ii. Covered bonds

According to the covered bond program, which provides direct issuance from the Bank up to the amount of €8 billion, the Bank proceeded with the following issues in 2010:

- On 23.7.2010 an amount of €1 billion, maturing on 23.7.2014 and bearing the interest rate of the European Central Bank plus a spread of 1.5%.
- On 28.9.2010 an amount of €1 billion, maturing on 23.7.2015 and bearing the interest rate of the European Central Bank plus a spread of 1.6%.
- On 11.11.2010 an amount of €1 billion, maturing on 23.10.2013 and bearing a three month Euribor interest rate plus a spread of 1.4%.
- On 11.11.2010 an amount of €0.5 billion, maturing on 24.10.2016 and bearing the interest rate of the European Central Bank plus a spread of 1.7%.

The balance of covered bonds issued by the bank as at 31.12.2010 amounts to €3.5 billion.

The covered bonds are not included in the "Debt securities in issue and other borrowed funds" as they are held by the Bank [1].

iii. Senior debt securities

Balance 1.1.2010	**6,167,188**
Changes for the period 1.1 – 31.12.2010	
New issues	186,133
(Purchases)/Sales by Group companies	(395,464)
Maturities/Redemptions	(2,022,550)
Fair value change due to hedging	12,581
Accrued interest	293
Foreign exchange differences	10,981
Balance 31.12.2010	**3,959,162**

The following securities are included in the amount of "new issues":

- nominal value of €20 million maturing on 25.1.2012, bearing a fixed three month interest rate of 2.25%, which gradually increases by 50 basis points on semi-annual basis from 26.7.2010.
- nominal value of €20 million maturing on 25.1.2013, bearing a fixed three month interest rate of 2.60%, which gradually incrases by 90 basis points on an annual basis.
- nominal value of €20 million maturing on 16.11.2012 bearing a fixed three month interest rate of 4%.
- nominal value of €20 million maturing on 16.5.2012 bearing a three month Euribor interest rate plus a spread of 4%.
- nominal value of USD 10 million maturing on 16.11.2012 bearing a fixed three month interest rate of 3.75%.
- nominal value of USD 20 million maturing on 7.1.2013 bearing a fixed three month interest rate of 3.75%.
- nominal value of €10 million maturing on 5.2.2013, bearing a fixed three month interest rate of 2.50%, which gradually increases to 2.75% from 5.8.2010, to 3.30% from 7.2.2011 and to 4.30% from 6.2.2012.
- nominal value of €10 million maturing on 5.2.2014, bearing a fixed three month interest rate of 2.75%, which gradually increases to 3.75% from 7.2.2011, to 4.30% from 6.2.2012 and to 5.20% from 5.2.2013.
- 9 issues in Euro of a total nominal value amounting to €41 million, with a duration from three up to four years, bearing a fixed interest rate or a fixed interest rate which gradually increases.
- 8 issues in USD of a total nominal value amounting to USD 30 million, with a duration from three up to four years, bearing a fixed interest rate or a fixed interest rate which gradually increases.

It is noted that the issues fully redeemed during the period have been exempted from the amount of the new senior debt securities of the same period.

Additionally, the amount of maturities/redemptions includes mainly maturities of issues amounting to €1,288 million.

[1] *Financial disclosure regarding covered bond issues, as determined by the 2620/28.8.2009 directive of Bank of Greece, will be published at the Bank's website.*

iv. Subordinated debt

Balance 1.1.2010	**825,320**
Changes for the period 1.1 – 31.12.2010	
(Purchases)/Sales by Group companies	(41,842)
Fair value change due to hedging	5,491
Accrued interest	507
Foreign exchange differences	51,329
Balance 31.12.2010	**840,805**
Total of debt securities in issue and other borrowed funds	**4,799,967**

From the above debt securities in issue which amount to € 4,799,967 an amount of € 1,238,779 (31.12.2009: € 1,929,938) held by Bank customers, has been reclassified to "Due from customers". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 31 December 2010, amounts to € 3,561,188 (31.12.2009: € 5,148,875).

In addition, bonds of € 4.5 billion from the securitization of consumer and corporate loans, credit cards and finance lease loans are not presented in "Debt securities in issue and other borrowed funds" since these securities, issued by Group companies established for this purpose, are held by the Group.

The aforementioned amount of € 4.5 billion includes bonds that amount to € 956.3 million issued within 2010 through the special purpose entity Pist 2010-1 Plc, covered by a portion of the credit cards and revolving consumer loans portfolio.

Part of these bonds that have been rated by credit rating agencies has been accepted as collateral by the Bank of Greece for monetary policy purposes.

During 2010, bonds amounting to € 1.2 billion, issued by the special purpose entity Talanto Plc, as well as bonds mounting to € 2 billion, issued by the special purpose entity Alpha Covered Bond Plc, under the indirect covered bond program, were cancelled. In addition, on 23.12.2010 bonds issued through the special purpose entity Epihiro Plc covered by corporate loans, were partially repaid for the amount of € 1.7 billion.

29. Liabilities for current income tax and other taxes

	31.12.2010	31.12.2009
Current income tax	108,928	81,809
Other taxes	27,592	26,678
Total	**136,520**	**108,487**

30. Employee defined benefit obligations

The total amounts recognized in the financial statements for employee defined benefit obligations are presented in the table below:

	Balance Sheet Assets / Liabilities	
	31.12.2010	31.12.2009
TAP – Lump sum benefit	44,881	45,905
Total assets	**44,881**	**45,905**
Alpha Bank Cyprus Ltd	48,002	43,137
Other Companies	4,590	4,713
Total liabilities	**52,592**	**47,850**

	Income statement Expenses/(Income) From 1 January to	
	31.12.2010	31.12.2009
TAP – Lump sum benefit	3,607	3,008
Alpha Bank Cyprus Ltd	7,316	6,589
Other Companies	245	156
Total	**11,168**	**9,753**

Balance sheet and income statement amounts are analyzed per fund and benefits as follows:

i. Bank

a. Supplementary Pension Fund (TAP) of former Alpha Credit Bank Employees

The obligation of the Supplementary Pension Fund (TAP) of former Alpha Credit Bank employees, after it was absorbed by the Common Insurance Fund of Bank Employees for the supplementary pension (Article 10, Law 3620/2007), is restricted to paying a lump-sum benefit to retiring employees, which is guaranteed by the Bank.

Amounts included in income statement are as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Current service cost	2,804	3,699
Interest cost	7,791	6,960
Expected return on plan assets	(7,675)	(7,970)
Actuarial losses recognized during the year	687	319
Total (included in staff costs)	**3,607**	**3,008**

Amounts included in the current year balance sheet as well as, the four prior year balance sheets are as follows:

	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
Present value of defined benefit obligations	122,438	129,848	128,895	127,035	121,463
Fair value of plan assets	(135,448)	(151,969)	(156,268)	(162,031)	(165,051)
Deficit/(Surplus)	**(13,010)**	**(22,121)**	**(27,373)**	**(34,996)**	**(43,588)**
Unrecognized actuarial losses	(31,871)	(23,784)	(19,938)	(14,193)	(8,447)
Asset in balance sheet	**(44,881)**	**(45,905)**	**(47,311)**	**(49,189)**	**(52,035)**

The movement in present value of accrued liabilities is as follows:

	2010	2009
Opening balance	**129,848**	**128,895**
Current service cost	2,804	3,699
Interest cost	7,791	6,960
Employee contributions	1,426	1,433
Benefits paid	(16,121)	(9,517)
Benefits paid directly by the Bank	(2,583)	(1,602)
Expenses	(4)	(20)
Actuarial (gains)/losses of the year	(723)	
Closing balance	**122,438**	**129,848**

The movement in fair value of Plan assets is as follows:

	2010	2009
Opening balance	**151,969**	**156,268**
Expected return	7,675	7,970
Employee contributions	1,426	1,433
Benefits paid	(16,121)	(9,517)
Expenses	(4)	(20)
Actuarial losses	(9,497)	(4,165)
Closing balance	**135,448**	**151,969**

The Plan assets include bonds issued by Alpha Credit Group Plc of € 82.7 million, receivables from Alpha Bank of € 31.1 million, deposits with Alpha Bank of € 16.9 million, Alpha Bank shares of € 3 million and other receivables of € 1.7 million.

The movement of the receivable is as follows:

Balance 1.1.2009	**(47,311)**
Accrued expense	3,008
Benefits paid directly by the Bank	(1,602)
Balance 31.12.2009	**(45,905)**
Changes for the period 1.1 - 31.12.2010	
Accrued expense	3,607
Benefits paid directly by the Bank	(2,583)
Balance 31.12.2010	**(44,881)**

The principal actuarial assumptions used are the following:

	31.12.2010	31.12.2009
Discount rate	5.0%	6.4%
Expected return on Plan assets	3.5%	5.0%
Future salary increases	2.0%	4.0%

ii. Group Companies

a. Alpha Bank Cyprus Ltd

Personnel receive a lump sum benefit on retirement which is calculated based on the years of service and salary.

Amounts included in income statememt are as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Current service cost	4,420	3,918
Interest cost	2,684	2,550
Net actuarial losses recognized in the year	212	121
Total (included in staff costs)	**7,316**	**6,589**

Amounts included in the current year balance sheet as well as, the four prior year balance sheets, are as follows:

	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
Present value of defined benefit obligations	56,257	52,961	44,860	42,378	37,920
Unrecognized actuarial losses	(8,255)	(9,824)	(7,187)	(9,058)	(6,639)
Recognized liability	**48,002**	**43,137**	**37,673**	**33,320**	**31,281**

The movements of the present value of accrued benefit arise as follows:

	2010	2009
Opening balance	**52,961**	**44,860**
Current service cost	4,420	3,918
Interest cost	2,684	2,550
Benefits paid	(2,452)	(1,125)
Actuarial losses/(gains)	(1,356)	2,758
Closing balance	**56,257**	**52,961**

The principal actuarial assumptions used are the following:

	31.12.2010	31.12.2009
Discount rate	5.44%	5.21%
Future salary increases	6.25%	6.25%

b. Other Companies

The employees of the subsidiaries in Greece with indefinite employment contracts receive a lump sum payment on retirement, which is defined by Law 2112/1920. In the subsidiary Alpha Bank Srbija A.D., the employees receive a lump sum payment on retirement, which equals three salaries of Serbian State employees. The liability arises as follows:

	31.12.2010	31.12.2009
Liability in balance sheet	**4,590**	**4,713**

	From 1 January to	
	31.12.2010	31.12.2009
Expense (included in staff costs)	**245**	**156**

31. Other liabilities

	31.12.2010	31.12.2009
Dividends payable	8,104	9,046
Liabilities to third parties	107,671	213,970
Liabilities to Common Insurance Fund of Bank Employees (1)	418,830	469,615
Brokerage services	9,114	10,000
Deferred income	52,314	53,676
Accrued expenses	90,582	79,081
Liabilities from credit cards	210,058	242,890
Other	161,838	226,584
Total	**1,058,511**	**1,304,862**

32. Provisions

	31.12.2010	31.12.2009
Insurance provisions	67,446	45,309
Provisions to cover credit risk and other provisions	7,918	9,748
Restructuring program provisions (note 9)	7,381	
Total	**82,745**	**55,057**

(1) *In accordance with article 10 of Law 3620/2007 TAP members joined the Common Insurance Fund of Bank Employees (ETAT) as of 1.1.2008,at a cost of the Bank amounting € 543 million. This amount plus interest is attributable in ten equal annual installments.*

a. Insurance provisions

	31.12.2010	31.12.2009
Non-life insurance		
Unearned premiums	5,743	5,537
Outstanding claim reserves	5,355	4,477
Total	**11,098**	**10,014**
Life insurance		
Mathematical reserves	28,979	9,144
Outstanding claim reserves	2,635	2,428
Total	**31,614**	**11,572**
Reserves for investments held on behalf and at risk of life insurance policy holders	**24,734**	**23,723**
Total	**67,446**	**45,309**

b. Provisions to cover credit risk and other provisions

Balance 1.1.2009	**13,493**
Changes for the period 1.1. - 31.12.2009	
Reversal of provisions to cover credit risk relating to off-balance sheet items and other provisions	(6,638)
Other provisions	3,896
Provisions used during the period	(849)
Foreign exchange differences	(154)
Balance 31.12.2009	**9,748**
Changes for the period 1.1 - 31.12.2010	
Reversal of provisions to cover credit risk relating to off-balance sheet items	(91)
Reversal of other provisions	(1,427)
Foreign exchange differences	(312)
Balance 31.12.2010	**7,918**

c. Restructuring program provisions

Balance 1.1.2010	
Changes for the period 1.1. - 31.12.2010	
Provisions for the restructuring program	7,381
Balance 31.12.2010	**7,381**

The amount of other provisions and the provisions for the restructuring program charged to profit and loss is included in "Other expenses" of the income statement.

EQUITY

33. Share Capital

The Bank's share capital as at 31.12.2009 and 31.12.20010 is analyzed as follows:

	Number of Common Shares	Number of Preference Shares	Paid-in capital
Balance 1.1.2009	**410,976,652**		**1,931,590**
Share capital increase through the issuance of new preference, non voting, paper and redeemable shares, according to Law 3723/2008		200,000,000	940,000
Share capital increase through cash payment with the issuance of new common, registered, voting, non paper shares of nominal value € 4.70 each and issue price € 8.00 each	123,292,996		579,477
Balance 31.12.2009/31.12.2010	**534,269,648**	**200,000,000**	**3,451,067**

According to the article 39 of Law 3844/3.5.2010 which amended Law 3723/9.12.2008, the return on preference shares has a step up feature of 2% annually, if after five years following the issuance, the preference shares have not been redeemed.

The Bank has recognized the preference shares as part of its equity and the related return for 2010 amounts to €72.4 million after income tax.

34. Share premium

Balance 1.1.2009	
Share capital increase-Share premium from the issue of common shares	406,867
Balance 31.12.2009/31.12.2010	**406,867**

In 2009 the share capital increase and the issuance of 123,292,996 new common shares of nominal value €4.70 and issue price €8.00 resulted in a total difference that amounted to €406,867 between the shares' nominal value and issue price. The difference was credited in "Share Premium" account.

35. Reserves

Reserves are analyzed as follows:

a. Statutory reserve

	31.12.2010	31.12.2009
Statutory reserve	497,993	477,164

According to the Bank's articles of association (article 26) as in force, the Bank is required to transfer 5% of its annual net profit to the statutory reserve, until the reserve amounts to one third of share capital. This reserve can only be used to offset losses according to article 44 of Law 2190/1920.

For the remaining companies of the Group the statutory reserve is formed according to local regulations.

b. Available for sale securities reserve

	2010		2009	
Opening balance 1.1		**(116,659)**		**(173,773)**
Changes for the period 1.1 - 31.12				
Net change in fair value of available for sale securities, after income tax	(266,847)		200,551	
Fair value of available for sale securities transferred to profit and loss	152,498		(143,437)	
Total		**(114,349)**		**57,114**
Balance 31.12		**(231,008)**		**(116,659)**

c. Other reserves

	2010	2009
Opening balance 1.1		
Change in cash flow hedge reserve after income tax	(29,419)	
Balance 31.12	**(29,419)**	

d. Exchange differences on translating and hedging the net investment in foreign operations

	2010	2009
Opening balance 1.1	**(121,252)**	**(98,007)**
Exchange differences on translating and hedging the net investment in foreign operations	(11,873)	(23,245)
Balance 31.12	**(133,125)**	**(121,252)**

Total reserves (a+b+c+d)	**104,441**	**239,253**

36. Retained earnings

According to article 28 of Law 3756/2009 as amended by Law 3844/3.5.2010, credit institutions participating in the programs referring to the enhancement of economy's liquidity of Law 3723/2008 may distribute dividend for 2009 only in the form of shares.

The Bank's Ordinary General Meeting of Shareholders held on 22.6.2010 decided the following:

- the payment to the Greek State of € 57.9 million regarding the accrued return on it's preference shares of the year 2009, according to the Bank's Articles of Incorporation,
- not to distribute dividends to Bank's common shareholders for the year 2009 and
- to form statutory reserve amounting to € 21.4 million.

The Bank's Board of Directors will not propose to the Ordinary General Meeting of Shareholders the distribution of dividend to common shareholders, since no profits were performed during the current year.

Additionally, the Bank's Board of Directors suggests the payment to the Greek State of the accrued return on its preference shares for the year 2010.

37. Treasury shares

The Bank, pursuant to the decisions of General Meeting of Shareholders held on 3.4.2008, purchased, during the period 1.1 - 16.2.2009, 457,601 treasury shares at a cost of € 2,665 (€ 5.83 per share).

On 31.8.2009, the Bank completed the sale of 6,140,959 treasury shares the cost of which amounted to € 71,650, through a private placement, which represented 1.49% of its issued common voting shares. The result of the above mentioned transaction has been recognized directly to Retained earnings account of equity.

The number of treasury shares and the cost are analyzed as follows:

	Number of shares	Cost	Percentage
Balance 1.1.2009	**5,683,358**	**68,985**	**1.38%**
Purchases 1.1 - 16.2.2009	457,601	2,665	0.11%
Sale 31.8.2009	(6,140,959)	(71,650)	(1.49)%
Balance 31.12.2009/31.12.2010	-	-	-

It is noted that in accordance with article 28 of Law 3756/31.3.2009, credit institutions, participating in the enhancement of the Greek economy's liquidity program (Law 3723/2008), are not allowed to purchase treasury shares during their participation in the program.

38. Hybrid securities

Alpha Group Jersey Ltd, a wholly owned subsidiary of the Bank, has issued the following hybrid securities:

- On 5.12.2002 an amount of €200 million innovative securities with interest step up clause, which represent Lower Tier 1 capital for the Group.

  These are perpetual securities and may be redeemed by the issuer after the expiration of 10 years. The issuer has the discretion not to pay a dividend on the condition that the Bank does not pay a dividend to common Shareholders.

  They carry non cumulative interest at 3-month Euribor plus a margin of 2.65%. If redemption option is not exercised by the issuer, the margin is increased by 1.325% reaching 3.975% in total. The preferred securities are listed on the Luxembourg Stock Exchange.

- On 5.12.2003 an amount of € 100 million preferred securities were issued with the same characteristics as those issued on 5 December 2002.

- On 18.12.2005 an amount of € 600 million non-innovative securities without an interest step up clause, which also represent Lower Tier 1 capital for the Group since they fulfill the requirements of securities with interest step up clause as described above. The expenses of the issue amounted to €12 million.

  Non-cumulative dividend of preferred securities carry fixed interest at 6% for the first 5 years and thereafter interest is determined based on the formula 4x(CMS10-CMS2) with a ceiling and floor rate of 10% and 3.25% respectively. CMS10 and CMS2 represent the Euribor of interest rate swaps of 10 and 2 years, respectively.

  The interest rate for the period 18.2.2010 up to 18.2.2011 amounts to 7.548%.

	31.12.2010	31.12.2009
Hybrid securities		
Perpetual with 1st call option in 2012	300,000	300,000
Perpetual with 1st call option in 2015	588,000	588,000
Repayments	(309,260)	
Total	**578,740**	**888,000**
Securities held by Group companies	(19,090)	(304,213)
Total	**559,650**	**583,787**

- On 7.6.2010 an amount of € 28 million was repaid from the innovative security with interet step up clause.
- On 15.6.2010 an amount of € 281.3 million was repaid from the non-innovative security with an interest rate of 4x (CMS 10 – CMS 2) with a ceiling and floor rate of 10% and 3.25%, respectively.

ADDITIONAL INFORMATION

39. Contingent liabilities and commitments

a) Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. No provision has been recorded because after consultation with the legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Bank.

There are no pending legal cases or issues in progress which may have a material impact on the financial statements or operations of the other companies of the Group. The Group recorded a provision amounting to €4.9 million for pending legal cases.

b) Tax issues

The Bank and its branches in Bulgaria have been audited by the tax authorities for the years up to and including 2007, while its branches in London and in Albania up to and including 2008 and 2009 respectively. Since 11.11.2010 a tax audit of the Bank is conducted for the years 2008 and 2009.

The Group's subsidiaries have been audited by the tax authorities up to and including the year indicated in the table below:

Name	Year
Banks	
1. Alpha Bank London Ltd (voluntary settlement of tax obligation)	2008
2. Alpha Bank Cyprus Ltd	2007
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank AD Skopje (the years 1998-2006 have not been audited by the tax authorities)	2009
5. Alpha Bank Jersey Ltd (voluntary settlement of tax obligation)	2008
6. Alpha Bank Srbija A.D.	2004
7. JSC Astra Bank (commencement of operation 2008)	*
Leasing Companies	
1. Alpha Leasing A.E.	2007
2. Alpha Leasing Romania IFN S.A.	2007
3. ABC Factors A.E.	2008
4. Alpha Asset Finance C.I. Ltd (commencement of operation 2005)	*
Investment Banking	
1. Alpha Finance A.E.P.E.Y.	2007
2. Alpha Finance US Corporation	2001
3. SSIF Alpha Finance Romania S.A. (tax audit is in progress for years from 2003 - 2007)	2002
4. Alpha A.E. Ventures	***
5. Alpha A.E. Ventures Capital Management - AKES (commencement of operation 2008)	***
Asset Management	
1. Alpha Asset Management A.E.D.A.K. (tax audit is in progress for years from 2004 – 2008)	2003
2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)	2008
Insurance	
1. Alpha Insurance Agents A.E.	***
2. Alpha Insurance Ltd	2008
3. Alpha Insurance Brokers S.R.L.	2005
4. Alphalife A.A.E.Z. (commencement of operation 2007)	***
Real Estate and Hotel	
1. Alpha Astika Akinita A.E.	2005
2. Ionian Hotel Enterprises A.E.	2005
3. Oceanos A.T.O.E.E.	***
4. Alpha Real Estate D.O.O. Beograd	2008
5. Alpha Astika Akinita D.O.O.E.L. Skopje	2007
6. Alpha Real Estate Bulgaria E.O.O.D.	2006
7. Chardash Trading E.O.O.D. (commencement of operation 2006)	*
8. Alpha Astika Akinita Romania S.R.L.	1998

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

*** *These companies have been audited by the tax authorities up to 2009 in accordance with N. 3888/2010 which relates to voluntary tax settlement for the unaudited tax years.*

Name	Year
Special purpose and holding entities	
1. Alpha Credit Group Plc (voluntary settlement of tax obligation)	2008
2. Alpha Group Jersey Ltd (voluntary settlement of tax obligation)	2008
3. Alpha Group Investments Ltd	2007
4. Ionian Holdings A.E.	***
5. Messana Holdings S.A.	2008
6. Ionian Equity Participations Ltd (commencement of operation 2006)	*
7. ABL Holdings Jersey Ltd (voluntary settlement of tax obligation)	2008
8. Alpha Covered Bonds Plc (commencement of operation 2008)	*
9. Katanalotika Plc (commencement of operation 2008)	*
10. Epihiro Plc (commencement of operation 2009)	*
11. Irida Plc (commencement of operation 2009)	*
12. Pisti 2010 - 1 Plc (commencement of operation 2010)	*
13. AGI – BRE Participations 1 Ltd (commencement of operation 2010)	*
14. AGI – RRE Participations 1 Ltd (commencement of operation 2010)	*
15. AGI – RRE Participations 1 S.R.L. (commencement of operation 2010)	*
16. AGI – BRE Participations 1 E.O.O.D. (commencement of operation 2010)	*
Other companies	
1. Alpha Bank London Nominees Ltd	**
2. Alpha Trustees Ltd	2002
3. Flagbright Ltd	**
4. Evremathea A.E.	***
5. Kafe Alpha A.E. (commencement of operation 2006)	***
6. Alpha Supporting Services A.E. (commencement of operation 2007)	***
7. Real Car Rental A.E. (commencement of operation 2009)	***

Additional taxes and penalties may be imposed for the unaudited years.

c) Operating leases

The Group's minimum future lease payments are:

	31.12.2010	31.12.2009
▪ Less than one year	49,663	56,358
▪ Between one year and five years	166,628	179,472
▪ More than five years	235,527	272,136
Total	**451,818**	**507,966**

The minimum future lease revenues are:

	31.12.2010	31.12.2009
▪ Less than one year	4,764	5,928
▪ Between one year and five years	12,423	17,441
▪ More than five years	5,112	6,426
Total	**22,299**	**29,795**

d) Off balance sheet liabilities

The Group pursuant to its normal operations, is binded by contractual commitments, that in the future may result to changes in its asset structure. These commitments are monitored in off balance sheet accounts. The contractual commitments, that the Group has undertaken relate to letters of credit, letters of guarantee, undrawn credit facilities.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking

* *These companies have not been audited by the tax authorities since the commencement of their operations.*

** *These companies are not subject to tax audits.*

*** *These companies have been audited by the tax authorities up to 2009 in accordance with N. 3888/2010 which relates to declaration of taxable income for the unaudited tax years.*

the direct payment of the third party bind by the agreement on behalf of the Group's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Group for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

Undrawn credit facilities are loan agreements that may not be fulfilled immediately or may be partially fulfilled. The amount presented in the table below represents part of the agreed loan agreements and credit limits which remains unused.

The Group's off balance sheet items are summarized below:

	31.12.2010	31.12.2009
Letters of credit	108,154	243,782
Letters of guarantee	5,032,985	5,650,394
Undrawn loan agreements and credit limits	15,932,521	17,511,502
Total	**21,073,660**	**23,405,678**

e) Assets pledged

	31.12.2010	31.12.2009
Assets pledged	27,800,579	18,772,442

Assets pledged include:

- Loans and advances to customers amounting to € 6.2 billion from which:
  - i. An amount of € 3.8 billion has been pledged as collateral to the Bank of Greece in accordance with the Monetary Policy Council Act No 54/27.2.2004 as in force. With this act the Bank of Greece accepts as collateral, for monetary policy purposes and intraday credit non marketable assets, which should meet the terms and conditions of the above act.
  - ii. An amount of € 2.2 billion has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State that amount to € 1.6 billion in accordance with Law 3723/2008.
  - iii. An amount of € 245 million granted to the Cyprus State from Alpha Bank Cyprus Ltd in order for the Bank to receive securities issued by the Cyprus State in accordance with Law 118(I) of 2009.
- Securities of the held for trading and investment portfolio as well as securities from Reverse Repos amounting to € 21.6 billion out of which:
  - i. An amount of € 2 billion arises from the securitization of consumer, corporate loans, credit cards and receivables from finance lease loans.
  - ii. An amount of € 3.5 billion relates to the issuance of a covered bond secured by mortgage loans of € 4.2 billion.
  - iii. An amount of € 9.5 billion relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008.
  - iv. An amount of € 6.6 billion relates to Greek State bonds and other bonds.

All the aforementioned securities are pledged as collateral to the European Central Bank for participation in main refinancing operations (note 42.3b) and to the Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET), to the derivative transaction clearing company, as well as to the European Investment Bank.

f) Other pledges:

On 7.5.2008 the Bank completed a new Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of the American Law, which will be offered to institutional investors. The issuer will be Alpha Group Jersey Ltd, a wholly owned subsidiary of the Bank. The Notes will be guaranteed by the Bank and will be traded in Luxembourg Stock Exchange. The program is valid but for the time being it remains inactive.

40. Group Consolidated Companies

The consolidated financial statements apart from the parent company ALPHA BANK include the following entities:

A. SUBSIDIARIES

Name	Country of incorporation	Group's ownership interest % 31.12.2010	31.12.2009
Banks			
1. Alpha Bank London Ltd	Unidted Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A. (46a)	Romania	99.92	99.91
4. Alpha Bank AD Skopje (46u)	FYROM	100.00	100.00
5. Alpha Bank Jersey Ltd (1)	Jersey	100.00	100.00
6. Alpha Bank Srbija A.D.	Serbia	100.00	100.00
7. JSC Astra Bank (46h, 46m)	Ukraine	100.00	97.01
Leasing companies			
1. Alpha Leasing A.E.	Greece	100.00	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	100.00	99.99
3. ABC Factors A.E.	Greece	100.00	100.00
4. Alpha Asset Finance C.I. Ltd	Jersey	100.00	100.00
Investment Banking			
1. Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2. Alpha Finance US Corporation (2)	USA	100.00	100.00
3. SSIF Alpha Finance Romania S.A.	Romania	100.00	99.98
4. Alpha A.E. Ventures A.E.	Greece	100.00	100.00
5. Alpha A.E. Ventures Capital Management - AKES	Greece	100.00	100.00
Asset Management			
1. Alpha Asset Management A.E.D.A.K.	Greece	100.00	100.00
2. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
Insurance			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Ltd	Cyprus	100.00	100.00
3. Alpha Insurance Brokers S.R.L.	Romania	99.92	99.91
4. Alphalife A.A.E.Z. (46s)	Greece	100.00	100.00
Real estate and hotel			
1. Alpha Astika Akinita A.E.	Greece	91.46	90.30
2. Ionian Hotel Enterprises A.E.	Greece	97.10	96.98
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Alpha Real Estate D.O.O. Beograd	Serbia	91.46	90.30
5. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	91.46	90.30
6. Alpha Real Estate Bulgaria E.O.O.D.	Boulgaria	91.46	90.30
7. Chardash Trading E.O.O.D. (46n)	Boulgaria	91.46	90.30
8. Alpha Astika Akinita Romania S.R.L. (46g)	Romania	91.46	99.98

(1) *On 31.12.2010 Alpha Bank Jersey Ltd announced the decision for the cease of its operations. The process is expected to be completed on the first quarter of 2011.*

(2) *On 29.10.2010 the Board of Directors of Alpha Finance US Corporation decided the cease of its operations. The process is expected to be completed in the first quarter of 2011.*

Name	Country of incorporation	Group's ownership interest % 31.12.2010	31.12.2009
Special purpose and holding entities			
1. Alpha Credit Group Plc	United Kingdom	100.00	100.00
2. Alpha Group Jersey Ltd	Jersey	100.00	100.00
3. Alpha Group Investments Ltd	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Messana Holdings S.A.	Luxembourg	100.00	100.00
6. Ionian Equity Participations Ltd (46j), (46t)	Cyprus	100.00	100.00
7. ABL Holdings Jersey Ltd	Jersey	100.00	100.00
8. Alpha Covered Bonds Plc	United Kingdom	100.00	100.00
9. AGI – BRE Participations 1 Ltd (46c)	Cyprus	100.00	
10. AGI – RRE Participations 1 Ltd (46c)	Cyprus	100.00	
11. AGI – RRE Participations 1 S.R.L. (46e)	Romania	100.00	
12. AGI – BRE Participations 1 E.O.O.D. (46f)	Boulgaria	100.00	
13. Stockfort Ltd (46p)	Cyprus	100.00	
14. Katanalotika Plc	United Kingdom		
15. Talanto Plc	United Kingdom		
16. Epihiro Plc	United Kingdom		
17. Irida Plc	United Kingdom		
18. Pisti 2010-1 Plc (46b)	United Kingdom		
Other companies			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Flagbright Ltd	United Kingdom	100.00	100.00
4. Evremathea A.E.[1]	Greece	100.00	100.00
5. Kafe Alpha A.E.	Greece	100.00	100.00
6. Alpha Supporting Services A.E. (46l)	Greece	100.00	100.00
7. Real Car Rental A.E. (46d)	Greece	100.00	100.00

B. JOINT VENTURES

1. Cardlink A.E.	Greece	50.00	50.00
2. APE Fixed Assets A.E.	Greece	60.10	60.10
3. APE Commercial Property A.E.	Greece	72.20	72.20
4. APE Investment Property A.E. (46o)	Greece	67.42	67.42
5. Alpha TANEO A.K.E.S.	Greece	51.00	51.00

C. ASSOCIATES

1. Evisak A.E.	Greece	27.00	27.00
2. AEDEP Thessalias & Stereas Ellados	Greece	50.00	50.00
3. A.L.C. Novelle Investments Ltd (46r)	Cyprus	33.33	33.33
4. EL.P.ET. Valkaniki A.E.	Greece	26.71	26.71
5. Kritis Gi - Tsatsakis A.V.E.E.	Greece	22.95	22.95
6. Biokid A.E. (46k)	Greece	27.22	

The subsidiaries are fully consolidated, joint ventures are consolidated under the proportionate method, while the associates are accounted under the equity method.

The consolidated financial statements do not include the Commercial Bank of London Ltd which is a dormant company and HSO Europe BV and Prismatech Hellas S.A, which have been fully impaired and are in the process of liquidation.

The Group hedges the foreign exchange risk arising from the net investment in Alpha Bank London Ltd and Alpha Finance US Corporation through the use of the FX swaps and interbank deposits in the functional currency of the above subsidiaries.

[1] *On 29.12.2010 the Extraordinary General Meeting of Shareholders of Evremathea A.E. decided the termination of the company's liquidation process and its deregistration from the societe anonyme. The process is expected to be completed in the first quarter of 2011.*

41. Segment reporting

a. Analysis by operating segment

(Amounts in millions of Euro)

	1.1 - 31.12.2010						
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Group
Net interest income	846.7	428.0	14.0	101.7	426.6	1.6	1,818.6
Net fee and commission income	114.5	85.3	39.0	25.0	69.3	(0.5)	332.6
Other income	7.0	9.0	2.1	(4.4)	45.1	39.5	98.3
Total income	**968.2**	**522.3**	**55.1**	**122.3**	**541.0**	**40.6**	**2,249.5**
Total expenses	**(576.5)**	**(130.3)**	**(36.9)**	**(33.7)**	**(303.4)**	**(67.7)**	**(1,148.5)**
Impairment losses	(304.0)	(387.1)			(193.6)		(884.7)
Profit before income tax	**87.7**	**4.9**	**18.2**	**88.6**	**44.0**	**(27.1)**	**216.3**
Income tax							(130.3)
Profit after income tax							**86.0**
Assets	23,162.8	18,519.5	1,027.3	12,435.4	10,832.0	821.3	66,798.3
Liabilities	29,895.4	2,521.0	1,684.3	18,763.9	7,273.0	876.7	61,014.3
Capital expenditure	51.6	15.6	2.7	2.5	34.4	12.3	119.1
Depreciation and amortization	35.0	10.6	1.8	1.2	34.7	9.9	93.2

(Amounts in millions of Euro)

	1.1 - 31.12.2009						
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Group
Net interest income	822.8	388.9	12.8	121.0	415.7	1.4	1,762.6
Net fee and commission income	158.8	84.1	45.8	27.1	64.0	(1.0)	378.8
Other income	6.5	10.7	2.1	122.5	45.1	51.6	238.5
Total income	**988.1**	**483.7**	**60.7**	**270.6**	**524.8**	**52.0**	**2,379.9**
Total expenses	**(618.9)**	**(133.6)**	**(40.5)**	**(38.7)**	**(311.2)**	**(58.9)**	**(1,201.8)**
Impairment losses	(256.4)	(257.2)			(162.7)		(676.3)
Profit before income tax	**112.8**	**92.9**	**20.2**	**231.9**	**50.9**	**(6.9)**	**501.8**
Income tax							(152.7)
Profit after income tax							**349.1**
Assets	23,344.9	19,586.5	1,622.1	13,187.0	11,200.0	655.5	69,596.0
Liabilities	34,298.0	2,990.8	1,990.7	16,644.2	6,942.5	756.6	63,622.8
Capital expenditure	40.1	11.6	1.1	3.5	34.6	26.6	117.5
Depreciation and amortization	33.6	9.7	1.8	1.3	31.7	13.7	91.8

i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad except from South-Eastern Europe countries.

The Group through its extended branch network offers all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letters of guarantee) and debit and credit cards to the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division (Corporate) and shipping corporations operating in Greece and abroad except from South Eastern Europe countries.

The Group offers working capital facilities, corporate loans, and letters of guarantee.

This sector also includes the leasing products which are offered through Alpha Leasing A.E. and factoring services offered through the subsidiary company ABC Factors A.E.

iii. Asset Management / Insurance

Consists of a wide range of asset management services offered through Group's private banking units and Alpha Asset Management A.E.D.A.K. In addition, it includes commissions received from the sale of a wide range of insurance products to individuals and companies through either AXA insurance, which is the corporate successor of the subsidiary Alpha Insurance A.E. or the subsidiary Alphalife A.A.E.Z.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered either by the Bank or specialized Group companies (Alpha Finance A.E.P.E.Y., Alpha Ventures A.E.). It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South-Eastern Banking

Consists of the Bank's branches and subsidiaries of the Group operating in South Eastern Europe.

vi. Other

This segment consists of the non-financial subsidiaries of the Group and Bank's income and expenses that are not related to its operating activities.

b. Analysis by geographical sector

Amounts in millions of Euro

	1.1 - 31.12.2010		
	Greece	Other countries	Group
Net interest income	1,369.1	449.5	1,818.6
Net fee and commission income	262.1	70.5	332.6
Other income	50.6	47.7	98.3
Total income	**1,681.8**	**567.7**	**2,249.5**
Total expenses	**(834.4)**	**(314.1)**	**(1,148.5)**
Impairment losses	(691.1)	(193.6)	(884.7)
Profit before income taxes	**156.3**	**60.0**	**216.3**
Income tax			(130.3)
Profit after income tax			**86.0**
Assets	54,900.3	11,898.0	66,798.3

Amounts in millions of Euro

	1.1 - 31.12.2009		
	Greece	Other countries	Group
Net interest income	1,326.3	436.3	1,762.6
Net fee and commission income	313.6	65.2	378.8
Other income	190.8	47.7	238.5
Total income	**1,830.7**	**549.2**	**2,379.9**
Total expenses	**(884.7)**	**(317.1)**	**(1,201.8)**
Impairment losses	(513.6)	(162.7)	(676.3)
Profit before income taxes	**432.4**	**69.4**	**501.8**
Income tax			(152.7)
Profit after income tax			**349.1**
Assets	54,971.0	14,625.0	69,596.0

42. Financial risk management

The Group has established a systematic and solid risk management framework for the reliable measurement of risk. Considering the stability and continuity of its operations, management places high priority on the goal of implementing and continuously improving this framework, in order to minimize potential negative effects on Group's financial results.

The Board of Directors of the Bank has overall responsibility for the improvement and oversight of the Risk Management framework. Risk Management Committee meets on a monthly basis and reports its activities to the Board of Directors. The Risk Management Committee is responsible for the implementation and monitoring compliance with the risk management policies. The Bank re-assesses the effectiveness of the risk management framework on a regular basis in order to ensure compliance with international best practices.

Risk management's divisions operate within the Group under the supervision of the Group's Chief Risk Officer and have been assigned with the responsibility of implementing the risk management framework, according to the directions of the Risk Management Committee.

42.1 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is considered the most significant risk for the Group, and its continuous monitoring is management's first priority.

The Group in order to effectively manage credit risk has developed specific methodologies and systems to measure credit risk. These systems and methodologies are continuously evolving so as to provide to the maximum extent possible current and productive support in the decisions making process of the business units in order to avoid possible adverse consequences on the results of the Group.

The main tool for the measurement of credit risk is the credit risk grading system. Current systems use both quantitative and qualitative criteria of measurement and also criteria of transactional behavior in order to report customer probability of default and loss given default. Respective models are continuously improved in order for the total loan portfolio to be included in the new system of internal grading imposed by capital adequacy. The credit grading system consists of nine basic grades. Additionally, the Group uses ratings provided by External Credit Assessment Institutions (ECAI).

Credit risk rating also determine both credit limits and collaterals and it is systematically reassessed on a three up to twelve month basis. The reassessment is based on the customer's credit worthiness and on any new information and events that may have a significant impact on the level of credit risk.

The grading systems are subject to continuous quality control to ensure at all times proactive ability.

At the same time the Group performs stress testing exercises concerning credit risk on a regular basis. Based on respective stress testing an estimation is provided of the size of financial losses that could occur under extreme transactional behavior of the clients or of economic environment. On regular basis large exposures are monitored and management and the Board of Directors are informed.

The Group assesses on regular basis whether there is objective evidence of impairment.

The Group assesses at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically the above mentioned procedures include the following steps:

a) Establishment of events that provide objective evidence that a loan is impaired (trigger events).

b) The criteria for assessment on an individual or collective basis.

c) Establishment of groups of assets with similar risk characteristics.

d) Methodology in determining future cash flows from impaired loans.

e) Interest income recognition

f) Impairment recognition

g) Recoveries/ Receivables from loans impaired

In note 1.13 "Impairment losses on loans and advances" the accounting principles applied for loan impairment are described in detail.

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2010			31.12.2009		
	Exposure before impairment	Impairment	Net exposure to credit risk	Exposure Before impairment	Impairment	Net exposure to credit risk
A. Credit risk exposure relating to balance sheet items						
Balances with Central Bank	**3,750,231**		**3,750,231**	**3,312,854**		**3,312,854**
Due from banks	**2,406,290**	**8,626**	**2,397,664**	**5,115,795**	**7,649**	**5,108,146**
Loans and advances to customers:						
Individuals:						
- Mortgages	14,288,457	236,309	14,052,148	13,753,905	126,318	13,627,587
- Consumer	4,659,670	213,364	4,446,306	4,868,594	178,790	4,689,804
- Credit cards	1,190,954	65,302	1,125,652	1,277,859	51,078	1,226,781
- Other	68,541		68,541	78,501		78,501
Total	**20,207,622**	**514,975**	**19,692,647**	**19,978,859**	**356,186**	**19,622,673**
Corporate loans:						
- Companies	29,056,884	1,629,007	27,427,877	30,074,967	1,215,632	28,859,335
- Leasing	1,197,499	32,323	1,165,176	1,336,039	36,516	1,299,523
- Factoring	612,211	4,408	607,803	634,977	3,624	631,353
- Other receivables	450,521	39,279	411,242	1,017,905	30,850	987,055
Total	**31,317,115**	**1,705,017**	**29,612,098**	**33,063,888**	**1,286,622**	**31,777,266**
Derivative financial assets	**441,082**		**441,082**	**347,178**		**347,178**
Securities held for trading:						
- Government bonds	36,774		36,774	68,224		68,224
- Other debt securities	4,494		4,494	2,376		2,376
Total	**41,268**		**41,268**	**70,600**		**70,600**
Available for sale securities :						
- Available for sale (Government bonds)	1,933,122		1,933,122	724,897		724,897
- Available for sale (other)	497,482	54,640	442,842	728,406	35,141	693,265
Total	**2,430,604**	**54,640**	**2,375,964**	**1,453,303**	**35,141**	**1,418,162**
Held to maturity securities:						
- Held to maturity (Government bonds)	4,111,272		4,111,272	2,682,765		2,682,765
- Held to maturity (other)	1,204,883	33,657	1,171,226	2,205,354	19,626	2,185,728
Total	**5,316,155**	**33,657**	**5,282,498**	**4,888,119**	**19,626**	**4,868,493**
Total amount of balance sheet items exposed to credit risk (a)	**65,910,367**	**2,316,915**	**63,593,452**	**68,230,596**	**1,705,224**	**66,525,372**
Other balance sheet items not exposed to credit risk	3,204,863		3,204,863	3,070,675		3,070,675
Total Assets	**69,115,230**	**2,316,915**	**66,798,315**	**71,301,271**	**1,705,224**	**69,596,047**
B. Credit risk exposure relating to off balance sheet items:						
Letters of guarantee and letters of credit	5,141,139	438	5,140,701	5,894,176	521	5,893,655
Undrawn loan agreements and credit limits [1]	15,932,521		15,932,521	17,511,502		17,511,502
Total amount of off balance sheet items exposed to credit risk (b)	**21,073,660**	**438**	**21,073,222**	**23,405,678**	**521**	**23,405,157**
Total credit risk exposure (a+b)	**86,984,027**	**2,317,353**	**84,666,674**	**91,636,274**	**1,705,745**	**89,930,529**

[1] *Undrawn loan agreements and credit limits as of 31.12.2010 include an amount of € 594.8 million (31.12.2009 € 913.8 million) which are committed limits that cannot be cancelled in cases where it becomes apparent that the counterparty will fail to meet the contractual obligations.*

LOANS AND ADVANCES TO CUSTOMERS – Analysis of past due amounts

	31.12.2010			
	Neither past due nor either impaired	Past due but not impaired	Impaired	Total
Loans and advances to individuals				
- Mortgage				
Performing loans	11,624,122			11,624,122
Past due 1 - 90 days		1,607,856		1,607,856
Past due > 90 days			1,056,479	1,056,479
	11,624,122	**1,607,856**	**1,056,479**	**14,288,457**
- Credit cards, consumer and other loans				
Performing loans	4,660,099			4,660,099
Past due 1 - 90 days		845,356		845,356
Past due > 90 days			413,710	413,710
	4,660,099	**845,356**	**413,710**	**5,919,165**
Corporate loans				
Performing loans	24,591,355		1,084,050	25,675,405
Past due 1 - 90 days		2,471,493	283,269	2,754,762
Past due > 90 days		345,766	2,541,182	2,886,948
	24,591,355	**2,817,259**	**3,908,501**	**31,317,115**
Total portfolio				
Performing loans	40,875,576		1,084,050	41,959,626
Past due 1 - 90 days		4,924,705	283,269	5,207,974
Past due > 90 days		345,766	4,011,371	4,357,137
Total	**40,875,576**	**5,270,471**	**5,378,690**	**51,524,737**

	31.12.2009			
	Neither past due nor either impaired	Past due but not impaired	Impaired	Total
Loans and advances to individuals				
- Mortgage				
Performing loans	11,763,755			11,763,755
Past due 1 - 90 days		1,268,212		1,268,212
Past due > 90 days			721,938	721,938
	11,763,755	**1,268,212**	**721,938**	**13,753,905**
- Credit cards, consumer and other loans				
Performing loans	5,013,611			5,013,611
Past due 1 - 90 days		842,299		842,299
Past due > 90 days			369,044	369,044
	5,013,611	**842,299**	**369,044**	**6,224,954**
Corporate loans				
Performing loans	27,957,509		645,024	28,602,533
Past due 1 - 90 days		2,380,073	167,999	2,548,072
Past due > 90 days		283,426	1,629,857	1,913,283
	27,957,509	**2,663,499**	**2,442,880**	**33,063,888**
Total portfolio				
Performing loans	44,734,875		645,024	45,379,899
Past due 1 - 90 days		4,490,584	167,999	4,658,583
Past due > 90 days		283,426	2,720,839	3,004,265
Total	**44,734,875**	**4,774,010**	**3,533,862**	**53,042,747**

LOANS AND ADVANCES TO CUSTOMERS – Neither past due nor impaired

	31.12.2010			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Low risk	11,624,122	4,660,099	22,411,057	38,695,278
Under surveillance			2,180,298	2,180,298
Total	**11,624,122**	**4,660,099**	**24,591,355**	**40,875,576**

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Low risk	11,763,755	5,013,611	26,637,265	43,414,631
Under surveillance			1,320,244	1,320,244
Total	**11,763,755**	**5,013,611**	**27,957,509**	**44,734,875**

This category includes loans where indications existed that the counterparty will not be able to meet its contractual obligations. For these accounts a settlement was agreed upon during the last 12 months, and they are subsequently repaid according to schedule. These loans amount to € 1,431.5 million as at 31.12.2010 (31.12.2009: € 616.1 million).

LOANS AND ADVANCES TO CUSTOMERS – Past due but not impaired

	31.12.2010			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Past due 1 - 90 days	1,607,856	845,356	2,471,493	4,924,705
Past due > 90 days			345,766	345,766
Total	**1,607,856**	**845,356**	**2,817,259**	**5,270,471**
Fair value of collaterals	**1,462,739**	**93,471**	**2,232,056**	**3,788,266**

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Past due 1 - 90 days	1,268,212	842,299	2,380,073	4,490,584
Past due > 90 days			283,426	283,426
Total	**1,268,212**	**842,299**	**2,663,499**	**4,774,010**
Fair value of collaterals	**1,072,057**	**48,743**	**2,364,177**	**3,484,977**

LOANS AND ADVANCES TO CUSTOMERS - Impaired

	31.12.2010			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Carrying amount before impairment	1,056,479	413,710	3,908,501	5,378,690
Allowance of impairment	(236,309)	(278,666)	(1,705,017)	(2,219,992)
Carrying amount	820,170	135,044	2,203,484	3,158,698
Fair value of collaterals	**937,320**	**43,027**	**3,338,653**	**4,319,000**

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Carrying amount before impairment	721,938	369,044	2,442,880	3,533,862
Allowance of impairment	(126,318)	(229,868)	(1,286,622)	(1,642,808)
Carrying amount	595,620	139,176	1,156,258	1,891,054
Fair value of collaterals	**638,168**	**33,125**	**2,121,577**	**2,792,870**

BALANCES WITH CENTRAL BANKS – DUE FROM BANKS – DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis per rating

	31.12.2010						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
AAA	1,879,305				92,872	50,541	2,022,718
AA+ to AA-		748,684	167,170	3,020	35,361	49,407	1,003,642
A+ to A-	51,118	760,523	27,980		47,332	266,066	1,153,019
BBB+ to BBB-	1,604,572	701,307	111,892	30,480	1,962,505	4,450,729	8,861,485
Lower than BBB-	215,236	157,620	120,071	6,247	206,302	458,824	1,164,300
Unrated		38,156	13,969	1,521	86,232	40,588	180,466
Exposure before impairment	**3,750,231**	**2,406,290**	**441,082**	**41,268**	**2,430,604**	**5,316,155**	**14,385,630**

	31.12.2009						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
AAA	1,300,009	28			24,275	140,087	1,464,399
AA+ to AA-	52,770	313,117	10,573	5,149	43,480	179,981	605,070
A+ to A-	917,352	3,247,626	237,873	58,643	555,020	3,477,446	8,493,960
BBB+ to BBB-	805,950	1,477,519	1,170	76	558,463	659,611	3,502,789
Lower than BBB-	236,773	45,409	79,026	6,505	138,617	402,085	908,415
Unrated		32,096	18,536	227	133,448	28,909	213,216
Exposure before impairment	**3,312,854**	**5,115,795**	**347,178**	**70,600**	**1,453,303**	**4,888,119**	**15,187,849**

BALANCES WITH CENTRAL BANKS -DUE FROM BANKS –DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis of past due amounts

	31.12.2010						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
Neither past due nor impaired	3,750,231	2,397,664	441,082	41,268	2,350,858	5,265,993	14,247,096
Past due but not impaired					4		4
Impaired		8,626			79,742	50,162	138,530
Exposure before impairment	**3,750,231**	**2,406,290**	**441,082**	**41,268**	**2,430,604**	**5,316,155**	**14,385,630**
Less: Allowance for impairment losses		(8,626)			(54,640)	(33,657)	(96,923)
Net exposure	**3,750,231**	**2,397,664**	**441,082**	**41,268**	**2,375,964**	**5,282,498**	**14,288,707**

	31.12.2009						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
Neither past due nor impaired	3,312,854	5,108,146	347,178	70,600	1,404,694	4,860,651	15,104,123
Past due but not impaired							
Impaired		7,649			48,609	27,468	83,726
Exposure before impairment	**3,312,854**	**5,115,795**	**347,178**	**70,600**	**1,453,303**	**4,888,119**	**15,187,849**
Less: Allowance for impairment losses		(7,649)			(35,141)	(19,626)	(62,416)
Net exposure	**3,312,854**	**5,108,146**	**347,178**	**70,600**	**1,418,162**	**4,868,493**	**15,125,433**

In the following tables are present the financial instruments exposed to credit risk by sectors of the counterparties.

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by sector

	31.12.2010										
	Financial Institutions and other financial services	Manufac-turing	Construction and real estate	Wholesale and retail trade	Public sector	Transporta-tion	Shipping	Hotels -Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	3,750,231										3,750,231
Due from banks	2,406,290										2,406,290
Loans and advances to customers:											
Individuals:											
▪ Mortgages										14,288,457	14,288,457
▪ Credit cards and consumer loans										5,850,624	5,850,624
▪ Other receivables										68,541	68,541
Total										**20,207,622**	**20,207,622**
Corporate loans:											
▪ Companies	562,910	5,934,300	6,161,287	6,262,931	400,080	2,757,110	1,591,167	1,727,704	4,109,916		29,507,405
▪ Leasing	78,460	170,376	394,639	355,744	58	25,642	18	61,872	110,690		1,197,499
▪ Factoring		286,060	22,411	209,158		7,955		727	85,900		612,211
Total	**641,370**	**6,390,736**	**6,578,337**	**6,827,833**	**400,138**	**2,790,707**	**1,591,185**	**1,790,303**	**4,306,506**		**31,317,115**
Derivative financial assets	195,249	4,827	51,454	11,782	108,520	162	19,381	17,868	31,839		441,082
Securities held for trading	4,478	16			36,774						41,268
Available for sale securities	408,571		68,218	20,176	1,933,122				517		2,430,604
Held to maturity securities	1,073,811	21,179	50,867	59,026	4,111,272						5,316,155
Total carrying amount of balance sheet items exposed to credit risk (a)	**8,480,000**	**6,416,758**	**6,748,876**	**6,918,817**	**6,589,826**	**2,790,869**	**1,610,566**	**1,808,171**	**4,338,862**	**20,207,622**	**65,910,367**
Other balance sheet items not exposed to credit risk									3,204,863		3,204,863
Total assets	**8,480,000**	**6,416,758**	**6,748,876**	**6,918,817**	**6,589,826**	**2,790,869**	**1,610,566**	**1,808,171**	**7,543,725**	**20,207,622**	**69,115,230**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	24,542	870,405	2,227,671	1,276,183		113,915	12,465	50,507	565,451		5,141,139
Undrawn loan agreements, credit limits and other credit liabilities									15,932,521		15,932,521
Total carrying amount of off balance sheet items exposed to credit risk (b)	**24,542**	**870,405**	**2,227,671**	**1,276,183**		**113,915**	**12,465**	**50,507**	**16,497,972**		**21,073,660**
Total credit risk exposure (a+b)	**8,504,542**	**7,287,163**	**8,976,547**	**8,195,000**	**6,589,826**	**2,904,784**	**1,623,031**	**1,858,678**	**20,836,834**	**20,207,622**	**86,984,027**

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by sector

	31.12.2009										
	Financial Institutions and other financial services	Manufac-turing	Construction and real estate	Wholesale and retail trade	Public sector	Transporta-tion	Shipping	Hotels -Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	3,312,854										3,312,854
Due from banks	5,115,795										5,115,795
Loans and advances to customers:											
Individuals:											
▪ Mortgage										13,753,905	13,753,905
▪ Credit cards and consumer loans										6,146,453	6,146,453
▪ Other receivables										78,501	78,501
Total										**19,978,859**	**19,978,859**
Corporate loans:											
▪ Companies	1,362,945	6,255,372	5,433,912	6,945,091	716,609	2,411,097	1,589,387	2,086,128	4,292,331		31,092,872
▪ Leasing	89,648	196,002	347,424	367,294	72	33,103	47,430	66,862	188,204		1,336,039
▪ Factoring		308,836	21,055	216,786		5,815		1,455	81,030		634,977
Total	**1,452,593**	**6,760,210**	**5,802,391**	**7,529,171**	**716,681**	**2,450,015**	**1,636,817**	**2,154,445**	**4,561,565**		**33,063,888**
Derivative financial instruments	170,071	13,035	35,707	10,180	55,698		13,510	19,669	29,308		347,178
Securities held for trading	1,769	193		414	68,224						70,600
Available for sale securities	613,051	10,835	31,381	48,352	724,897				24,787		1,453,303
Held to maturity securities	1,922,393	103,553	48,566	130,842	2,682,765						4,888,119
Total carrying amount of balance sheet items exposed to credit risk (a)	**12,588,526**	**6,887,826**	**5,918,045**	**7,718,959**	**4,248,265**	**2,450,015**	**1,650,327**	**2,174,114**	**4,615,660**	**19,978,859**	**68,230,596**
Other balance sheet items not exposed to credit risk									3,070,675		3,070,675
Total assets	**12,588,526**	**6,887,826**	**5,918,045**	**7,718,959**	**4,248,265**	**2,450,015**	**1,650,327**	**2,174,114**	**7,686,335**	**19,978,859**	**71,301,271**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	164,793	1,113,170	2,360,749	1,247,569	3,043	79,130	42,674	30,089	852,959		5,894,176
Undrawn loan agreements, credit limits and other credit liabilities									17,511,502		17,511,502
Total carrying amount of off balance sheet items exposed to credit risk (b)	**164,793**	**1,113,170**	**2,360,749**	**1,247,569**	**3,043**	**79,130**	**42,674**	**30,089**	**18,364,461**		**23,405,678**
Total credit risk exposure (a+b)	**12,753,319**	**8,000,996**	**8,278,794**	**8,966,528**	**4,251,308**	**2,529,145**	**1,693,001**	**2,204,203**	**22,980,121**	**19,978,859**	**91,636,274**

42.2. Market risk

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indexes, equity prices and commodities. Losses may also occur either from the trading portfolio or from the banking book.

i. Trading portfolio

The market risk is measured by the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of one and ten days, depending on the time required to liquidate the portfolio.

1 day value at risk, 99% confidence level (2 years historical data)

	2010					2009
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total	Total
31 December	153,640	300,307	1,031,173	(437,176)	1,047,944	1,648,465
Average daily value (annual)	550,757	156,172	1,443,977	(749,837)	1,401,069	2,057,951
Maximum daily value (annual)*	588,686	134,068	1,854,147	(872,148)	1,704,753	3,584,169
Minimum daily value (annual) *	153,640	300,307	1,031,173	(437,176)	1,047,944	1,336,083

* relating to the total value at risk

The above items concern the Bank. The Group's subsidiaries and branches have limited trading positions, which are immaterial compared to the positions of the Bank. As a result the market risk effect deriving from these positions is immaterial.

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters.

Within the scope of policy-making for financial risk management by the Assets and Liabilities Management Committee (ALCO), exposure limits and maximum loss (stop loss) for various products of the trading portfolio have been set. In particular limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions.
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options.
- Price risk regarding position in shares, index Futures and options.
- Credit risk regarding interbank transactions, corporate bonds and emerging market government bonds.

Positions held in these products are monitored during the day and are examined as to the corresponding limit percentage cover and limit excess.

ii. Other financial instruments of assets and liabilities

Apart from the trading portfolio market risk may also arise from the Banking Book. This risk is foreign currency risk and interest rate risk.

a. Foreign currency risk

Group companies take on the risk arising from the fluctuations in foreign exchange rates.

The General Management of the Bank sets limits on the level of exposure by currency and in total for both overnight and intra-day positions.

The total position arises from the net on balance sheet position and derivatives forward position as presented in the tables below:

	31.12.2010								
	USD	GBP	CHF	JPY	RON	RSD	Other F/C	Euro	Total
ASSETS									
Cash and balances with Central Banks	26,859	22,259	708	39	392,654	23,743	104,333	3,553,688	4,124,283
Due from banks	275,494	82,281	14,416	3,847	164,149	4,715	29,817	1,822,945	2,397,664
Securities held for trading					618		6,193	34,457	41,268
Derivative financial assets								441,082	441,082
Loans and advances to customers	1,953,467	697,055	2,440,277	58,534	423,918	131,842	261,471	43,338,181	49,304,745
Investment Securities									
- Available for sale	45,660	28,432			268,934	12,793	136,148	1,883,997	2,375,964
- Held to maturity	14,233							5,268,265	5,282,498
Investments in associates		39			64			49,514	49,617
Investment property						915		70,814	71,729
Property, plant and equipment	29	2,382			53,564	51,585	65,535	1,067,563	1,240,658
Goodwill and other intangible assets		684			2,644	3,070	8,058	178,735	193,191
Deferred tax assets		28			675	4,419		422,432	427,554
Other assets	86	1,888	1		5,474	4,200	56,041	599,294	666,984
Non-current assets held for sale							541	180,537	181,078
Total Assets	**2,315,828**	**835,048**	**2,455,402**	**62,420**	**1,312,694**	**237,282**	**668,137**	**58,911,504**	**66,798,315**
LIABILITIES									
Due to banks and customers	3,287,396	308,401	23,342	508,360	946,835	85,091	652,109	48,942,348	54,753,882
Derivative financial liabilities								1,105,433	1,105,433
Debt securities in issue and other borrowed funds	43,700	3,934		278,754	41,447		28,053	3,165,300	3,561,188
Liabilities for current income tax and other taxes		964			1,820	165	38	133,533	136,520
Deferred tax liabilities					9,845	240	1,978	251,447	263,510
Employee defined benefit obligations						607		51,985	52,592
Other liabilities	1,642	1,731	752	653	5,956	4,103	12,975	1,030,699	1,058,511
Provisions	9				1,106	4,100	10	77,520	82,745
Total liabilities	**3,332,747**	**315,030**	**24,094**	**787,767**	**1,007,009**	**94,306**	**695,163**	**54,758,265**	**61,014,381**
Net balance sheet position	(1,016,919)	520,018	2,431,308	(725,347)	305,685	142,976	(27,026)	4,153,239	5,783,934
Derivatives forward foreign exchange position	1,018,003	(508,545)	(2,444,680)	719,976	(67,309)	(36,157)	153,616	875,190	(289,906)
Total Foreign Exchange Position	**1,084**	**11,473**	**(13,372)**	**(5,371)**	**238,376**	**106,819**	**126,590**	**5,028,429**	**5,494,028**
Undrawn loan agreements and credit limits	70,580	23,491	9,622	6,958		130,630	13,061	15,678,179	15,932,521

	31.12.2009								
	USD	GBP	CHF	JPY	RON	RSD	Other F/C	Euro	Total
Total Assets	2,431,529	849,997	2,463,378	44,818	1,337,267	309,832	696,991	61,462,235	69,596,047
Total Liabilities	5,008,833	436,313	111,532	1,189,216	1,003,203	121,001	646,574	55,106,016	63,622,688
Net balance sheet position	(2,577,304)	413,684	2,351,846	(1,144,398)	334,064	188,831	50,417	6,356,219	5,973,359
Derivatives forward foreign exchange position	2,568,811	(403,159)	(2,358,200)	1,142,752	(68,028)	(3,609)	77,327	(975,341)	(19,447)
Total Foreign Exchange Position	**(8,493)**	**10,525**	**(6,354)**	**(1,646)**	**266,036**	**185,222**	**127,744**	**5,380,878**	**5,953,912**
Undrawn loan agreements and credit limits	168,219	70,062	1			66,241	16,024	17,190,955	17,511,502

The high exposure in other foreign currencies is due to our participation in Ukraine.

The net foreign exchange position as at 31.12.2010 presents the following sensitivity analysis.

Currency	Exchange rate variation scenario against Euro (%)	Impact on net income before tax	Impact on equity
USD	Appreciation of USD 5%	57	
	Depreciation of USD 5%	(52)	
GBP	Appreciation of GBP 5%	603	
	Depreciation of GBP 5%	(547)	
CHF	Appreciation of CHF 5%	(704)	
	Depreciation of CHF 5%	636	
RON	Appreciation of RON 5%		12,546
	Depreciation of RON 5%		(11,352)
MKD	Appreciation of MKD 5%		1,475
	Depreciation of MKD 5%		(1,335)
RSD	Appreciation of RSD 5%		5,622
	Depreciation of RSD 5%		(5,087)
UAH	Appreciation of UAH 5%		5,299
	Depreciation of UAH 5%		(4,796)

b. Interest rate risk

Gap analysis is performed in order to examine the interest rate risk of assets and liabilities. Assets and liabilities are allocated into time bands according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments.

	31.12.2010							
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	3,542,153				6,224		575,906	4,124,283
Due from banks	1,986,590	286,800	123,446	800	14	14		2,397,664
Securities held for trading		14,503	6,527	10,751	5,250	4,237		41,268
Derivative financial assets	441,082							441,082
Loans and advances to customers	34,549,421	7,224,753	3,140,227	2,031,077	1,559,877	799,390		49,304,745
Investment Securities								
- Available for sale	338,327	565,696	1,080,017	97,464	206,122	25,925	62,413	2,375,964
- Held to maturity	409,714	2,086,691	1,037,171	76,087	799,509	873,275	51	5,282,498
Investments in associates							49,617	49,617
Investment property							71,729	71,729
Property, plant and equipment							1,240,658	1,240,658
Goodwill and other intangible assets							193,191	193,191
Deferred tax assets							427,554	427,554
Other assets							666,984	666,984
Non-current assets held for sale							181,078	181,078
Total Assets	**41,267,287**	**10,178,443**	**5,387,388**	**2,216,179**	**2,576,996**	**1,702,841**	**3,469,181**	**66,798,315**
LIABILITIES								
Due to banks	3,766,219	12,633,654	60,006	1,502				16,461,381
Derivative financial liabilities	1,105,433							1,105,433
Due to customers	23,651,567	6,442,003	1,884,269	3,345,861	2,813,396	90	155,315	38,292,501
Debt securities in issue and other borrowed funds	939,240	1,621,870	345,056		655,022			3,561,188
Liabilities for current income tax and other taxes							136,520	136,520
Deferred tax liabilities							263,510	263,510
Employee defined benefit obligations							52,592	52,592
Other liabilities							1,058,511	1,058,511
Provisions							82,745	82,745
Total Liabilities	**29,462,459**	**20,697,527**	**2,289,331**	**3,347,363**	**3,468,418**	**90**	**1,749,193**	**61,014,381**
EQUITY								
Share capital							3,451,067	3,451,067
Share premium							406,867	406,867
Reserves							104,441	104,441
Retained earnings							1,248,496	1,248,496
Non-controlling interests							13,413	13,413
Hybrid securities		559,650						559,650
Total Equity		**559,650**					**5,224,284**	**5,783,934**
Total Liabilities and Equity	**29,462,459**	**21,257,177**	**2,289,331**	**3,347,363**	**3,468,418**	**90**	**6,973,477**	**66,798,315**
GAP	**11,804,828**	**(11,078,734)**	**3,098,057**	**(1,131,184)**	**(891,422)**	**1,702,751**	**(3,504,296)**	
CUMULATIVE GAP	**11,804,828**	**726,094**	**3,824,151**	**2,692,967**	**1,801,545**	**3,504,296**		

	31.12.2009							
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	3,068,279						746,394	3,814,673
Due from banks	4,715,928	248,531			136,493	7,108	86	5,108,146
Securities held for trading	11,650		30,448	17,532	10,923	47		70,600
Derivative financial assets	347,178							347,178
Loans and advances to customers	31,457,216	8,295,761	4,928,877	2,176,659	3,609,776	931,650		51,399,939
Investment Securities								
- Available for sale	98,379	512,044	73,139	230,814	397,368	37,419	68,999	1,418,162
- Held to maturity	565,505	997,505	2,600,575	53,539	275,799	375,570		4,868,493
Investments in associates							50,715	50,715
Investment property							72,668	72,668
Property, plant and equipment							1,258,451	1,258,451
Goodwill and other intangible assets							178,109	178,109
Deferred tax assets							293,289	293,289
Other assets							599,984	599,984
Non-current assets held for sale							115,640	115,640
Total Assets	**40,264,135**	**10,053,841**	**7,633,039**	**2,478,544**	**4,430,359**	**1,351,794**	**3,384,335**	**69,596,047**
LIABILITIES								
Due to banks	1,513,797	1,498,675	218,720	10,004,175	72			13,235,439
Derivative financial liabilities	603,932							603,932
Due to customers	26,211,011	7,975,823	4,559,743	2,287,839	1,877,525	3,753		42,915,694
Debt securities in issue and other borrowed funds	1,030,905	3,441,147	566,468	1,766	59,976	48,613		5,148,875
Liabilities for current income tax and other taxes							108,487	108,487
Deferred tax liabilities							202,492	202,492
Employee defined benefit obligations							47,850	47,850
Other liabilities							1,304,862	1,304,862
Provisions							55,057	55,057
Total Liabilities	**29,359,645**	**12,915,645**	**5,344,931**	**12,293,780**	**1,937,573**	**52,366**	**1,718,748**	**63,622,688**
EQUITY								
Share capital							3,451,067	3,451,067
Share premium							406,867	406,867
Reserves							239,253	239,253
Retained earnings							1,274,961	1,274,961
Non-controlling interests							17,424	17,424
Hybrid securities		583,787						583,787
Total Equity		**583,787**					**5,389,572**	**5,973,359**
Total Liabilities and Equity	**29,359,645**	**13,499,432**	**5,344,931**	**12,293,780**	**1,937,573**	**52,366**	**7,108,320**	**69,596,047**
GAP	**10,904,490**	**(3,445,591)**	**2,288,108**	**(9,815,236)**	**2,492,786**	**1,299,428**	**(3,723,985)**	
CUMULATIVE GAP	**10,904,490**	**7,458,899**	**9,747,007**	**(68,229)**	**2,424,557**	**3,723,985**		

GAP analysis allows an immediate calculation of changes in net interest income and equity for available for sale securities upon application of alternative scenarios, such as changes in market interest rates or changes in the Bank's base interest rates.

Currency	Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net interest income (annual)	Sensitivity of equity
EUR	+ 50 basis points	55,573	(5,593)
	- 50 basis points	(33,656)	5,761
USD	+ 50 basis points	1,126	(134)
	- 50 basis points	(35)	141
GBP	+ 50 basis points.	(483)	
	- 50 basis points.	230	
CHF	+ 50 basis points.	(134)	
	- 50 basis points.	694	

42.3 Liquidity risk

Liquidity risk relates to the Group's ability to maintain sufficient funds to cover its planned or extraordinary obligations. A substantial portion of the Group's assets are funded with customer deposits and bonds issued by the Group. This type of funding comprises two categories:

a. Customer deposits for working capital purposes

Deposits for working capital purposes consist of savings accounts and sight deposits. Although these deposits may be withdrawn on demand the number of accounts and type of depositors ensure that unexpected fluctuations are limited and that these deposits constitute mostly a stable deposit base.

b. Customer deposits and bonds issued for investment purposes

Customer deposits and bonds issued for investment purposes concern customer term deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group.

The last two years the European Central Bank has been as an additional source of funding with the use of collaterals pledged. The Group's total borrowings from the European Central Bank amounted to € 14.2 billion on 31 December 2010 (2009: € 10.3 billion). The Group's borrowings from the European Central Bank increased by 37.9% in 2010, while the respective lending of Greek banks as a whole increased by 131.2%. The increase in the Group's ECB borrowings in 2010 reflects the deterioration of the Greek liquidity market, which is due to the downgrade of the Greek State's credit rating.

	31.12.2010					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	4,124,283					4,124,283
Due from banks	1,272,699	237,277	125,699	897	761,092	2,397,664
Securities held for trading	39,205				2,063	41,268
Derivative financial assets	441,082					441,082
Loans and advances to customers	1,874,108	2,416,658	2,352,170	3,398,802	39,263,007	49,304,745
Investment securities						
- Available for sale	2,293,067				82,897	2,375,964
- Held to maturity	3,713,046				1,569,452	5,282,498
Investments in associates					49,617	49,617
Investment property					71,729	71,729
Property, plant and equipment					1,240,658	1,240,658
Goodwill and other intangible assets					193,191	193,191
Deferred tax assets					427,554	427,554
Other assets	4,610	23	22,260	166,676	473,415	666,984
Non-current assets held for sale					181,078	181,078
Total Assets	**13,762,100**	**2,653,958**	**2,500,129**	**3,566,375**	**44,315,753**	**66,798,315**
LIABILITIES						
Due to banks	3,471,782	12,401,410	8	155,895	432,286	16,461,381
Derivative financial liabilities	1,105,433					1,105,433
Due to customers (including debt securities in issue)	4,161,344	2,634,387	1,588,264	2,262,071	27,646,435	38,292,501
Debt securities in issue held by institutional investors and other borrowed funds	5,503	120,187	640,534	180,721	2,614,243	3,561,188
Liabilities for current income tax and other taxes	136,520					136,520
Deferred tax liabilities					263,510	263,510
Employee defined benefit obligations					52,592	52,592
Other liabilities	827,354	63,066	19,306	46,715	102,070	1,058,511
Provisions					82,745	82,745
Total Liabilities	**9,707,936**	**15,219,050**	**2,248,112**	**2,645,402**	**31,193,881**	**61,014,381**
Total Equity					**5,783,934**	**5,783,934**
Total Liabilities and Equity	**9,707,936**	**15,219,050**	**2,248,112**	**2,645,402**	**36,977,815**	**66,798,315**
Liquidity GAP	**4,054,164**	**(12,565,092)**	**252,017**	**920,973**	**7,337,938**	

	31.12.2009					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	3,814,673					3,814,673
Due from banks	4,576,447	299,657	6,790	135,607	89,645	5,108,146
Securities held for trading	67,070				3,530	70,600
Derivative financial assets	347,178					347,178
Loans and advances to customers	1,956,099	2,238,200	2,426,132	3,370,226	41,409,282	51,399,939
Investment securities						
- Available for sale	1,343,649				74,513	1,418,162
- Held to maturity	3,407,945				1,460,548	4,868,493
Investments in associates					50,715	50,715
Investment property					72,668	72,668
Property, plant and equipment					1,258,451	1,258,451
Goodwill and other intangible assets					178,109	178,109
Deferred tax assets					293,289	293,289
Other assets	6,534		17,095	220,308	356,047	599,984
Non-current assets held for sale					115,640	115,640
Total Assets	**15,519,595**	**2,537,857**	**2,450,017**	**3,726,141**	**45,362,437**	**69,596,047**
LIABILITIES						
Due to banks	1,040,260	927,718	328,232	10,286,062	653,167	13,235,439
Derivative financial liabilities	603,932					603,932
Due to customers (including debt securities in issue)	9,430,125	8,127,841	5,044,269	3,641,915	16,671,544	42,915,694
Debt securities in issue held by institutional investors and other borrowed funds	276,512	601,180	483,932	469,676	3,317,575	5,148,875
Liabilities for current income tax and other taxes	108,487					108,487
Deferred tax liabilities					202,492	202,492
Employee defined benefit obligations					47,850	47,850
Other liabilities	1,052,309	56,395	24,057	57,159	114,942	1,304,862
Provisions					55,057	55,057
Total Liabilities	**12,511,625**	**9,713,134**	**5,880,490**	**14,454,812**	**21,062,627**	**63,622,688**
Total Equity					**5,973,359**	**5,973,359**
Total Liabilities and Equity	**12,511,625**	**9,713,134**	**5,880,490**	**14,454,812**	**27,035,986**	**69,596,047**
Liquidity GAP	**3,007,970**	**(7,175,277)**	**(3,430,473)**	**(10,728,671)**	**18,326,451**	

Cash flows arising from financial liabilities including derivative financial liabilities, are allocated into time bands according to their due date. Estimated interest payments are also included. Liabilities in foreign currency have been translated into Euro. Especially for derivatives, their outflows and inflows are estimated according to their contractual terms.

	31.12.2010						
		Nominal inflows / (outflows)					
	Total Balance Sheet	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	TOTAL
Non-derivative Liabilities							
Due to Banks	16,461,381	(3,498,877)	(12,433,204)	(6,387)	(167,043)	(524,496)	(16,630,007)
Due to customers	38,292,501	(12,044,363)	(6,038,365)	(2,407,233)	(4,260,952)	(14,332,617)	(39,083,530)
Debt securities in issue held by institutional investors and other borrowed funds	3,561,188	(6,191)	(175,992)	(669,041)	(244,456)	(3,691,570)	(4,787,250)
Other liabilities	1,058,511	(776,808)	(62,388)	(19,306)	(46,715)	(153,294)	(1,058,511)
Derivatives held for assets fair value hedge	30,801						
- Outflows		(58)	(26,913)	(1,060)	(8,859)	(356,965)	(393,855)
- Inflows		5	28,676	1,118	11,099	435,112	476,010
Derivatives held for liabilities fair value hedge	326,968						
- Outflows		(77,211)	(3,130)	(73,719)	(42,309)	(1,349,443)	(1,545,812)
- Inflows		77,795	7,989	19,211	53,062	1,320,278	1,478,335
Derivatives held for trading	747,664						
- Outflows		(885,372)	(396,627)	(432,481)	(328,064)	(5,434,452)	(7,476,996)
- Inflows		796,682	391,301	387,868	296,584	5,108,996	6,981,431
Total off balance sheet items	**60,479,014**	**(16,414,398)**	**(18,708,653)**	**(3,201,030)**	**(4,737,653)**	**(18,978,451)**	**(62,040,185)**
Unrecognized loans commitments		(594,765)					(594,765)
Financial guarantees		(46,875)	(43,473)	(26,917)	(39,239)	(197,719)	(354,223)
Total off balance sheet items		**(641,640)**	**(43,473)**	**(26,917)**	**(39,239)**	**(197,719)**	**(948,988)**

		31.12.2009					
		Nominal inflows / (outflows)					
	Total Balance Sheet	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	TOTAL
Non-derivative Liabilities							
Due to Banks	13,235,439	(1,186,939)	(930,606)	(353,769)	(10,136,034)	(1,689,036)	(14,296,384)
Due to customers	42,915,694	(10,527,217)	(8,186,945)	(5,093,013)	(3,624,701)	(16,212,643)	(43,644,519)
Debt securities in issue held by institutional investors and other borrowed funds	5,148,875	(69,236)	(433,973)	(511,705)	(558,951)	(5,914,612)	(7,488,477)
Other liabilities	1,304,862	(1,009,093)	(56,460)	(24,071)	(57,159)	(158,079)	(1,304,862)
Derivatives held for assets fair value hedge	221,248						
- Outflows		(30)	(3,049)	(47,868)	(46,938)	(1,418,719)	(1,516,604)
- Inflows		1,087	7,789	16,154	44,311	1,398,252	1,467,593
Derivatives held for trading	382,684						
- Outflows		(2,169,765)	(1,102,289)	(82,971)	(231,600)	(2,394,675)	(5,981,300)
- Inflows		2,089,129	1,104,960	69,627	177,592	2,671,272	6,112,580
Total	**63,208,802**	**(12,872,064)**	**(9,600,573)**	**(6,027,616)**	**(14,433,480)**	**(23,718,240)**	**(66,651,973)**
Off balance sheet items							
Unrecognized loans commitments		(913,850)					(913,850)
Financial guarantees		(39,774)	(46,007)	(40,051)	(42,211)	(168,171)	(336,214)
Total off balance sheet items		**(953,624)**	**(46,007)**	**(40,051)**	**(42,211)**	**(168,171)**	**(1,250,064)**

42.4 Fair value of financial assets and liabilities

The table below presents the carrying amounts and the fair values of loans and advances to customers, held to maturity securities, and due to customers. These financial assets and liabilities are carried at their amortized cost and not at fair value in the financial statements.

The fair value of loans is estimated based on the interbank market yield curves adjusted with the credit spread of loans. The fair value of deposits is estimated based on the interbank market yield curves deducted from customer's spread depending on type of the deposit.

Both loans and deposits future cash flows are discounted based on their duration and the respective interest rates.

The fair value of held to maturity securities is calculated based on market prices, as long as the market is active. In all other cases the discounting cash flows method is used where all significant variables are based on observable market data.

	31.12.2010	
	Carrying amount	Fair value
ASSETS		
Loans and advances to customers	49,304,745	49,285,249
Investment securities		
-Held to maturity	5,282,498	4,188,572
LIABILITIES		
Due to customers	38,292,501	38,322,656

	31.12.2009	
	Carrying amount	Fair value
ASSETS		
Loans and advances to customers	51,399,939	51,736,698
Investment securities		
-Held to maturity	4,868,493	4,451,761
LIABILITIES		
Due to customers	42,915,694	42,925,178

For the remaining financial assets and liabilities which are carried at amortized cost the fair value is not substantially different from the carrying amount.

Hierarchy of financial instruments measured at fair value

The table below analyses financial instruments measured at fair value by the level in fair value hierarchy based on the significance of the inputs used in making the fair value measurements as follows:

- Level 1 inputs: Quoted market price (unadjusted) in an active market,
- Level 2 inputs: Directly or indirectly observable inputs,
- Level 3 inputs: Not based on observable market data, but on the Group's assumptions.

	31.12.2010			
	Derivative financial assets	Securities held for trading	Available for sale securities	Derivative financial liabilities
Level 1	80	32,055	1,828,065	135
Level 2	437,887	9,213	485,423	1,101,977
Level 3	3,115		62,476	3,321
Total	**441,082**	**41,268**	**2,375,964**	**1,105,433**

	31.12.2009			
	Derivative financial assets	Securities held for trading	Available for sale securities	Derivative financial liabilities
Level 1	12	59,255	732,026	26
Level 2	342,599	11,345	626,268	598,908
Level 3	4,567		59,868	4,998
Total	**347,178**	**70,600**	**1,418,162**	**603,932**

Financial assets and liabilities measured at fair value in Level 3

A reconciliation for financial instruments measured at fair value in Level 3 is as follows:

	31.12.2010		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2010	**59,868**	**4,567**	**(4,998)**
Total gain or loss recognized in profit or loss	(29,058)	(1,066)	1,215
Total gain or loss recognized in equity	25,764		
Purchases/ Issues	7,538		
Sales/ Repayments/ Settlements	(26,408)	(386)	462
Transfers in level 3 (from level 1 and 2)	24,772		
Balance 31.12.2010	**62,476**	**3,115**	**(3,321)**
Amounts included in the income statement for financial instruments held at the end of the reporting period	(23,174)	(1,066)	1,215

	31.12.2009		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2009	**61,675**	**(7)**	**(1,090)**
Total gain or loss recognized in profit or loss	(20,907)	4,653	722
Total gain or loss recognized in equity	32,260		
Purchases/ Issues	256		
Sales/ Repayments/ Settlements	(13,416)	(79)	(4,630)
Balance 31.12.2009	**59,868**	**4,567**	**(4,998)**
Amounts included in the income statement for financial instruments held at the end of the reporting period	(27,524)	4,653	707

43. Capital management - Capital Adequacy

The policy of the Group is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Share capital increases are performed through shareholders meeting or Board of Directors decisions in accordance with articles of association or relevant laws.

The Group is allowed to purchase treasury shares based on the terms and conditions of law.

The Group uses all modern methods to manage capital adequacy. It has issued hybrid and subordinated debt which are included as regulatory own-funds. The cost of these securities is lower than share capital and adds value to the shareholders.

The Group's capital adequacy is monitored by the Bank of Greece, to which the Bank reports on a quarterly basis. The minimum capital adequacy ratios (Tier I and capital adequacy ratio) which the Group must adhere to are established by decisions of the Governor of the Bank of Greece.

The calculation of capital adequacy from 1 January 2008 is determined under the new regulatory framework (Basel II), which have been transposed into Greek law by Law 3601/2007. The new regulatory framework significantly amends the measurement of credit risk and introduces capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk of the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio is determined by comparing the Bank's regulatory own funds with the risks that the Group undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves, non controling interest), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the investment portfolio, the market risk of the trading portfolio and the operational risk.

The Group during 2010 followed a consistent policy for deleveraging its balance sheet which strengthened its capital base.

The current capital ratios (Tier I ratio and capital adequacy ratio) are much higher than the regulatory limits set by the Bank of Greece directive and the capital base is capable to support the business growth of the Bank, in all areas, for the next years.

	31.12.2010 (estimate)	31.12.2009
Tier I ratio	11.8%	11.6%
Capital adequacy ratio (Tier I + Tier II)	**13.5%**	**13.2%**

Elements concerning the disclosure of regulatory information for capital adequacy and risk management (Basel II, Pilar III - P.D./BOG 2592/07) will be published in the Bank's website.

The Basel Committee on December 16th, 2010 published its final recommendations as well as, the timetable for the implementation of the new capital adequacy framework – Basel III. Alpha Bank is in a preferable position in relation to its compliance with the above mentioned directive; the impact on the Bank's Core Tier I ratio is not expected to be significant. The relatively low impact is due to the minimum amounts of non controlling interest, goodwill and intangible assets included in its capital base. Furthermore, the fact that the group has not undertaken substantial risk arising from insurance related activities, while at the same time the use of the standardized approach rather than the internal rating method for the calculation of capital requirements, discharge Alpha Bank from potential capital burdens, due to the upcoming implementation of Basel III. It is estimated that the implementation of the Basel III framework will substantially reduce the capital adequacy ratios of the European Banks.

In addition, the percentage of hybrid and subordinated debt securities is much lower than regulatory limits, which gives the Group the opportunity, if deemed necessary to further exploit them.

It should also be noted that according to the capital adequacy ratio as well as, other ratios such as the leverage ratio and the tangible equity, over tangible assets ratio, the Group is characterized by a strong capital adequacy, compared to other banking institutions. The advantage of the tangible equity over tangible assets ratio is due to the fact that it uses a common denominator (i.e. assets) for the assessment of risks undertaken, compared to the regulatory ratios where different methodologies are used to quantify risks (i.e. Standardized Approach or IRB).

44. Related party transactions

The Bank and the Group companies enter into a number of transactions with related parties in the normal course of business. These transactions are performed at arms length and are approved by the Group's relevant committees.

a. The outstanding balances of the transactions with members of the Board of Directors, their close family members and the entities controlled by them as well as the results related to these transactions are as follows:

	31.12.2010	31.12.2009
Assets		
Loans and advances to customers	166,337	162,151
Liabilities		
Due to customers	98,973	66,380
Debt securities in issue	19,763	19,067
Total	**118,736**	**85,447**
Letters of guarantee	**4,806**	**10,213**

	From 1 January to	
	31.12.2010	31.12.2009
Income		
Interest and similar income	4,391	6,825
Other income	45	
Total	**4,436**	**6,825**
Expenses		
Interest expense and similar charges	3,620	3,338

b. The outstanding balances with associates and the results related to these transactions are as follows:

	31.12.2010	31.12.2009
Assets		
Loans and advances to customers	24	42
Liabilities		
Due to customers	431	2,560

	From 1 January to	
	31.12.2010	31.12.2009
Income		
Interest and similar income	1	5
Expenses		
Interest expense and similar charges	24	40
Other expenses	2,173	2,732
Total	**2,197**	**2,772**

c. The Group Companies' Board of Directors and Executive General Managers' fees recorded in the income statement for 2010 amounted to € 11,849 (31.12.2009: € 12,760).

45. Auditors' fees

The total fees of "KPMG Certified Auditors A.E." legal auditor of the Bank for 2010, are analyzed as follows as stipulated in Article 43a of C.L. 2190/1920 and as amended by Article 30 of Law 3756/2009.

	From 1 January to	
	31.12.2010	31.12.2009
Fees for statutory audit	519	568
Fees for other audit related assignments	32	525
Fees for other non-audit assignments	72	11
Total	**623**	**1,104**

46. Corporate events

a. On 25.1.2010 the Bank participated in the share capital increase of its subsidiary Alpha Bank Romania S.A. by € 69.8 million.

b. On 29.1.2010 the special purpose entity Pisti 2010-1 Plc was established with registered office in the United Kingdom and primary operating activity the issuance of asset backed notes. The company is a special purpose entity and is fully consolidated by the Bank as its operations serve specific Bank needs. The Bank, during the first semester of 2010, securitized a portion of the credit cards and revolving consumer loans' portfolio, through the above mentioned entity.

c. On 14.4.2010 the Bank's 100% owned subsidiary Alpha Group Investments Ltd acquired the special purpose entities Winerster Holdings Ltd and Clostonar Holdings Ltd incorporated in Cyprus at a total cost of € 3.6 thousand. On 11.6.2010 the entities Clostonar Holdings Ltd and Winerster Holdings Ltd were renamed to AGI – RRE Participations 1 Ltd and AGI – BRE Participations 1 Ltd respectively.

d. On 29.4.2010 the Bank's subsidiary Alpha Leasing A.E. participated in the share capital increase of Real Car Rental A.E. by the amount of € 3.5 million.

e. On 7.5.2010 the subsidiary AGI – RRE Participations 1 Ltd established the special purpose entity AGI – RRE Participations 1 S.R.L. incorporated in Romania.

f. On 14.5.2010 the subsidiary AGI – BRE Participations 1 Ltd established the special purpose entity AGI – BRE Participations 1 E.O.O.D. incorporated in Bulgaria.

g. On 18.5.2010 the Bank's subsidiary Alpha Astika Akinita A.E. purchased from the Group's subsidiary SSIF Alpha Finance Romania S.A., the total shares of Alpha Advisory Romania S.R.L., at a total cost of € 289 thousand. On 10.6.2010 Alpha Advisory Romania S.R.L. was renamed to Alpha Astika Akinita Romania S.R.L.

h. On 27.5.2010 the Bank purchased 31,381,000 shares of OJSC Astra Bank for € 14.2 million, which resulted in the increase of the Bank's participation in its subsidiary to 100%.

i. On 24.6.2010 and 30.6.2010 the Bank purchased shares issued by its subsidiaries Alpha Bank Romania S.A., Alpha Leasing Romania IFN S.A. and SSIF Alpha Finance Romania S.A. from other subsidiaries, at a total cost of € 1.6 million.

j. On 25.6.2010, the Bank participated in the share capital increase of its 100% owned subsidiary Ionian Equity Participations Ltd, by € 4.1 million.

k. The company Alpha TANEO A.K.E.S. joint venture of the Bank, participated in the initial share capital of the companies Dipirites Chandakos A.E. and Biokid A.E. on 1.4.2010 and 25.6.2010 respectively. The Bank did not participate in the share capital increase of the company Dipirites Chandakos A.E. performed during the second half of 2010 and as a result its participation amounts to 19.8%.

l. On 1.7.2010 the 100% owned subsidiary of the Bank Ionian Supporting Services A.E. was renamed to Alpha Supporting Services A.E.

m. On 8.7.2010 the 100% owned subsidiary of the Bank OJSC Astra Bank was renamed to JSC Astra Bank.

n. Up to 30.9.2010 the Bank's subsidiary Alpha Astika Akinita A.E. participated to the full coverage of the consecutive share capital increases of its 100% subsidiary Chardash Trading E.O.O.D. by contributing the total amount of € 11.8 million.

o. On 5.10.2010 the Bank participated proportionately in the share capital increase of its associate APE Investment Property A.E. by € 1.3 million.

p. On 7.10.2010 the Bank's 100% subsidiary Alpha Group Investments Ltd acquired the special purpose entity Stockford Ltd incorporated in Cyprus, at a total cost of € 4.1 thousand.

q. On 19.10.2010 the Bank's joint venture APE Investment Property A.E. participated in the share capital increase of Akarport A.E. by the amount of € 2 million.

r. On 29.10.2010 A.L.C. Novelle Investments Ltd a participating company of the Bank's subsidiary Ionian Equity Participations Ltd reduced its share capital by € 3.3 million (the Group's portion amounts to € 1.1 million).

s. On 22.11.2010 the Bank participated proportionately in the share capital increase of its subsidiary Alphalife A.A.E.Z. by € 1 million.

t. On 15.12.2010 the Bank participated in the share capital increase of its subsidiary Ionian Equity Participations Ltd by € 5.4 million.

u. On 30.12.2010 the Bank participated in the share capital increase of its 100% subsidiary Alpha Bank A.D. Skopje by € 6 million.

47. Restatement of prior year balances

a. Placements with the European Central Bank were reclassified from the account "Due from Banks" to the account "Cash and Balances with Central Banks". Due to the above mentioned reclassification the prior year comparative balances were restated as follows:

Cash and Balances with Central Banks

	30.9.2010	30.6.2010	31.3.2010	31.12.2009
Published amounts	2,219,167	2,105,355	2,085,918	2,514,664
Restated amounts	4,366,182	4,205,370	2,705,922	3,814,673
Reclassifications	2,147,015	2,100,015	620,004	1,300,009

Due from banks

	30.9.2010	30.6.2010	31.3.2010	31.12.2009
Published amounts	4,707,933	4,126,707	3,369,323	6,408,155
Restated amounts	2,560,918	2,026,692	2,749,319	5,108,146
Reclassifications	(2,147,015)	(2,100,015)	(620,004)	(1,300,009)

Further to the above, the respective amounts were reclassified in the analysis included in the respective notes.

b. Other comprehensive income recognized directly in equity as at 31.12.2009 was restated as follows:

	Published amounts	Restated amounts	Reclassifications
Other comprehensive income recognized directly in equity:			
Changes in available for sale reserve	74,124	74,124	
Exchange differences on translating and hedging the net investment in foreign operations	(23,245)	(22,480)	765
Income tax	(17,010)	(17,775)	(765)
Total comprehensive income, after income tax recognized directly in equity	**33,869**	**33,869**	**-**

48. Events after the balance sheet date

According to Law 3723/2008 for the enhancement of the Greek economy's liquidity program, the Bank proceeded on 15.2.2011 to the issuance of senior debt security guaranteed by the Greek State amounting to Euro 950 million with a three year duration and bearing a three month Euribor interest rate plus a spread of 8.5%.

Athens, March 22, 2011

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE ACCOUNTING MANAGER
YANNIS S. COSTOPOULOS **I.D. No. X 661480**	**DEMETRIOS P. MANTZOUNIS** **I.D. No. I 166670**	**VASILEIOS E. PSALTIS** **I.D. No. Ξ 116654**	**MARIANNA D. ANTONIOU** **I.D. No. X 694507**

Independent Auditors' Report

(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of ALPHA BANK A.E. (the "Bank") which comprise the balance sheet as of 31 December 2010 and the statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of ALPHA BANK A.E. as of 31 December 2010 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Athens, 22 March 2011

KPMG Certified Auditors A.E.

AM SOEL 114

Nikolaos Vouniseas Certified Auditor Accountant AM SOEL 18701	Harry Sirounis Certified Auditor Accountant AM SOEL 19071

Bank Financial Statements as at 31.12.2010

Income Statement

(Thousands of Euro)

		From 1 January to	
	Note	31.12.2010	31.12.2009
Interest and similar income	2	2,955,785	3,339,178
Interest expense and similar charges	2	(1,604,904)	(1,994,966)
Net interest income	2	1,350,881	1,344,212
Fee and commission income		283,012	316,910
Commission expense		(41,062)	(38,178)
Net fee and commission income	3	241,950	278,732
Dividend income	4	46,527	105,037
Gains less losses on financial transactions	5	9,161	263,591
Other income	6	12,326	14,276
		68,014	382,904
Total income		**1,660,845**	**2,005,848**
Staff costs	7	(403,212)	(412,686)
General administrative expenses	8	(389,426)	(434,138)
Depreciation and amortization expenses	20, 21, 22	(57,770)	(56,072)
Other expenses	9	(6,484)	(2,946)
Total expenses		**(856,892)**	**(905,842)**
Impairment losses and provisions to cover credit risk	10	(758,198)	(532,300)
Profit before income tax		**45,755**	**567,706**
Income tax	11	(46,552)	(101,616)
		(797)	**466,090**
Extraordinary tax (Law 3845/2010 and Law 3808/2009)	11	(55,512)	(37,433)
Profit/(loss) after income and extraordinary tax		**(56,309)**	**428,657**
Earnings/(losses) per share:	12		
Basic and diluted (€ per share)		(0.24)	0.82

The attached notes (pages 123 to 195) form an integral part of these financial statements

Balance Sheet

(Thousands of Euro)

	Note	31.12.2010	31.12.2009
ASSETS			
Cash and balances with Central Banks	13,45	2,805,166	2,725,974
Due from banks	14,45	8,824,257	12,161,433
Securities held for trading	15	35,796	66,946
Derivative financial assets	16	442,013	373,600
Loans and advances to customers	17	39,919,035	41,810,755
Investment securities			
-Availabe for sale	18a	2,808,560	2,399,720
-Held to maturity	18b	5,181,136	4,868,493
Investments in subsidiaries, associates and joint ventures	19	1,853,042	1,794,719
Investment property	20	47,706	48,325
Property, plant and equipment	21	631,262	639,222
Goodwill and other intangible assets	22	98,520	75,951
Deferred tax assets	23	455,552	313,798
Other assets	24	582,163	494,527
		63,684,208	67,773,463
Non-current assets held for sale	25	86,687	75,113
Total Assets		**63,770,895**	**67,848,576**
LIABILITIES			
Due to banks	26	18,729,995	15,291,428
Derivative financial liabilities	16	1,106,591	628,886
Due to customers	27	31,233,710	35,258,048
Debt securities in issue and other borrowed funds	28	6,980,873	10,405,582
Liabilities for current income tax and other taxes	29	113,295	88,549
Deferred tax liabilities	23	234,819	187,970
Other liabilities	31	931,867	1,208,773
Provisions	32	9,247	3,768
Total Liabilities		**59,340,397**	**63,073,004**
EQUITY			
Share Capital	33	3,451,067	3,451,067
Share premium	34	406,867	406,867
Reserves	35	(6,542)	202,391
Retained earnings	36	579,106	715,247
Total Equity		**4,430,498**	**4,775,572**
Total Liabilities and Equity		**63,770,895**	**67,848,576**

The attached notes (pages 123 to 195) form an integral part of these financial statements

Statement of Comprehensive Income

(Thousands of Euro)

		From 1 January to	
	Note	31.12.2010	31.12.2009
Profit/(loss), after income tax, recognized in the income statement		**(56,309)**	**428,657**
Other comprehensive income recognized directly in Equity:			
Change in available for sale securities reserve	11	(256,915)	25,529
Change in cash flow hedge reserve	11	(38,206)	
Exchange differences on translating foreign operations	11	(32)	(175)
Income tax	11	64,940	(5,698)
Total other comprehensive income, after income tax recognized directly in Equity	11	**(230,213)**	**19,656**
Total comprehensive income for the year, after income tax		**(286,522)**	**448,313**

The attached notes (pages 123 to 195) form an integral part of these financial statements

Statement of Changes in Equity

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Treasury shares	Total
Balance 1.1.2009		**1,931,590**		**165,848**	**340,896**	**(68,985)**	**2,369,349**
Changes for the period 1.1 - 31.12.2009							
Profit for the year, after income and extraordinary tax					428,657		428,657
Other comprehensive income recognized directly in Equity after income tax	11			19,831	(175)		19,656
Total comprehensive income for the year, after income tax				**19,831**	**428,482**		**448,313**
Share capital increase with the issuance of preference shares acquired by the Greek State	33	940,000					940,000
Share capital increase through cash payment	33,34	579,477	406,867				986,344
Expenses relating to the share capital increase, after income tax					(39,929)		(39,929)
Appropriation to statutory reserve				16,712	(16,712)		-
Purchase of treasury shares	37					(2,665)	(2,665)
Sale of treasury shares	37				2,510	71,650	74,160
Balance 31.12.2009		**3,451,067**	**406,867**	**202,391**	**715,247**	**-**	**4,775,572**

(Thousands of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2010		**3,451,067**	**406,867**	**202,391**	**715,247**	**4,775,572**
Changes for the period 1.1- 31.12.2010						
Loss for the year, after income and extraordinary tax					(56,309)	(56,309)
Other comprehensive income recognized directly in Equity, after income tax	11			(230,366)	153	(230,213)
Total comprehensive income for the year, after income tax		**-**	**-**	**(230,366)**	**(56,156)**	**(286,522)**
Expenses relating to the share capital increase, after income tax					(607)	(607)
Appropriation to statutory reserve	36			21,433	(21,433)	-
Dividend paid for preference shares	36				(57,945)	(57,945)
Balance 31.12.2010		**3,451,067**	**406,867**	**(6,542)**	**579,106**	**4,430,498**

Statement of Cash Flows

(Thousands of Euro)

		From 1 January to	
	Note	31.12.2010	31.12.2009
Cash flows from operating activities			
Profit before income tax		45,755	567,706
Adjustments for:			
Depreciation of fixed assets	20, 21	37,720	37,662
Amortization of intangible assets	22	20,050	18,410
Impairment losses and provisions		778,655	548,415
Other adjustments			(7,175)
(Gains)/losses from investing activities		(11,458)	(267,696)
(Gains)/losses from financing activities		158,032	82,763
		1,028,754	**980,085**
Net (increase)/decrease in assets relating to operating activities:			
Due from banks		(520,866)	(856,938)
Securities held for trading and derivative financial assets		(37,263)	140,720
Loans and advances to customers		1,131,426	(170,631)
Other assets		(48,474)	(83,195)
Net increase/(decrease) in liabilities relating to operating activities:			
Due to banks		3,438,567	4,407,459
Derivative financial instrument liabilities		439,499	(175,286)
Due to customers		(6,858,246)	(6,266,823)
Other liabilities		(237,274)	(16,558)
Net cash flows from operating activities before taxes		**(1,663,877)**	**(2,041,167)**
Income taxes and other taxes paid		(114,321)	(89,370)
Net cash flows from operating activities		**(1,778,198)**	**(2,130,537)**
Cash flows from investing activities			
Investments in subsidiaries, associates and joint ventures		(93,300)	(38,757)
Dividends received		46,513	104,927
Purchases of fixed and intangible assets		(88,270)	(90,715)
Disposals of fixed and intangible assets		4,786	9,261
Net (increase)/decrease in investment securities		(1,015,592)	4,389,790
Net cash flows from investing activities		**(1,145,863)**	**4,374,506**
Cash flows from financing activities			
Share capital increase			986,344
Expenses relating to share capital increase		(799)	(53,240)
(Purchases)/Sales of treasury shares			71,495
Dividends paid to ordinary and preference shareholders		(58,887)	(919)
Liabilities from the securitization of consumer loans		(322,633)	1,097,547
Debt issued			1,000,000
Repayment of debt securities in issue and other borrowed funds		(474,297)	(1,448,967)
Expenses relating to debt issue			(12,630)
Net cash flows from financing activities		**(856,616)**	**1,639,630**
Effect of exchange rate fluctuations on cash and cash equivalents		**1,827**	**1,996**
Net increase / (decrease) on cash and cash equivalents		(3,778,850)	3,885,595
Cash and cash equivalents at the beginning of the year	13	**8,424,719**	**4,539,124**
Cash and cash equivalents at the end of the year	13	**4,645,869**	**8,424,719**

The attached notes (pages 123 to 195) form an integral part of these financial statements

Notes to the Financial Statements

GENERAL INFORMATION

At present, the Bank operates under the brand name of ALPHA BANK A.E. and with the sign of ALPHA BANK. The Bank's registered office is 40 Stadiou Street, Athens and it is listed as a societe anonyme with registration number 6066/06/B/86/05. The Bank's duration is until 2100 which can be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on behalf of third parties, in Greece and abroad, independently or collectively, including joint ventures with third parties, in any and all (main and secondary) operations, activities, transactions and services allowed to credit institutions, in conformity with whatever rules and regulations (domestic, community, foreign) may be in force each time. In order to serve this objective, the Bank may perform any kind of action, operation or transaction which, directly or indirectly, is pertinent, complementary or auxiliary to the purposes mentioned above.

Based on the decision of the Ordinary General Meeting of Shareholders, held on 22.6.2010, the reelection of the currently serving members of the Bank's Board of Directors, for a four year tenure, was approved, apart from the Greek State's representative whose tenure expires as stated in Law 3723/2008.

The Board of Directors as at December 31, 2010, according to the minutes of its meeting held on 28.9.2010, consists of:

CHAIRMAN (Executive Member)

Yannis S. Costopoulos

VICE CHAIRMAN (Non-Executive Independent Member)

Minas G. Tanes ***

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO) ***
Artemis Ch. Theodoridis

NON-EXECUTIVE MEMBERS

Sophia G. Eleftheroudaki
Paul G. Karakostas *
Nicholaos I. Manessis **
Ioanna E. Papadopoulou

NON-EXECUTIVE INDEPENDENT MEMBERS

George E. Agouridis *
Pavlos A. Apostolides **
Thanos M. Veremis
Evangelos J. Kaloussis */***
Ioannis K. Lyras **

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3723/2008)
Sarantis – Evangelos G. Lolos

SECRETARY
Hector P. Verykios

The Ordinary General Meeting of Shareholders, held on 22.6.2010, has appointed as auditors of the semi annual and annual financial statements for 2010 the following:

Principal Auditors:	Nikolaos E. Vouniseas
	Charalambos G. Sirounis
Substitute Auditors:	Nikolaos Ch. Tsiboukas
	John A. Achilas

of KPMG Certified Auditors A.E.

The Bank's shares have been listed in the Athens Stock Exchange since 1925. As at December 31, 2010 Alpha Bank was ranked seventh in terms of market capitalization. Additionally, the Bank's share is included in a series of international indices, such as S&P Europe 350, FTSE Med 100, MSCI Europe, DJ Euro Stoxx and FTSE4Good.

Apart from the Greek listing, the shares of the Bank are listed in the London Stock Exchange in the form of international certificates (GDRs) and they are traded over the counter in New York (ADRs).

As at December 31, 2010 the Bank has 534,269,648 ordinary and 200,000,000 preference shares in issue.

During the year of 2010 an average of 2,358,778 shares have been traded daily.

The credit rating of the Bank performed by three international credit rating agencies is as follows:

- Moody's: Ba1 (from 9.3.2011: Ba3)
- Fitch Ratings: BBB- (from 17.1.2011: BB+)
- Standard & Poor's: BB

The financial statements were approved by the Board of Directors on March 22, 2011.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

These financial statements relate to the fiscal year 1.1 – 31.12.2010 and they have been prepared:

a) in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union in accordance with Regulation 1606/2002 of the European Parliament and the Council of the European Union on 19 July 2002 and

b) on the historical cost basis except for the following assets and liabilities which were measured at fair value:

- Securities held for trading
- Derivative financial instruments
- Available-for-sale securities

The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise indicated.

The estimates and judgments applied by the Bank in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate.

The estimates and assumptions are reviewed on an ongoing basis to take into account current conditions, and the effect of any revisions is recognized in the period in which the estimate is revised.

The accounting policies for the preparation of the financial statements have been consistently applied by the Bank to the years 2009 and 2010, after taking into account the following amendments of International Accounting Standards as well as the new Interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union and which are effective for annual periods beginning on 1.1.2010:

- **Amendment of International Financial Reporting Standard 1** «First time adoption of International Financial Reporting Standards» (Regulation 1136/25.11.2009)

  On 27 November 2008 a revised edition with changes in the structure of this standard was published. The purpose of this change was to improve information and to facilitate implementation of future amendments.

  The above amendment does not apply to the Bank's financial statements.

- **Amendment of International Financial Reporting Standard 1** «Additional Exemptions for first-time adopters» (Regulation 550/23.6.2010)

  On 23.7.2009 an amendment of IFRS 1 was issued with which the following exemptions are induced for first-time adopters:

  i. Entities are allowed not to reassess the determination of whether an arrangement contains a lease if the same assessment as that required by IFRIC 4 was made under previous GAAP and

  ii. Entities, in the oil and gas industry, are allowed to use their previous GAAP carrying amounts as deemed cost at the date of transition for oil and gas assets.

  The above amendment does not apply to the Bank's financial statements.

- **Amendment of International Financial Reporting Standard 2** «Share-based payments-Group cash settled share-based payment transactions» (Regulation 244/23.3.2010)

  The aim of this amendment, which was issued on 18.6.2009, is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

  In particular, according to the amendment, an entity shall apply IFRS 2 in accounting for all share-based payment transactions, whether or not the entity can identify specifically some or all of the goods or services received. In addition, it is clarified that IFRS 2 should be applied for the accounting of share-based payment transactions which are settled by another group entity or a shareholder of any group entity on behalf of the entity receiving or acquiring the goods or services. The standard should be applied for both the entity which receives the goods or services and the entity which has the obligation to settle the transaction.

  The adoption of the amendment did not have any impact on Bank's financial statements.

- **Amendment of International Accounting Standard 27** «Consolidated and Separate Financial Statements» and **International Financial Reporting Standard 3** «Business combinations» (Regulations 494-495/3.6.2009)

  The main changes from the amended standards issued on 10 January 2008 are summarized as follows:

  i. In cases of changes in ownership interests of subsidiaries with which control is obtained or lost, the value of the investment existed prior to the change of ownership interest or the remaining ownership interest, should be measured at fair value with changes recognized in profit and loss account.

  ii. Upon initial recognition non-controlling interests might be measured at fair value. In addition non-controlling interests should absorb the total losses incurred attributable to their interest.

iii. Any contingent consideration from the acquisition of an entity is recognised as a liability and measured at fair value

iv. Costs incurred by the acquirer are not included in the cost of a business combination but are expensed.

In addition, it is clarified that changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The adoption of the amendment did not have any impact on Bank's financial statements.

- **Amendment of International Accounting Standard 39** «Financial Instruments: Recognition and Measurement» concerning eligible hedged items (Regulation 839/15.9.2009)

This amendment, issued on 31 July 2008, provides clarifications regarding the application of hedge accounting. It is clarified that in a fair value hedge or a cash flow hedge the following can be designated as hedged items:

i. The partial change in fair value or cash flows of financial instruments

ii. The change in cash flows related to inflation (under conditions)

iii. The increase or decrease of cash flow or fair value in relation to a specific reference value (one-sided risk).

The adoption of the amendment did not have any impact on Bank's financial statements.

- **Improvements to International Accounting Standards: Amendment of IFRS 5** «Non-current assets held for sale and discontinued operations» (Regulation 70/23.1.2009)

As part of the improvements project, on 22.5.2008 an amendment of IFRS 5 was issued. According to the amendment, an entity that is committed to a sale plan involving loss of control of a subsidiary shall classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its subsidiary after the sale.

The adoption of the above improvement did not have any impact on Bank's financial statements.

- **Improvements to International Accounting Standards** (Regulation 243/23.3.2010)

As part of the improvements project, the International Accounting Standards Board issued, on 16 April 2009, certain amendments to various standards. The majority of these are effective for annual periods beginning on 1.1.2010.

The adoption of these improvements did not have any impact on Bank's financial statements.

- **Interpretation 17** «Distribution of non-cash assets to owners» (Regulation 1142/26.11.2009)

This interpretation, issued on 27 November 2008, provides guidance to an entity in order to recognize and subsequently measure a liability arising from the distribution of non-cash assets to owners.

The adoption of the interpretation had no impact on Bank's financial statements.

- **Interpretation 18** «Transfer of assets from customers» (Regulation 1164/27.11.2009)

This interpretation, issued on 29 January 2009, clarifies the accounting treatment for agreements under which an entity receives from a customer an item of property, plant and equipment that the entity must then use to serve conventional obligations to him. The interpretation applies also, in cases where the entity receives cash from customers to construct or to buy an item of property, plant and equipment to be used as defined above.

This interpretation does not apply to the activities of the Bank.

Apart from the above Standards and Interpretations, the European Union adopted the following standards and interpretations, which are effective for annual periods beginning after 1.1.2010 and which have not been early adopted by the Bank.

- **Amendment of International Financial Reporting Standard 1** «Limited Exemption from Comparative IFRS7 Disclosures for First-time Adopters» (Regulation 574/30.6.2010)

Effective for annual periods beginning on or after 1.7.2010

On 28.1.2010, a new amendment of IFRS 1 was issued, with which first-time adopters are permitted to use the same transition provisions, permitted for existing prepares of financial statements prepared in accordance with IFRSs, with regards to additional disclosures required by the amendment of IFRS 7, issued on 5.3.2009.

The amendment does not apply to the Bank's financial statements.

- **Amendment of International Accounting Standard 24** «Related Party Disclosures» (Regulation 632/19.7.2010)

Effective for annual periods beginning on or after 1.1.2011

The revised IAS 24 amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities.

The Bank evaluates the potential impact of this amendment on its financial statements.

- **Amendment of International Accounting Standard 32** «Classification of Rights Issues» (Regulation 1293/23.12.2009)

Effective for annual periods beginning on or after 1.2.2010

According to the above amendment, which was issued on 8.10.2009, financial instruments that give their holder the right to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency should be classified as equity instruments, provided the entity offers this right pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

The Bank evaluates the potential impact of this amendment on its financial statements.

- **Improvements to International Accounting Standards** (Regulation 149/18.2.2011)

  As part of the improvements project, the International Accounting Standards Board issued, on 16 May 2010, certain amendments to various standards. The majority of these are effective for annual periods beginning on or after 1.1.2011

  The Bank examines the impact of the above improvements on its financial statements.

- **Amendment of Interpretation 14** «Prepayment of a Minimum Funding Requirement» (Regulation 633/19.7.2010)

  Effective for annual periods beginning on or after 1.1.2011

  The aim of this amendment is to remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement. These amendments result in prepayments of contributions in certain circumstances being recognised as an asset rather than as an expense.

  The Bank evaluates the potential impact of this amendment on its financial statements.

- **Interpretation 19** «Extinguishing Financial Liabilities with Equity Instruments» (Regulation 662/23.7.2010)

  Effective for annual periods beginning on or after 1.7.2010

  According to IFRIC 19, which was issued on 26.11.2009, the issue of an entity's equity instruments to a creditor to extinguish all or part of a financial liability is consideration paid in accordance with IAS 39. The equity instruments issued to a creditor to extinguish all or part of a financial liability should be measured, at initial recognition, at the fair value, unless that fair value cannot be reliably measured. If only part of the financial liability is extinguished, the entity shall assess whether some of the consideration paid relates to a modification of the terms of the liability that remains outstanding. If part of the consideration paid does relate to a modification of the terms of the remaining part of the liability, the entity shall allocate the consideration paid between the part of the liability extinguished and the part of the liability that remains outstanding. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the consideration paid shall be recognised in profit or loss. It should be noticed that the above Interpretation should be applied only in cases of renegotiation of the terms of the contract and not in the cases that the possibility to settle financial liabilities through the issuance of equity instruments is available in the original contact.

  The Bank evaluates the potential impact of this interpretation on its financial statements.

In addition, the International Accounting Standards Board has issued the following standards which have not yet been adopted by the European Union and they have not been early adopted by the Bank.

- **Amendment of International Financial Reporting Standard 1** «Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters»

  Effective for annual periods beginning on or after 1.7.2011

  On 20.12.2010 the International Accounting Standards Board issued an amendment of IFRS 1 according to which:

i. In cases of an entity that has a functional currency that was or is the currency of a hyperinflationary economy, then it should be determined whether the currency was subject to severe hyperinflation before the date of transition to IFRSs. When an entity's date of transition to IFRSs is on or after the functional currency "normalization" date, the entity may elect to measure assets and liabilities held before the functional currency "normalization" date at fair value on the date of transition to IFRSs and use the fair value as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. When the functional currency "normalization" date falls within the comparative period, the comparative period presented in the first IFRS financial statements may be less than 12 months.

ii. The fixed dates (1.1.2004 and 25.10.2002) defined by the existing standard regarding the exceptions for first-time adopters for the derecognition and the initial fair value measurement of financial instruments are abolished. Those dates are replaced by the phrase "the date of transition to IFRSs".

  The above amendment does not apply to the Bank's financial statements.

- **Amendment of International Financial Reporting Standard 7** «Disclosures – Transfers of financial assets»

  Effective for annual periods beginning on or after 1.7.2011

  On 7.10.2010, the International Accounting Standards

Board issued an amendment of IFRS 7 regarding the disclosures that are required when financial assets are transferred. With the above amendment the existing disclosures are revised in order to achieve greater transparency in the reporting of transfer transactions, particularly those that involve securitisation of financial assets.

The Bank examines the potential impact of the above amendment on its financial statements.

- **International Financial Reporting Standard 9** «Financial Instruments»

Effective for annual periods beginning on or after 1.1.2013

On 12 November 2009, IFRS 9: «Financial Instruments» was issued by the International Accounting Standards Board. The new standard was issued as part of the first phase of the project for the replacement of IAS 39; therefore, the scope of the first phase is the classification and measurement of financial assets. According to the new standard, financial instruments should be classified, at initial recognition, at either amortized cost or at fair value. The criteria that should be considered for the initial classification of the financial assets are the following:

i. The entity's business model for managing the financial assets and

ii. The contractual cash flow characteristics of the financial assets.

In addition, IFRS 9 permits, at initial recognition, equity instruments to be classified at fair value through other comprehensive income. The option precludes equity instruments held for trading. Moreover, with regards to embedded derivatives, If the hybrid contact contains a host that is within the scope of IFRS 9, the embedded derivative should not be separated and the accounting treatment of the hybrid contact should be based on the above requirements for the classification of the financial instruments.

In addition, on 28.10.2010, the International Accounting Standards Board issued the revised requirements regarding the classification and measurement of financial liabilities. According to the new requirements, which were included in IFRS 9, in the case of financial liabilities that are initially designated at fair value through profit or loss, the change in the fair value of the liability should be recognised in profit or loss with the exception of the effect of change in the liability's credit risk which should be recognised directly in other comprehensive income.

The Bank evaluates the potential impact from the adoption of this standard on its financial statements.

- **Amendment of International Accounting Standard 12** «Deferred Tax: Recovery of Underlying Assets»

Effective for annual periods beginning on or after 1.1.2012

On 20.12.2010, the International Accounting Standards Board issued an amendment of IAS 12 regarding the way with which deferred taxation should be calculated when it is difficult to determine the expected manner of recovery of the underlying assets and the manner of recovery affects the determination of the tax base and the tax rate. In the revised IAS 12, it is clarified that when an asset is classified either as «Investment Property» and measured using the fair value model or as «Property, plant and equipment» and measured using the revaluation model, there is a rebuttable presumption that its carrying amount will be recovered entirely by sale; therefore, for the calculation of deferred taxation the respective tax rate and tax base should be used. However, it also clarified that for the cases of investment property only, this presumption is rebutted if the asset is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the asset over time, rather than through sale.

The Bank examines the potential impact of the above amendment on its financial statements.

1.2 Segment reporting

Operating segments are determined and measured based on the information provided to the Executive Committee of the Bank, which is the body responsible for the allocation of recourses between the Bank's operating segments and the assessment of their performance.

Based on the above, as well as the Bank's administrative structure and activities, the following operating segments have been determined:

- Retail Banking
- Corporate Banking
- Asset Management and Insurance
- Investment Banking and Treasury
- South Eastern Europe
- Other

Since the Bank operates in various geographical areas, apart from the operating segments identified above, the financial statements contain information based on the below distinction:

- Greece
- Other Countries

It is noted that the methods used to measure operating segments for the purpose of reporting to the Executive Committee are not different from those required by the International Financial Reporting Standards.

Detailed information relating to operating segments is provided in note 39.

1.3 Transactions in foreign currency and translation of foreign operations

a. Transactions in foreign currency

The financial statements are presented in Euro, which is the functional currency and the currency of the Bank's country of incorporation.

Items included in the financial statements of each of the foreign branches are measured at the functional currency which is the currency of the country of incorporation in which the branch operates or the currency used in the majority of the transactions held.

Transactions in foreign currencies are translated into the functional currency at the closing exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into the functional currency at the closing exchange rate at that date. Foreign exchange differences arising on translation are recognized in the income statement.

Non-monetary assets and liabilities are recognized at the exchange rate ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are measured at fair value. The exchange differences relating to these items are part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

b. Translation of foreign operations

The results and financial position of all foreign branches that have a functional currency that is different from the presentation currency of the Bank's financial statements are translated as follows:

i. Assets and liabilities are translated to Euro at the closing rate applicable on the balance sheet date. The comparative figures presented are translated to Euro at the closing rates at the respective date of the comparative balance sheet.

ii. Income and expense items are translated to Euro at average exchange rates applicable for each period presented.

The resulting exchange differences from the above translation and those arising from other monetary items designated as a part of the net investment in a foreign entity are recorded in equity. These translation differences are reclassified to the income statement when a foreign entity is sold.

1.4 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents consists of:

a. Cash on hand

b. Non-restricted placements with Central Banks and

c. Short-term balances due from banks and Reverse Repo agreements

Short-term balances due from banks are amounts that mature within three months of the balance sheet date.

1.5 Classification and measurement of financial instruments

Initial recognition

The Bank recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Upon initial recognition the Bank measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus transaction costs and minus income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Subsequent measurement of financial assets

The Bank classifies its financial assets as:

- Loans and receivables
- Held-to-maturity investments
- Financial assets at fair value through profit or loss
- Available-for-sale financial assets

For each of the above categories the following apply:

a) Loans and receivables

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market can be classified as loans and receivables. The Bank has classified the following as loans and receivables:

i. loans to customers

ii. amounts paid to acquire a portion or the total of series of bonds that are not quoted in an active market

iii. all receivables from customers, banks etc.

This category is measured at amortized cost using the effective interest rate method and is periodically tested for impairment based the procedures described in note 1.12.

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating the interest income or expense during the relative period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the contractual life of a financial instrument or the next repricing date, so that the present value of cash flows is equal to the carrying amount of the financial instrument including fees or transaction costs.

b) Held-to-maturity investments

Non derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold until maturity can be classified as Held to maturity investments.

The Bank has classified bonds and other debt securities in this category.

Held to maturity investments are measured at amortized cost using the effective interest rate method and are tested for impairment at each reporting date. In cases when objective evidence exists that an impairment loss has occurred, the carrying amount of the financial asset is reduced to the present value the of estimated future cash flows discounted at the original effective interest rate, and the difference is recognised in profit and loss.

c) Financial assets at fair value through profit or loss

Financial assets included in this category are:

i. Financial assets which are acquired principally for the purpose of selling in the near term to obtain short term profit (held for trading).

   The Bank has included in this category bonds, treasury bills and a limited number of shares.

ii. Financial assets the Bank designated, at initial recognition, as at fair value through profit and loss.

This classification is used in the following circumstances:

- When management monitors and manages the financial instruments on a fair value basis in accordance with a documented risk management or investment strategy.
- When the designation eliminates an accounting mismatch which would otherwise arise from measuring financial assets and liabilities on a different basis (i.e. amortized cost) in relation to another financial asset or liability (i.e. derivatives which are measured at fair value through the profit or loss).
- When a financial instrument contains an embedded derivative that significantly modifies the cash flows, or the separation of these derivatives from the main financial instruments is not prohibited.

As at the reporting date, the Bank had not designated any financial assets as at fair value through profit and loss.

d) Available-for-sale investments

Available-for-sale financial assets are financial assets that have not been classified in any of the previous categories.

The Bank has included in this category bonds, treasury bills, debt securities, shares and mutual fund units.

This category is measured at fair value. Changes in fair value are recognized directly in equity until the financial asset is sold, where upon, the cumulative gains and losses previously recognized in equity, are recognized in profit or loss.

The financial assets included in this category are reviewed at each balance sheet date to determine whether there is any indication of impairment. In case of impairment, the cumulative loss already recognised in equity, is reclassified in profit and loss. When a subsequent event causes the amount of impairment loss recognised on an available-for-sale bond or debt security to decrease, the impairment loss is reversed through profit or loss if it can objectively be related to an event occurring after the impairment loss was recognized. However, impairment losses recognised for investments in shares and mutual funds are not reversed through profit and loss.

The measurement principles noted above are not applicable when a specific financial asset is the hedged item in a hedging relationship, in which case the principles set out in note 1.6. apply.

Reclassification of financial assets

Reclassification of non-derivative financial assets is permitted as follows:

i. Reclassification out of the "held-for-trading" category to the "loans and receivables" category, "investments held to maturity" category or "available-for-sale" category is permitted only when there are rare circumstances and the financial assets are no longer held for sale in the foreseeable future.

ii. Reclassification out of the "held-for-trading" category to either "loans and receivables", or "available-for-sale" is permitted only if the financial assets meet the definition of loans and receivables and there is the intention to hold them for the foreseeable future or until maturity.

iii. Reclassification out of the "available-for-sale" category to the "loans and receivables" category, is permitted for financial assets that would have met the definition of loans and receivables and the entity has the intent to hold the financial asset for the foreseeable future or until maturity.

iv. Reclassification out of the "available-for-sale" category to the "held to maturity" category, is permitted for financial assets that meet the relevant characteristics and the entity has the intent and ability to hold that financial asset until maturity.

Reclassification out of the held-to-maturity category to other categories is not permitted. Any sale or reclassification of a more than insignificant amount of held-to-maturity investment would result in the reclassification of all held-to-maturity investments as available-for-sale. This would prohibit the classification of any securities as held-for-maturity for the current and the following two financial years.

Permitted reclassifications of the above categories iii and iv (further analyzed in note 17 and 18) have been made by the Bank.

Derecognition of financial assets

The Bank derecognizes financial assets when:

- the cash flows from the financial assets expire.
- the contractual right to receive the cash flows of the financial assets is transferred and at the same time both risks and rewards of ownership are transferred.
- loans or investments in securities are no longer recoverable and consequently written off.

In the case of transactions, where despite the transfer of the contractual right to recover the cash flows from financial assets, both the risk and rewards remain with the Bank no derecognition of these financial assets occurs. The amount received by the transfer is recognized as a financial liability. The accounting practices followed by the Bank in such transactions are discussed further in notes 1.18 and 1.19.

In the case of transactions, whereby the Bank neither retains nor transfers risks and rewards of the financial assets, but retains control over them, the financial assets are recognized to the extent of the Bank's continuing involvement. If the Bank does not retain control of the assets then they are derecognised, and in their position the Bank recognizes, distinctively, the assets and liabilities which are created or retained during the transfer. No such transactions occurred upon balance sheet date.

Subsequent measurement of financial liabilities

The Bank classifies financial liabilities in the following categories for measurement purposes:

a) Financial liabilities measured at fair value through profit or loss

i. This category includes financial liabilities held for trading, that is:
   - financial liabilities acquired or incurred principally with the intention of selling or repurchasing in the near term for short term profit, or
   - derivatives not used for hedging purposes.

Liabilities arising from either derivatives held for trading or derivatives used for hedging purposes are presented as "derivative financial liabilities" and are measurement according to the principles set out in note 1.6.

ii. this category also includes financial liabilities which are designated by the Bank as at fair value through profit or loss upon initial recognition, according to the principles set out above for financial assets (point cii).

The Bank has not designated, upon initial recognition, any financial liabilities as at fair value through profit or loss.

b) Financial liabilities carried at amortized cost

The liabilities classified in this category are measured at amortized cost using the effective interest method.

Liabilities to credit institutions and customers, debt securities issued by the Bank and other loan liabilities are classified in this category.

In cases when financial liabilities included in this category are designated as the hedged item in a hedge relationship, the accounting principles applied are those set out in note 1.6.

Derecognition of financial liabilities

The Bank derecognizes a financial liability (or part thereof) when its contractual obligations are discharged or cancelled or expire.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is presented in the balance sheet, only in cases when the Bank has both the legal right and the intention to settle them on a net basis, or to realize the asset and settle the liability simultaneously.

1.6 Derivative financial instruments and hedge accounting

Derivative financial instruments

Derivatives are financial instruments that upon inception have a minimal or zero value that subsequently changes in accordance with a particular underlying instrument (foreign exchange, interest rate, index or other variable).

All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Derivatives are entered into for either hedging or trading purposes and they are measured at fair value irrespective of the purpose for which they have been transacted.

In the cases when derivatives are embedded in other financial instruments, such as bonds, loans, deposits, borrowed funds etc and the host contract is not itself carried at fair value through profit or loss, then they are accounted for as separate derivatives when the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. These embedded derivatives are measured at fair value and are recognized as derivative assets or liabilities.

In the cases where derivatives are embedded in financial instruments that are measured at fair value through profit or loss, the changes in the fair value of the derivative are included in the fair value change of the combined instrument and recognized in gains less losses on financial transactions.

The Bank uses derivatives as a means of exercising asset-liability management within the guidelines established by the Asset-Liability Committee (ALCO).

In addition the Bank uses derivatives for trading purposes to exploit short-term market fluctuations, within the Bank risk level set by the Asset-Liability Committee (ALCO).

Valuation differences arising from these derivatives are recognized in gains less losses on financial transactions.

When the Bank uses derivatives for hedging purposes it ensures that appropriate documentation exists on inception of the transaction. The effectiveness of the hedge is monitored on inception and on an ongoing basis at each balance sheet date.

We emphasize the following:

a. Synthetic Swaps

The Bank, in order to increase the return on deposits to selected customers, uses synthetic swaps.

This involves the conversion of a Euro deposit to JPY with a simultaneous forward purchase of JPY to cover the foreign exchange exposure.

The result arising from the forward transaction is recognized as interest expense, foreign exchange differences and other gains less losses on financial transactions.

b. FX Swaps

These types of swaps are entered into primarily to hedge the exposures arising from customer loans and deposits.

As there is no documentation to support hedge accounting they are accounted for as trading instruments.

The result arising from these derivatives is recognized as interest, foreign exchange differences, in order to match with the interest element and foreign exchange differences resulting from the deposits and loans, and other gains less losses on financial transactions.

Hedge accounting

Hedge accounting establishes the valuation rules to offset the gain or loss of the fair value of a hedging instrument and a hedged item which would not have been possible if the normal measurement principles were applied.

Documentation of the hedge relationship upon inception and of the effectiveness of the hedge on an on-going basis are the basic requirements for the adoption of hedge accounting.

The hedge relationship is documented upon inception and the hedge effectiveness test is carried out upon inception and is repeated at each reporting date.

a. Fair value hedges

A fair value hedge of a financial instrument offsets the change in the fair value of the hedged item in respect of the risks being hedged. Changes in the fair value of both the hedging instrument and the hedged item in respect of the specific risk being hedged are recognized in the income statement.

When the hedge relationship no longer exists, the hedged items are remeasured based on the classification and valuation principles set out in note 1.5.

Specifically any adjustment, due to the fair value change of a hedged item for which the effective interest method is used up to the point that the hedge relationship ceases to be effective, is amortized to interest income or expense based on a recalculated effective interest rate, over its remaining life.

The Bank uses interest rate swaps (IRS's) to hedge risks relating to borrowings, bonds, loans and fixed rate term deposits. It also uses foreign exchange derivatives to hedge the foreign exchange risk of investments in subsidiaries.

b. Cash flow hedge

A cash flow hedge changes the cash flows of a financial instrument form a variable rate to a fixed rate.

The effective portion of the gain or loss on the hedging instrument is recognized directly in equity, whereas the ineffective portion is recognized in profit or loss. The accounting treatment of the hedged item does not change.

When the hedging relationship is discontinued, the amount recognized in equity remains there separately until the cash flows or the future transaction occur. When the cash flows or the future transaction occur the following apply:

- If the result is the recognition of a financial asset or a financial liability, the amount is reclassified to profit or loss in the same periods during which the hedged forecast cash flows affect profit or loss.
- If the result is the recognition of a non-financial asset or a non-financial liability or a firm commitment for which fair value hedge accounting is applied, the amount recognized in equity either is reclassified to profit or loss in the same periods during which the asset or the liability affect profit or loss or adjusts the carrying amount of the asset or the liability.

If the expected cash flows or the transaction are no longer expected to occur, the amount is reclassified to profit or loss.

During the current reporting period, the Bank applied cash flow hedge accounting for a specific group of term deposits. The hedging relationship was revoked during the current reporting period. The amount recognized in equity will be linearly amortized in the periods during which the hedged cash flows from the aforementioned term deposits affect profit or loss.

c. Hedges of net investment in a foreign operation

Hedge accounting of net investment in a foreign operation is similar to cash flow hedge accounting. The cumulative gain or loss recognized in equity is reversed and recognized in profit or loss, at the time that the disposal of the foreign operation takes place.

1.7 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost, plus any expenses directly attributable to their acquisition less impairment losses.

Dividends received by the Bank from the above investments are recognised in the income statement when the dividend distribution is approved by the appropriate body of the company that the Bank has invested in.

Collection of dividens from subsidiaries, associates and joint ventures is considered as a possible impairment indicator when investments are tested for impairment at each reporting date.

1.8 Property, plant and equipment

This caption includes: land, buildings used by the branches or for administrative purposes, additions and improvements of leased property and equipment.

Property, plant and equipment are initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. Expenditure on repairs and maintenance is recognized in profit or loss as an expense as incurred.

Depreciation is charged on a straight line basis over the estimated useful lives of property, plant and equipment and it is calculated on the asset's cost minus residual value.

The estimated useful lives are as follows:

- Buildings: 33 years.
- Additions to leased fixed assets and improvements: duration of the lease.
- Equipment and vehicles: 4 to 20 years.

Land is not depreciated but it tested for impairment.

The residual value of property and equipment and their useful lives are periodically reviewed and adjusted if necessary at each reporting date.

Property, plant and equipment are reviewed at each reporting date to determine whether there is an indication of impairment and if they are impaired the carrying amount is adjusted to its recoverable amount with the difference recorded in profit or loss.

Gains and losses from the sale of property and equipment are recognized in profit or loss.

1.9 Investment property

The Bank includes in this category buildings or portions of buildings together with their respective portion of land that are held to earn rental income.

Investment property is initially recognised at cost which includes any expenditure directly attributable to the acquisition of the asset.

Subsequently, investment property is measured at cost less accumulated depreciation and impairment losses.

Subsequent expenditure is recognized on the carrying amount of the item when it increases future economic benefit. All costs for repairs and maintenance are recognized in profit or loss as incurred.

The estimated useful lives over which depreciation is calculated using the straight line method, are the same as those applied to property, plant and equipment.

1.10 Goodwill and other intangible assets

The Bank has included in this caption:

a) Software, which is measured at cost less accumulated amortization. The cost of separately acquired software comprises of its purchase price and any directly attributable cost of preparing the software for its intended use, including employee benefits or professional fees. The cost of internally generated software comprises of expenditure incurred during the development phase, including employee benefits arising from the generation of the software. Amortization is charged over the estimated useful life of the software, which the Bank has estimated between 3 to 15 years. Expenditure incurred to maintain software programs is recognized in the income statement as incurred.

b) Brand names and banking rights which are measured at cost less accumulated amortization. Amortization is charged over the estimated useful life, which the Bank has estimated to 5 years.

Intangible assets are amortised using the straight line method, excluding those with indefinite useful life, which are not amortized. All intangible assets tested for impairment.

No residual value is estimated for intangible assets.

1.11 Leases

The Bank enters into leases either as a lessee or as a lessor.

When the risks and rewards incident to ownership of an asset are transferred to the lessee they are classified as finance leases.

All other lease agreements are classified as operating leases.

The accounting treatment followed depends on the classification of the lease, which is as follows:

a) When the Bank is the lessor

i. Finance leases:

For finance leases where the Bank is the lessor the aggregate amount of lease payments is recognized as loans and advances.

The difference between the present value (net investment) of lease payments, and the aggregate amount of lease payments, is recognized as unearned finance income and is deducted from loans and advances.

The lease rentals received decrease the aggregate amount of lease payments and finance income is recognized on an accrual basis.

The finance lease receivables are subject to the same impairment testing as applied to customer loans and advances as described in note 1.12.

ii. Operating leases:

When the Bank is a lessor of assets under operating leases, the leased asset is recognized and depreciation is charged over its estimated useful life. Income arising from the leased asset is recognized as other income on an accrual basis.

b) When the Bank is the lessee

i. Finance leases:

For finance leases, where the Bank is the lessee, the leased asset is recognized as property, plant and equipment and a respective liability is recognized in other liabilities.

At the commencement of the lease the leased asset and liability are recognized at amounts equal to the fair value of leased property or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or if this is not available the Bank's borrowing rate for similar financing.

Subsequent to initial recognition the leased assets are depreciated over their useful lives unless the duration of the lease is less than the useful life of the leased asset and the Bank is not expected to obtain ownership at the end of the lease, in which case the asset is depreciated over the term of the lease.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

ii. Operating leases:

For operating leases the Bank as a lessee does not recognize the leased asset but charges in general administrative expenses, the lease payments on an accrual basis.

1.12 Impairment losses on loans and advances

The Bank assess as at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically, the steps performed are the following:

a. Establishment of events that provide objective evidence that a loan is impaired (trigger events)

The loans and advances with payment of interest or principal overdue by more than 90 days represent the majority of the loans which are tested for impairment.

In addition an impairment test may be performed for accounts with delays less than 90 days, or accounts with no delay when:

i. procedures for forced recovery have commenced against the borrower by other creditors or when the settlement of debts, with more burdensome conditions for the Bank, have been initiated or

ii. the Bank has information that indicates that the financial position of the borrower is deteriorating (reduced sales, gross margins, profit etc.) or other events (bankruptcy filing, extra-ordinary events such as floods, fire, etc at the installations of the borrower) which occurred after the date of initial recognition and which are considered to affect the ability of the borrower to adhere to the agreed repayment schedule.

Finally, an impairment test is performed on loans and advances granted to sectors of the economy or geographical regions which are experiencing problems that arose after the date of initial recognition of the loans.

b. The criteria of assessment on an individual or collective basis

The outstanding balance is the basic factor in determining whether the assessment of impairment will be performed on an individual basis or on a collective basis.

More specifically the separation point for the Bank is the amount of €1 million.

In determining the amount numerous factors were considered such as the composition of the loan portfolio, the specific circumstances of the market and experience obtained from the management of the portfolio.

c. Establishment of groups of assets with similar risk characteristics

In those instances whereby, based on the amount outstanding, the assessment of impairment is performed on a collective basis of assets with similar risk characteristics with respect to credit risk, the collective groups were determined as follows:

i. buckets arising from ageing analysis of loans and advances to customers.

ii. the type of loan (consumer, credit cards, mortgage etc.) for retail loans.

Based on detailed internal data the above groups are either expanded or combined in the event that this is justified from the historical data.

d. Methodology in determining future cash flows from impaired loans

The Bank has accumulated a significant amount of historical data of the last six years, which includes the loss given default for loans after the completion of forced recovery, or other measures taken to secure collection of loans, including the realization of collaterals.

On the basis of this data the amount of the impairment is determined on both an individual and collective basis taking into account the time value of money.

The cash flows are discounted at the loans' original effective interest rate.

e. Interest income recognition

Interest income on impaired loans is recognized based on the carrying value of the loan net of impairment at the original effective interest rate.

f. Impairment recognition

Amounts of impaired loans are recognized on allowance accounts until the Bank decides to write off these amounts.

g. Recoveries

If in a subsequent period after the recognition of the impairment loss, events occur which require the impairment loss to be reduced, or there has been a collection of amounts from loans and advances previously written-off, the recoveries are recognized in profit and loss in impairment losses and provisions to cover credit risk.

1.13 Accounting for income tax

Income tax consists of current and deferred tax.

Current tax for a period includes the expected amount of income tax payable in respect of the taxable profit for the current reporting period, based on the tax rates enacted at the balance sheet date.

Deferred tax is the tax that will be paid or for which relief will be obtained in future periods due to the different period that certain items are recognized for financial reporting purposes and for taxation purposes. It is calculated based on the temporary differences between the tax base of assets and liabilities and their respective carrying amounts in the financial statements.

Deferred tax assets and liabilities are calculated using the tax rates that are expected to apply when the temporary difference reverses, based on the tax rates (and laws) enacted at the balance sheet date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Income tax, both current and deferred, is recognized in profit or loss expect when it relates to items recognized directly in equity. In such cases, the respective income tax is also recognized in equity.

1.14 Non-current assets held for sale

Non-current assets or disposal groups that are expected to be recovered principally through a sale transaction, along with the related liabilities, are classified as held-for-sale.

These items consist of assets acquired through the enforcement of security over customer loans and advances.

Before their classification as held for sale, the assets are remeasured in accordance with the respective accounting policy. Thereafter they are measured at the lower of their carrying amount and fair value less cost of sale.

Any loss arising from the above measurement is recorded in profit or loss. This loss which can be reversed in the future, is allocated to assets in the disposal group that are within the scope of the measurement requirements of IFRS 5. The impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro-rata basis.

Property in this category is not depreciated, however, it is reviewed for impairment at each reporting date.

Gains or losses from the sale of these assets are recognized in the income statement.

1.15 Employee benefits

The Bank has both defined benefit and defined contribution plans.

A defined contribution plan is where the Bank pays fixed contributions into a separate entity and the Bank has no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement which is dependent, among others, on years of service and salary on date of retirement and it is guaranteed by the Bank.

The defined benefit obligation is calculated annually based on actuarial valuation performed by independent actuaries using the projected unit credit method.

The liability recognized in the financial statements in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets together with adjustments for unrecognized actuarial gains or losses and past service costs.

The amount determined by the above comparison may be negative, a receivable. The amount of the receivable recognised in the financial statements cannot exceed the total of

c) any cumulative unrecognized net actuarial losses and past service cost, and

d) the present value of any economic benefits available to the Bank in the form of refunds from the plan or reductions in future contributions to the plan.

The present value of the defined benefit obligation is calculated based on the return of high quality corporate bonds with a corresponding maturity to that of the obligation, or based on the return of government bonds in cases when there in no deep market in corporate bonds.

Cumulative actuarial gains and losses arising from experience adjustments and changes and actuarial assumption variations, to the extent that they exceed 10 per cent of the greater of the accrued obligation or the fair value of plan assets, are amortized over a period equal to the average remaining working lives of the employees.

Past-service costs are recognized immediately in the income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In the second case, the past service costs are amortized on a straight line basis over the vesting period.

1.16 Share options granted to employees

The Bank rewards the performance of its executives and managers by granting share options. The number of granted share options, the price and the exercise date are decided from the Board of Directors in accordance to Shareholders' Meeting approvals.

The fair value calculated at grant date, is recognized over the period from the grant date and exercise date and recorded as an expense in payroll and related costs with an increase of a reserve in equity respectively. The amount paid by the beneficiaries of share options on the exercise date increases the share capital of the Bank and the reserve in equity from the previously recognized fair value of the exercised options is transferred to share premium.

1.17 Provisions

A provision is recognized if as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are, also, recognized in cases of restructuring plans with which management attempts either to change the subject of a corporate activity or the manner in which it is conducted (e.g. close down business locations). The recognition of provision is accompanied with the relevant, authorized by the Management, program and with the suitable actions of disclosure.

Provisions are determined by discounting the expected future cash flows required to settle the obligation. The discount rate applied reflects current market assessments of the time value of money. Cash payments are recorded to provisions to the extent that they relate to the specific provision. At each reporting period provisions are re-assessed.

Provisions are not recognized for future operating losses.

Future events that may affect the amount required to settle the obligation, for which a provision has been recognized, are taken into account when sufficient objective evidence exists that they will occur.

Reimbursements from third parties relating to a portion of or all of the estimated cash outflow are recognized as assets, only when it is virtually certain that they will be received. The expense recognized in profit or loss relating to the provision may be presented net of the amount of the reimbursement.

1.18 Sale and repurchase agreements and securities lending

The Bank enters into purchases of securities under agreements to resell at a certain date in the future at a fixed price. Securities purchased subject to commitments to resell them at future dates are not recognized as investments.

The amounts paid are recognized in loans and advances to either banks or customers. The difference between the purchase price and the resale price is recognized as interest on an accrual basis.

Securities that are sold under agreements to repurchase continue to be recognized in the balance sheet and are measured in accordance with the accounting policy of the category that they have been classified in and are presented as investments.

The proceeds from the sale of the securities are reported as liabilities to either banks or customers. The difference between the sales price and the repurchase price is recognized on an accrual basis as interest.

Securities borrowed by the Bank under securities lending agreements are not recognized in the balance sheet except when they have been sold to third parties whereby the liability to deliver the security is recognized and measured at fair value.

1.19 Securitization

The Bank securitises financial assets, by transferring these assets to special purpose entities, which in turn issue bonds.

In each securitization of financial assets the Bank considers, the contractual terms and the economic substance of transactions, in order to decide whether the Bank should proceed with the derecognition of the securitized assets, as referred in note 1.5.

1.20 Equity

Distinction between debt and equity

Financial instruments issued by the Bank to obtain funding are classified as equity when, based on the substance of the transaction, the Bank does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

In cases when the Bank is required to issue equity instruments in exchange for the funding obtained, the number of equity instruments must be fixed and determined on the initial contract, in order for the obligation to be classified as equity.

Incremental costs of share capital increase

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from retained earnings.

Share premium

Share premium includes the difference between the nominal value of the shares and the cost consideration received in the case of a share capital increase.

It also includes the difference between the nominal value of the shares issued and their market value, in cases of exchanges of shares as consideration for the acquisition of a business by the Bank.

Treasury shares

The cost of acquiring treasury shares is recognized as a reduction of equity. Subsequent gains or losses from the sale of treasury shares, after deducting all direct costs and taxes, are recognized directly in retained earnings.

Retained earnings

Dividends are deducted from retained earnings and recorded as a liability in the period that the dividend is approved by the shareholders' general meeting.

1.21 Interest income and expense

Interest income and expense is recognized in the income statement for all interest bearing financial assets and liabilities.

Interest income and expense is recognised on an accrual basis and measured using the effective interest rate method. Interest on impaired financial assets is determined on their balance after impairment using the effective interest rate.

Borrowing costs that are directly attributable to assets that require a substantial period of time to get ready for their intended use or sale are capitalized as part of the cost of the asset. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use are complete.

As at the reporting date no borrowing costs have been capitalised.

1.22 Fee and commission income

Fee and commission income is recognized in the income statement on an accrual basis when the relevant service has been provided.

Transaction revenues relating to the recognition of a financial instrument not measured at fair value through profit and loss are capitalized and amortised in the income statement using the effective interest method over the life of the financial instrument.

1.23 Gains less losses on financial transactions

Gains less losses on financial transactions include the fair value changes of financial assets measured at fair value through profit and loss, gains or losses on their disposal and the exchange differences arising from the translation of financial instruments denominated in foreign currencies. Impairment losses on bonds are also included in gains less losses on financial transactions.

Differences that may arise between the carrying amount of financial liabilities settled or transferred and the consideration paid, are also recognised in gains less losses on financial transactions.

1.24 Comparatives

To the extent considered necessary the comparatives have been adjusted to facilitate changes in presentation of the current year amounts.

INCOME STATEMENT

2. Net interest income

	From 1 January to	
	31.12.2010	31.12.2009
Interest and similar income		
Due from banks	100,954	146,808
Due from customers	1,726,523	2,022,816
Securitized loans	458,071	317,615
Securities held for trading	6,290	8,269
Available for sale securities	115,405	179,045
Held to maturity securities	132,171	111,823
Securitized instruments	16,567	50,068
Derivative financial instruments	387,526	496,942
Other	12,278	5,792
Total	**2,955,785**	**3,339,178**
Interest expense and similar charges		
Due to banks	(180,785)	(211,297)
Due to customers	(618,087)	(780,294)
Debt securities in issue and other borrowed funds	(231,641)	(347,366)
Derivative financial instruments	(471,026)	(555,565)
Other	(103,365)	(100,444)
Total	**(1,604,904)**	**(1,994,966)**
Net interest income	**1,350,881**	**1,344,212**

3. Net fee and commission income

	From 1 January to	
	31.12.2010	31.12.2009
Loans	65,326	70,679
Letters of guarantee	41,654	38,595
Imports-exports	10,568	10,808
Credit cards	42,824	48,143
Fund transfers	39,926	45,804
Mutual funds	18,084	19,916
Advisory fees and securities transaction fees	5,964	7,998
Other	17,604	36,789
Total	**241,950**	**278,732**

4. Dividend income

	From 1 January to	
	31.12.2010	31.12.2009
Subsidiaries and associates	45,766	103,682
Available for sale securities	761	1,355
Total	**46,527**	**105,037**

5. Gains less losses on financial transactions

	From 1 January to	
	31.12.2010	31.12.2009
Foreign exchange differences	12,587	15,422
Securities held for trading		
- Bonds	(1,966)	63,697
Investment securities:		
- Bonds	5,665	176,138
- Shares	420	(845)
- Mutual funds		(590)
Loan portfolio	(2,791)	
Investments	2,219	5,065
Derivative financial instruments	(2,645)	864
Other financial instruments	(4,328)	3,840
Total	**9,161**	**263,591**

6. Other income

	From 1 January to	
	31.12.2010	31.12.2009
Rental income	3,628	3,987
Sales of fixed assets	724	1,417
Insurance indemnities	108	183
Secondment of personnel to group companies	2,258	2,274
Preparation of business plans and financial studies	1,493	1,422
Other	4,115	4,993
Total	**12,326**	**14,276**

7. Staff costs

	From 1 January to	
	31.12.2010	31.12.2009
Wages and salaries	283,196	290,619
Social Security contributions	74,971	73,989
Common Insurance Fund of Bank Employees	16,496	18,496
Employee defined benefit obligation (note 30)	3,607	3,008
Other	24,942	26,574
Total	**403,212**	**412,686**

The total employees of the Bank as at 31.12.2010 were 8,612 (31.12.2009: 8,860) of which 7,266 (31.12.2009: 7,501) are employed in Greece and 1,346 (31.12.2009: 1,359) are employed abroad.

Defined contribution plans

All the employees of the Bank receive their main pension from the Social Insurance Fund (I.K.A.). Additionally, the following apply:

a) The supplementary pension plan for employees of the former Ionian and Popular Bank of Greece is T.A.P.I.L.T.A.T., a multi-employer plan. The Bank has obtained legal opinions that indicate that it has no obligation if the fund does not have sufficient assets to pay employee benefits. Therefore the Bank considers that the fund is a defined contribution plan and it is accounted for as such. The Bank has applied for membership in the Common Insurance Fund of Bank Employees (E.T.A.T.) for it's employees who are insured in Pension Plan for employees of Ionian – Popular Bank and other Banks (T.A.P.I.L.T.A.T.).

b) Employees of former Ionian and Popular Bank of Greece are insured for the lump sum benefit in the Bank Employee and Companies Common Benefit Plan (T.A.Y.T.E.K.O.) which is a defined contribution plan.

c) All employees of the Bank receive medical benefits from the Bank Employee and Companies Common Benefit Plan

(T.A.Y.T.E.K.O.). This plan has been accounted for as a defined contribution plan.

d) Employees of former Alpha Credit Bank are insured, for supplementary pension, in the Common Insurance Fund of Bank Employees (E.T.A.T.) after the absorption of TAP since 1.1.2008 according to article 10 of Law 3620/2007. The Bank pays to E.T.A.T. fixed contribution percentage over employee salaries in addition to the annual installment that relates to the total cost of joining E.T.A.T. which amounts to € 543 million, which was calculated with the reference date being 31.12.2006, in accordance with a special economic study as stipulated by Law 3371/2005.

Defined benefit plans

An analysis of liabilities arising from defined benefit plans are set out in note 30.

8. General administrative expenses

	From 1 January to	
	31.12.2010	31.12.2009
Rent of buildings	37,992	39,261
Rent and maintenance of EDP equipment	33,411	42,283
EDP expenses	36,859	41,024
Marketing and advertisement expenses	24,989	34,023
Telecommunications and postage	28,095	31,678
Third party fees	40,454	38,628
Consultants fees	7,796	7,355
Contribution to Deposit and Investment Guarantee Fund	14,985	16,139
Insurance	6,154	5,779
Consumables	4,896	7,920
Electricity	7,664	7,253
Agency fees	2,053	5,558
Taxes (VAT, real estate etc.)	48,592	45,462
Repairs of buildings and equipment	6,144	6,470
Cleaning fees	3,894	3,589
Security	8,656	7,372
Transportation	2,995	3,386
Services form collection agencies	23,744	19,653
Other	50,053	71,305
Total	**389,426**	**434,138**

9. Other expenses

	From 1 January to	
	31.12.2010	31.12.2009
Impairment losses on assets	1,003	403
Provisions for operational restructuring program (note 32)	5,481	
Other provisions (note 32)		2,543
Total	**6,484**	**2,946**

The Bank decided during the year to carry out an operational restructuring program. In this context, the decision has been made for the restructuring of its branch networks in Greece and Southeastern Europe, as well as the change in certain operations in order to achieve general cost reduction. The above mentioned program began in 2010 and the total expenditure is estimated at € 7 million.

10. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.12.2010	31.12.2009
Impairment losses on loans and advances to customers (note 17)	724,235	549,670
Impairment losses on participations	47,936	
Provisions to cover credit risk relating to off balance sheet items		(4,200)
Recoveries	(13,973)	(13,170)
Total	**758,198**	**532,300**

11. Income tax

In accordance with Greek tax Law, up to 2009, profits of entities operating in Greece were taxed at a rate of 25%. According to Law 3697/2008 the tax rate for 2010 is 24% and will be reduced by one percent each year until the rate reaches 20% in 2014 and thereafter. Dividends distributed by entities established in Greece and approved by the General Meetings of Shareholders held after 1.1.2009 are subject to a withholding tax of 10% with no further tax obligation for the beneficiary (Law 3697/2008).

In accordance with Law 3842/2010, a tax rate of 40% is imposed on distributed or capitalized profits of legal entities from 1.1.2011, while undistributed profits are taxed according to the current tax rate. After the payment of a tax rate 40% there is no further tax obligation for the beneficiary legal entity, while the individual beneficiary is subject to tax under the prevailing tax framework. The above is also applicable to prior year profits that will be either distributed or capitalized from 1.1.2011 and thereon.

In accordance with article 14 of draft law "Fighting tax evasion, reforming the tax administration and other provisions under the responsibility of the Ministry of Finance" which was submitted to the Parliament to be voted, for the periods commencing from 1.1.2011 thereon, a 20% tax rate is imposed on legal entities. For profit distribution a withholding tax is imposed with a 25% tax rate. For financial statements up to 31.12.2010 a 21% tax rate is imposed on distributed profits.

In accordance with article 10, paragraph 3 of Law 3842/2010, the portion of the credit balance arising from Banks' income tax statements for the fiscal year 2010 (accounting year 1.1 - 31.12.2009), relevant to withholding tax on interest of bonds of any kind, will not be returned. For 2010 a credit balance did not arise due to the above.

In accordance with article 5 of Law 3845/6.5.2010 "Measures for the implementation of the supporting mechanism of the Greek economy through the Eurozone Member-States and the International Monetary Fund" an extraordinary tax was imposed on legal entities for social responsibility purposes and is calculated on the total net income for the fiscal year 2010 (accounting year 1.1 - 31.12.2009) provided that it exceeds €100,000. The extraordinary tax is imposed on profits before income tax as reported under International Financial Reporting Standards (IFRS), only if these are greater than the total taxable profits.

According to the above, the extraordinary tax recognized in the Financial Statements of the Bank as at 31.12.2010 amounts to €55.5 million and it was paid in January 2011.

Respectively, profits for the 2009 were burdened by the extraordinary tax amount of €37.4 million according to article 2 of Law 3808/2009, where extraordinary tax was imposed on companies whose total net income of 2008 exceeded €5 million.

The income tax expense is analyzed as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Current	83,746	75,239
Deferred	(37,194)	26,377
Total	**46,552**	**101,616**
Extraordinary tax (Law 3845/2010 and Law 3808/2009)	55,512	37,433

Deferred tax recognized in the income statement is attributable to the temporary differences the effects of which are analyzed as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Depreciation of fixed assets and write-offs	3,280	2,823
Valuation of loans	20,306	(8,863)
Suspension of interest accruals	50,234	31,896
Loans impairment	(98,034)	(45,986)
Liabilities to Common Insurance Fund of Bank Employees	11,880	11,619
Valuation of derivatives	(11,641)	30,554
Effective interest rate	(19,247)	11,856
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(4,194)	210
Valuation of investments in subsidiaries due to hedging	444	(293)
Impairment of participations	(2,864)	
Valuation of bonds	12,501	(2,732)
Valuation of shares	242	5,043
Other temporary differences	(101)	(9,750)
Total	**(37,194)**	**26,377**

A reconciliation between the effective and nominal tax rate is provided below:

	From 1 January to			
	31.12.2010		31.12.2009	
	%		%	
Profit before income tax		**45,755**		**567,706**
Income tax (nominal tax rate)	24	10,981	25	141,927
Increase/(decrease) due to:				
Additional tax on income of fixed assets	0.24	109	0.02	119
Non taxable income	(14.25)	(6,522)	(9.69)	(54,993)
Non deductible expenses	64.12	29,338	2.97	16,863
Effect of tax rates used for deferred tax	0.75	344	0.23	1,292
Other temporary differences	26.88	12,302	(0.63)	(3,592)
Income Tax (effective tax rate)	**101.74**	**46,552**	**17.90**	**101,616**

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	31.12.2010			31.12.2009		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Change in available for sale securities reserve	(256,915)	56,153	(200,762)	25,529	(5,698)	19,831
Change in cash flow hedge reserve	(38,206)	8,787	(29,419)			
Exchange differences on translating foreign operations	(32)		(32)	(175)		(175)
Total	**(295,153)**	**64,940**	**(230,213)**	**25,354**	**(5,698)**	**19,656**

In addition, in 2009, current tax amounting to €13,310 was included in retained earnings which related to expenses for the share capital increase. The respective amount for 2010 amounted to €192.

12. Earnings / (losses) per share

a. Basic

Basic earnings per share are calculated by dividing the profit after income tax for the period, by the weighted average number of ordinary shares outstanding, after deducting the weighted average number of treasury shares held by the Bank during the period.

b. Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Bank does not have dilutive potential ordinary shares and additionally, based on the preference shares terms of issuance, basic and dilutive earnings per share should not differ.

	From 1 January to	
	31.12.2010	31.12.2009
Profit / (loss) attributable to ordinary equity owners of the Bank	(56,309)	428,657
Weighted average number of outstanding ordinary shares	534,269,648	451,781,227
Basic and diluted earnings/(losses) per share (in €)	(0.11)	0.95

Taking into consideration the impact of the accrued return on preference shares, earnings / (losses) per share are formed as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Profit / (loss) attributable to ordinary equity owners of the Bank less the accrued return on preference shares of the Greek State (Law 3723/2008)	(128,689)	369,907
Weighted average number of outstanding ordinary shares	534,269,648	451,781,227
Basic and diluted earnings/(losses) per share (in €)	(0.24)	0.82

ASSETS

13. Cash and balances with Central Banks

	31.12.2010	31.12.2009
Cash	250,390	321,187
Cheques receivable	52,743	75,963
Balances with Central Banks	686,020	1,028,815
Placements with the European Central Bank	1,816,013	1,300,009
Total	**2,805,166**	**2,725,974**
Less: Deposits pledged to Central Banks	(749,290)	(742,452)
Balance	2,055,876	1,983,522

The Bank is required to maintain a current account with the Bank of Greece (Central Bank) in order to facilitate interbank transactions with the Central Bank and other financial institutions through the Trans European – Automated Real Time Gross Settlement Express Transfer System (TARGET).

The Bank of Greece also requires, that all financial institutions established in Greece maintain reserve deposits with the Central Bank equal to 2% of customer deposits.

These deposits bear interest at the refinancing rate as set by the European Central Bank which as at 31.12.2010 was 1% (31.12.2009: 1%).

Cash and cash equivalents (as presented for the purposes of the Statement of Cash Flows)

	31.12.2010	31.12.2009
Cash and balances with Central Banks	2,055,876	1,983,522
Receivables from sale and repurchase agreements (Reverse Repos)	1,269,070	5,063,702
Short-term placements with other banks	1,320,923	1,377,495
Total	**4,645,869**	**8,424,719**

14. Due from banks

	31.12.2010	31.12.2009
Placements with other banks	6,533,826	6,532,639
Guarantees for derivative securities coverage	886,932	390,185
Sale and repurchase agreements (Reverse Repos)	1,269,070	5,063,702
Loans to financial institutions	134,429	174,907
Total	**8,824,257**	**12,161,433**

15. Securities held for trading

	31.12.2010	31.12.2009
Greek government bonds	27,561	56,980
Other government bonds	6,193	6,095
Other issuers:		
- Listed	2,042	3,461
- Non-listed		410
Total	**35,796**	**66,946**

16. Derivative financial instruments (assets and liabilities)

	31.12.2010		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	965,451	10,873	12,496
Currency swaps	1,921,957	22,115	13,772
Cross currency swaps	5,299,552	86,603	439,591
Currency options	29,473	538	571
Currency options embedded in customer products	3,803	10	
Total non-listed	**8,220,236**	**120,139**	**466,430**
b. Interest rate derivatives			
Interest rate swaps	14,822,764	229,004	250,721
Interest rate options (caps & floors)	883,290	7,107	7,215
Total non-listed	**15,706,054**	**236,111**	**257,936**
Futures	300,000		8
Total listed	**300,000**		**8**
c. Credit derivatives			
Credit default swaps embedded in debt securities	246,484		22,964
Total non-listed	**246,484**		**22,964**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	75,599		1,448
Cross currency swaps	376,116	66,975	706
Total non-listed	**451,715**	**66,975**	**2,154**
b. Interest rate derivatives			
Interest rate swaps	5,504,991	18,788	357,063
Interest rate options (caps & floors)	3,766		36
Total non-listed	**5,508,757**	**18,788**	**357,099**
Grand total	**30,433,246**	**442,013**	**1,106,591**

	31.12.2009		
	Contract nominal amount	Fair value	
		Assets	Liabilities
Derivatives held for trading			
a. Foreign exchange derivatives			
Currency forwards	1,462,035	4,668	20,414
Currency swaps	3,426,384	42,221	24,539
Cross currency swaps	593,840	23,691	44,058
Currency options	18,218	104	280
Currency options embedded in customer products	12,410	116	
Total non-listed	**5,512,887**	**70,800**	**89,291**
b. Interest rate derivatives			
Interest rate swaps	16,391,143	273,397	251,255
Interest rate options (caps)	768,834	6,245	6,092
Total non- listed	**17,159,977**	**279,642**	**257,347**
c. Commodity derivatives			
Commodity swaps	1,161	425	424
Total non-listed	**1,161**	**425**	**424**
d. Index derivatives			
Options	743	5	
Total listed	**743**	**5**	
e. Credit derivatives			
Credit default swaps embedded in debt securities	255,929		20,637
Total non-listed	**255,929**		**20,637**
Derivatives for hedging			
a. Foreign exchange derivatives			
Currency swaps	68,354	120	6,344
Cross currency swaps	225,293	10,095	
Total non-listed	**293,647**	**10,215**	**6,344**
b. Interest rate derivatives			
Interest rate swaps	6,189,882	12,513	254,843
Total non-listed	**6,189,882**	**12,513**	**254,843**
Grand total	**29,414,226**	**373,600**	**628,886**

17. Loans and advances to customers

	31.12.2010	31.12.2009
Individuals		
Mortgages:		
- Non-securitized	11,363,534	8,499,634
- Securitized		2,713,146
Consumer:		
- Non-securitized	1,772,396	2,381,256
- Securitized	1,958,435	1,464,555
Credit cards:		
- Non-securitized	400,875	1,217,631
- Securitized	724,026	
Other	54,824	55,477
Total	**16,274,090**	**16,331,699**
Companies:		
Corporate loans:		
- Non-securitized	23,241,798	22,588,980
- Securitized	1,562,067	3,196,024
Other receivables	592,417	967,406
	41,670,372	**43,084,109**
Less:		
Allowance for impairment losses	(1,751,337)	(1,273,354)
Total	**39,919,035**	**41,810,755**

The Bank has proceeded in securitizing consumer, corporate loans and credit cards, through special purpose entities controlled by the Bank.

Based on the contractual terms and structure of the above transactions (e.g. allowance of guarantees or/and credit enhancement or due to the Bank owning the bonds issued by the special purpose entities) the Bank retained in all cases the risks and rewards deriving from securitized portfolios.

The Bank during 2010, securitized a portion of the credit cards and revolving consumer loans portfolio, through the special purpose entity Pisti 2010-1 Plc.

In 2010, bonds amounting to € 2 billion, issued by the special purpose entity Alpha Covered Bonds Plc, under the indirect covered bond program were cancelled. Furthermore, on 23.12.2010, bonds amounting to € 1.7 billion, issued by the special purpose entity Epihiro Plc with coverage corporate loans, were partially repaid. In addition, the Bank according to the direct issuance covered bond program, proceeded with the issuance of an amount of €3.5 billion which was covered by mortgage loans. As of 31.12.2010 the value of mortgage loans provided as coverage for the above mentioned bonds amounted to €4.2 billion.

In accordance with amendments to IAS 39, during the third quarter of 2008 the Bank reclassified securities of €16.8 million from the available for sale portfolio to the loans portfolio. These securities are not traded in an active market and the Bank had the intention to hold them in the foreseeable future. The above securities as at 31.12.2009 were impaired by an amount of €16.2 million. In 2010, the Bank sold the securities mentioned above and recorded € 3.1 million gain in the income statement of the respective period.

Allowance for impairment losses

Balance 1.1.2009	**1,014,146**
Changes for the period 1.1 - 31.12.2009	
Impairment losses for the year (note 10)	549,670
Change in present value of impairment reserve	70,234
Foreign exchange differences	(514)
Loans written-off during the year	(360,182)
Balance 31.12.2009	**1,273,354**
Changes for the period 1.1 - 31.12.2010	
Impairment losses for the year (note 10)	724,235
Change in present value of impairment reserve	116,534
Foreign exchange differences	1,050
Loans written-off during the year	(363,836)
Balance 31.12.2010	**1,751,337**

18. Investment securities

a. Available for sale

	31.12.2010	31.12.2009
Greek government bonds	1,376,929	106,494
Other government bonds	42,190	49,052
Other issuers:		
- Listed	1,337,151	2,141,128
- Non-listed	3,453	30,940
Shares:		
- Listed	21,620	35,915
- Non-listed	4,891	4,326
Other variable yield securities	22,326	31,865
Total	**2,808,560**	**2,399,720**

During 2010 the Bank has recognized impairment for the above portfolio that amounts to €26,376 (2009: €31,121) which is included in "Gains less losses on financial transactions".

b. Held to maturity

	31.12.2010	31.12.2009
Greek government bonds:		
- Non-securitized	4,052,151	2,598,364
Other government bonds:		
- Non-securitized	43,312	25,532
- Securitzed		58,869
Other issuers:		
- Non-securitized:		
Listed	1,114,876	1,240,838
Non-listed	4,454	14,995
- Securitzed:		
Listed		949,521
	5,214,793	**4,888,119**
Less:		
Allowance for impairment losses	(33,657)	(19,626)
Total	**5,181,136**	**4,868,493**

Allowance for impairment losses

Balance 1.1.2009	
Changes for the period 1.1-31.12.2009	
Impairment losses for the year [1]	19,626
Balance 31.12.2009	**19,626**
Changes for the period 1.1-31.12.2010	
Impairment losses for the year [1]	21,854
Change in present value of impairment reserve	516
Foreign exchange differences	660
Securities written-off during the year	(8,999)
Balance 31.12.2010	**33,657**

The Bank during the first quarter of 2009 securitized bonds through the special purpose entity Talanto Plc. On 17.5.2010 the Bank's Executive Committee approved the redemption and cancellation of the above transaction, which was completed during the second quarter of 2010.

The held to maturity portfolio includes bonds amounting to € 165.8 million, which were classified in "Available for sale" until 30.9.2010.

The amounts were reclassified in accordance with their fair value on the transfer date.

[1] *Impairment losses for the year are included in the account "Gains less losses on financial transactions".*

19. Investments in subsidiaries, associates and joint ventures

	From 1 January to	
	31.12.2010	31.12.2009
Subsidiaries		
Opening balance	**1,772,540**	**1,740,117**
Additions	102,025	33,889
Disposals	(47,936)	
Valuation of investments due to fair value hedge [1]	2,219	(1,466)
Closing balance	**1,828,848**	**1,772,540**
Associates		
Opening balance	**74**	**74**
Closing balance	**74**	**74**
Joint ventures		
Opening balance	**22,105**	**10,711**
Additions	2,015	11,394
Closing balance	**24,120**	**22,105**
Total	**1,853,042**	**1,794,719**

Additions represent: Share purchases, participation in share capital increases and acquisitions of shares due to mergers.

Disposals represent: Sales of shares, return of capital, proceeds arising from the liquidation of companies, contributions in kind and impairments.

Subsidiaries' additions of € 102,025 include the following amounts:

a) Share capital increases:

- €9,450 of Ionian Equity Participations Ltd
- € 69,831 of Alpha Bank Romania S.A.
- € 6,009 of Alpha Bank A.D. Skopje
- € 999 of Alphalife A.A.E.Z

b) Shares' purchases

- € 374 of Alpha Bank Romania S.A.
- € 550 of Alpha Leasing Romania IFN S.A.
- € 640 of SSIF Alpha Finance Romania S.A.
- € 14,172 of JSC Astra Bank

Joint Ventures' additions of €2,015 include the following amounts:

- € 667 capital contribution in Alpha - TANEO A.K.E.S.
- € 1,348 participation in the share capital increase of APE Investment Property A.E.

Disposals relate to the impairment in the value of the Bank's investment in subsidiaries, as determined by the annual impairment test of its investments .

[1] *The Bank, uses FX SWAPS and money market loans to hedge the foreign exchange risk of its investments in its subsidiaries Alpha Bank London Ltd, Alpha Bank Romania S.A. and Alpha Finance US Corporation.*

Subsidiary financial information

A. SUBSIDIARIES

Asset	Country of incorporation	Balance 31.12.2010 Assets	Equity	Liabilities	1.1 - 31.12.2010 Turnover	Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2010
Banks							
1. Alpha Bank London Ltd	United Kingdom	634,730	87,423	547,307	19,375	8,006	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	8,401,693	526,909	7,874,784	310,407	61,809	100.00
3. Alpha Bank Romania S.A.	Romania	5,035,849	363,015	4,672,834	334,588	37,105	99.92
4. Alpha Bank AD Skopje	FYROM	129,046	24,130	104,916	12,091	(3,498)	100.00
5. Alpha Bank Srbija A.D.	Serbia	920,438	100,875	819,563	67,595	(16,811)	100.00
6. JSC Astra Bank	Ukraine	150,893	106,436	44,457	21,714	4,154	100.00
Leasing companies							
1. Alpha Leasing A.E.	Greece	1,214,311	274,177	940,134	45,961	7,694	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	58,385	5,985	52,400	5,039	(3,150)	99.00
3. ABC Factors A.E.	Greece	521,825	63,919	457,906	29,632	13,089	100.00
Investment Banking							
1. Alpha Finance A.E.P.E.Y.	Greece	52,079	35,134	16,945	18,738	1,598	99.62
2. Alpha Finance US Corporation [(1)]	USA	586	549	37	303	(679)	100.00
3. SSIF Alpha Finance Romania S.A.	Romania	2,335	1,644	691	1,486	1,087	99.00
4. Alpha A.E. Ventures	Greece	30,184	29,907	277	930	223	99.42
Asset Management							
1. Alpha Asset Management A.E.D.A.K.	Greece	45,327	40,666	4,661	24,202	3,747	88.40
Insurance							
1. Alpha Insurance Agents A.E.	Greece	3,850	3,667	183	5,011	4,889	100.00
2. Alpha Insurance Cyprus Ltd	Cyprus	60,923	11,023	49,900	7,205	2,296	17.95
3. Alphalife A.A.E.Z.	Greece	27,140	6,645	20,495	876	(199)	99.90
Special purpose and holding entities							
1. Alpha Credit Group Plc	United Kingdom	6,274,289	15,956	6,258,333	195,924	8,045	100.00
2. Alpha Group Jersey Ltd	Jersey	631,934	586	631,348	42,652	151	100.00
3. Alpha Group Investment Ltd	Cyprus	279,271	279,245	26	3,524	3,488	100.00
4. Ionian Holdings A.E.	Greece	350,197	350,167	30	4,306	4,216	100.00
5. Messana Holdings S.A.	Luxembourg	58	46	12	3	(19)	99.00
6. Ionian Equity Participations Ltd	Cyprus	32,869	32,863	6	437	415	100.00
8. Katanalotika Plc	United Kingdom	1,629,256	36	1,629,220	131,577	13	
9. Epihiro Plc	United Kingdom	3,408,122	109,812	3,298,310	81,655	8	
10. Pisti 2010-1 Plc	United Kingdom	1,330,275	17	1,330,258	99,711	4	
11. Alpha Covered Bonds Plc	United Kingdom	17	17				100.00
Other companies							
1. Oceanos A.T.O.E.E.	Greece	20,798	20,680	118	1,516	1,078	100.00
2. Evremathea A.E. [(2)]	Greece	206	206		13	(33)	100.00
3. Kafe Alpha A.E.	Greece	258	188	70	231	20	99.00
4. Alpha Supporting Services A.E.	Greece	62,576	4,328	58,248	15,280	2,922	99.00

B. ASSOCIATES

1. Evisak A.E.	Greece		3,638			233	27.00
2. AEDEP Thessalias and Stereas Ellados	Greece		147				50.00

(1) *On 29.10.2010 the Board of Directors of Alpha Finance US Corporation decided the cease of its operations. The process is expected to be completed in the first quarter of 2011.*

(2) *On 29.12.2010 the Extraordinary General Meeting of Shareholders of Evremathea A.E. decided the termination of the company's liquidation process and its deregistration from the Societe Anonyme. The process is expected to be completed in the first quarter of 2011.*

C. JOINT VENTURES

Asset	Country of incorporation	Balance 31.12.2010 Assets	Equity	Liabilities	1.1 - 31.12.2010 Turnover	Profit/(Loss) before taxes	Bank's ownership interest % 31.12.2010
1. Cardlink A.E.	Greece	574	356	218	962	186	50.00
2. APE Fixed Assets A.E.	Greece	40,909	(3,374)	44,283	8	(1,691)	60.10
3. APE Commercial Property A.E.	Greece	72,614	2,994	69,620	2,253	25	72.20
4. APE Investment Property A.E.	Greece	274,008	(11,203)	285,211	4,743	(11,703)	67.42
5. Alpha TANEO A.K.E.S.	Greece	4,255	4,190	65	25	(767)	51.00

20. Investment property

	Land and Buildings
Balance 1.1.2009	
Cost	49,313
Accumulated depreciation	(7,118)
1.1.2009-31.12.2009	
Net book value 1.1.2009	42,195
Additions	1,142
Reclassification from "Property, plant and equipment" [1]	5,555
Depreciation charge for the year	(567)
Net book value 31.12.2009	48,325
Balance 31.12.2009	
Cost	56,795
Accumulated depreciation	(8,470)
1.1.2010-31.12.2010	
Net book value 1.1.2010	48,325
Depreciation charge for the year	(619)
Net book value 31.12.2010	47,706
Balance 31.12.2010	
Cost	56,795
Accumulated depreciation	(9,089)

The fair value of investment property, as at 31.12.2010 as determined by Alpha Astika Akinita A.E., amounted to €48.2 million.

[1] *The reclassification of €5,555, during 2009, from property, plant and equipment concerns a building that has been leased.*

21. Property, plant and equipment

	Land and Buildings	Leased equipment	Equipment	Total
Balance 1.1.2009				
Cost	781,523		318,843	1,100,366
Accumulated depreciation	(194,987)		(255,927)	(450,914)
1.1.2009-31.12.2009				
Net book value 1.1.2009	586,536		62,916	649,452
Additions	24,444		10,747	35,191
Foreign exchange differences	(701)		(433)	(1,134)
Disposals/ Impairments	(1,211)		(426)	(1,637)
Reclassification to "Investment property "	(5,555)			(5,555)
Depreciation charge for the year	(17,185)		(19,910)	(37,095)
Net book value 31.12.2009	586,328	-	52,894	639,222
Balance 31.12.2009				
Cost	796,184		323,692	1,119,876
Accumulated depreciation	(209,856)		(270,798)	(480,654)
1.1.2010-31.12.2010				
Net book value 1.1.2010	586,328		52,894	639,222
Additions	12,756	215	17,467	30,438
Foreign exchange differences	(22)		(14)	(36)
Disposals/ Impairments	(1,107)		(157)	(1,264)
Reclassification to "Non-current assets held for sale"	(1,709)			(1,709)
Reclassification from "Non-current assets held for sale"	1,712			1,712
Depreciation charge for the year	(18,289)	(27)	(18,785)	(37,101)
Net book value 31.12.2010	579,669	188	51,405	631,262
Balance 31.12.2010				
Cost	806,164	215	338,897	1,145,276
Accumulated depreciation	(226,495)	(27)	(287,492)	(514,014)

The book value of owned land and buildings included in the above balances, amounts to € 505,930 as of 31.12.2010 (31.12.2009: € 508,514).

22. Goodwill and other intangible assets

	Software	Banking rights	Other	Total
Balance 1.1.2009				
Cost	191,422	1,785		193,207
Accumulated amortization	(124,097)	(387)		(124,484)
1.1.2009-31.12.2009				
Net book value 1.1.2009	67,325	1,398		68,723
Additions	25,713			25,713
Foreign exchange differences	(75)			(75)
Disposals	(55)		55	
Amortization charge for the year	(18,048)	(357)	(5)	(18,410)
Net book value 31.12.2009	74,860	1,041	50	75,951
Balance 31.12.2009				
Cost	216,891	1,785	69	218,745
Accumulated amortization	(142,031)	(744)	(19)	(142,794)
1.1.2010-31.12.2010				
Net book value 1.1.2010	74,860	1,041	50	75,951
Additions	42,624			42,624
Foreign exchange differences	(5)			(5)
Amortization charge for the year	(19,683)	(357)	(10)	(20,050)
Net book value 31.12.2010	97,796	684	40	98,520
Balance 31.12.2010				
Cost	259,508	1,785	69	261,362
Accumulated amortization	(161,712)	(1,101)	(29)	(162,842)

23. Deferred tax assets and liabilities

	31.12.2010	31.12.2009
Assets	455,552	313,798
Liabilities	(234,819)	(187,970)
Total	**220,733**	**125,828**

Deferred tax assets and liabilities arise from:

	1.1.2010 - 31.12.2010				
		Recognized in			
	Balance 1.1.2010	Income Statement	Equity	Foreign exchange differences	Balance 31.12.2010
Depreciation of fixed assets and write-offs	1,277	(3,280)			(2,003)
Valuation of loans	(43,744)	(20,306)			(64,050)
Suspension of interest accruals	(108,463)	(50,234)			(158,697)
Impairment of loans	89,718	98,034			187,752
Valuation of derivative financial instruments	55,086	11,641	8,787		75,514
Other temporary differences	26,856	101		(7,229)	19,728
Liabilities to Common Insurance Fund of Bank Employees	70,029	(11,880)			58,149
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(7,762)	4,194			(3,568)
Valuation of investments due to hedge	2,722	(444)			2,278
Impairment of participations		2,864			2,864
Valuation of shares	4,199	(242)	5,578		9,535
Valuation of bonds	63,858	(12,501)	50,575		101,932
Effective interest rate	(27,998)	19,247			(8,751)
Incorporation of foreign operations	50				50
Total	**125,828**	**37,194**	**64,940**	**(7,229)**	**220,733**

	1.1.2009 - 31.12.2009				
		Recognized in			
	Balance 1.1.2009	Income Statement	Equity	Foreign exchange differences	Balance 31.12.2009
Depreciation of fixed assets and write-offs	4,100	(2,823)			1,277
Valuation of loans	(52,607)	8,863			(43,744)
Suspension of interest accruals	(76,567)	(31,896)			(108,463)
Impairment of loans	43,732	45,986			89,718
Valuation of derivative financial instruments	85,640	(30,554)			55,086
Other temporary differences	17,106	9,750			26,856
Liabilities to Common Insurance Fund of Bank Employees	81,648	(11,619)			70,029
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(7,552)	(210)			(7,762)
Valuation of investments due to hedge	2,429	293			2,722
Valuation of shares	13,202	(5,043)	(3,960)		4,199
Valuation of bonds	62,864	2,732	(1,738)		63,858
Effective interest rate	(16,142)	(11,856)			(27,998)
Incorporation of foreign operations	4			46	50
Total	**157,857**	**(26,377)**	**(5,698)**	**46**	**125,828**

24. Other assets

	31.12.2010	31.12.2009
Prepaid expenses	56,499	9,890
Accrued income	2,176	3,904
Tax advances and withholding taxes	164,479	221,416
Employee advances	7,477	7,688
Receivables from employee defined benefit plan (note 30)	44,881	45,905
Deposit and Investment Guarantee Fund	199,026	114,649
Other	107,625	91,075
Total	**582,163**	**494,527**

In accordance with article 6 of Law 3714/7.11.2008, the amount of deposits guaranteed by the deposit guarantee system increased from €20,000 to €100,000 per depositor. The percentages calculating the contribution paid by the banks to Deposit Guarantee Fund, also increased.

In accordance with article 6 of Law 3746/2009 further to Finance Minister's decision on 21.7.2010, the criteria for calculating the regular annual contribution of credit institutions, relating to investment coverage, to the Hellenic Deposit and Investment Guarantee Fund were defined.

The Law 3746/16.2.2009 concerning the "Hellenic Deposit and Investment Guarantee Fund (HDIGF)" provides that the contribution amount relating to investment coverage and the difference between the regular annual contribution of credit institutions, resulting from the application of article 6 of Law 3714/2008, will be included in a special assets group, whose elements are jointly included in the proportion of each participant credit institution.

25. Non-current assets held for sale

As at 31.12.2010 "Non-current assets held for sale" amount to € 86,687 (31.12.2009: € 75,113), including fixed assets amounting to € 86,629 (31.12.2009: € 75,064) and office equipment amounting to € 58 (31.12.2009: € 49).

The fair value of "Non-current assets held for sale" as at 31.12.2010 as determined by Alpha Astika Akinita amounted to € 95 million.

LIABILITIES

26. Due to banks

	31.12.2010	31.12.2009
Deposits:		
- Current accounts	34,322	118,054
- Term deposits:		
European Central Bank	14,004,917	10,047,917
Other credit institutions	3,575,683	3,842,132
Sale and repurchase agreements (Repos)	597,260	540,979
Borrowing funds	517,813	742,346
Total	**18,729,995**	**15,291,428**

27. Due to customers

	31.12.2010	31.12.2009
Deposits:		
- Current accounts	4,922,105	6,541,886
- Saving accounts	7,618,223	8,632,901
- Term deposits:		
Synthetic Swaps	507,446	954,865
Other	18,030,549	18,954,407
Sale and repurchase agreements (Repos)	6,387	14,889
	31,084,710	35,098,948
Cheques payable	149,000	159,100
Total	**31,233,710**	**35,258,048**

28. Debt securities in issue and other borrowed funds

a. Short term

i. Securities (ECP)

Balance 1.1.2010	**89,360**
Changes for the period 1.1 – 31.12.2010	
New issues	91,188
Maturities/Redemptions	(181,126)
Accrued interest	222
Foreign exchange differences	356
Total 31.12.2010	**-**

The issues of short-term securities (ECP) for the period paid an average spread of 30 basis points over Euribor of the respective period.

b. Long term

i. Issues guaranteed by the Greek State (Law 3723/2008)

According to Law 3723/2008 for the enhancement of the Greek economy's liquidity program, the Bank proceeded to the issuance of senior debt securities guaranteed by the Greek State, which as at 31.12.2010 amount to € 9.5 billion and are analyzed as follows:

- On 24.9.2009 an amount of €1 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 2%.
- On 30.4.2010 an amount of €2.1 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 3%.
- On 10.5.2010 an amount of €440 million, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 4.5%.

- On 24.6.2010 an amount of €2.3 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 4%.
- On 27.12.2010 an amount of €3.6 billion, with a three year duration and bearing an interest rate of three month Euribor plus a spread of 8.5%.

The above mentioned securities are not included in the "Debt securities in issue and other borrowed funds", as they are held by the Bank.

- The unamortized balance of capitalized expenses as at 31.12.2009 amounting to €(3,106) was recognized in the income statement of the year 2010.

ii. Covered bonds

According to the covered bond program, which provides direct issuance from the Bank up to the amount of €8 billion, the Bank proceeded with the following issues:

- On 23.7.2010 an amount of €1 billion, maturing on 23.7.2014 and bearing the interest rate of the European Central Bank plus a spread of 1.5%.
- On 28.9.2010 an amount of €1 billion, maturing on 23.7.2015 and bearing the interest rate of the European Central Bank plus a spread of 1.6%.

The above mentioned securities are not presented in the "Debt securities in issue and other borrowed funds", as they are held by the Bank.

- On 11.11.2010 an amount of €1 billion, maturing on 23.10.2013 and bearing an interest rate of three month Euribor plus a spread of 1.4%.
- On 11.11.2010 an amount of €0.5 billion, maturing on 24.10.2016 and bearing the interest rate of the European Central Bank plus a spread of 1.7%.

The balance of covered bonds issued by the Bank as at 31.12.2010 amounts to €3.5 billion.

The covered bonds are not included in the "Debt securities in issue and other borrowed funds", as they are held by the Bank [1].

iii. Senior debt securities

Balance 1.1.2010	**7,547,277**
Changes for the period 1.1 – 31.12.2010	
New issues	186,133
Maturities/Redemptions	(2,940,412)
Fair value change due to hedging	12,544
Accrued interest	(13,795)
Foreign exchange differences	10,981
Balance 31.12.2010	**4,802,728**

The following securities are included in the amount of "new issues":

- nominal value of €20 million maturing on 25.1.2012, bearing a fixed three month interest rate of 2.25%, which gradually increases by 50 basis points on semi-annual basis from 26.7.2010.
- nominal value of €20 million maturing on 25.1.2013, bearing a fixed three month interest rate of 2.60%, which gradually increases by 90 basis points on an annual basis.
- nominal value of €20 million maturing on 16.11.2012, bearing a fixed three month interest rate of 4%.
- nominal value of €20 million maturing on 16.5.2012, bearing an interest rate of three month Euribor plus a spread of 4%.
- nominal value of USD 10 million maturing on 16.11.2012, bearing a fixed three month interest rate of 3.75%.
- nominal value of USD 20 million maturing on 7.1.2013, bearing a fixed three month interest rate of 3.75%.
- nominal value of €10 million maturing on 5.2.2013, bearing a fixed three month interest rate of 2.50% which gradually increases to 2.75% on 5.8.2010, 3.30% on 7.2.2011 and 4.30% on 6.2.2012.
- nominal value of €10 million maturing on 5.2.2014, bearing a fixed three month interest rate of 2.75% which gradually increases to 3.75% on 7.2.2011, 4.30% on 6.2.2012 and 5.20% on 5.2.2013.
- 9 issues in Euro of a total nominal value amounting to €41 million, with a duration from three up to four years,

[1] *Financial disclosure regarding covered bond issues, as determined by the 2620/28.8.2009 directive of the Bank of Greece, will be published at the Bank's website.*

bearing a fixed interest rate or a fixed interest rate which gradually increases.

- 8 issues in USD of a total nominal value amounting to USD 30 million, with a duration from three up to four years, bearing a fixed interest rate or a fixed interest rate which gradually increases.

It is noted that the issues entirely redeemed during the period have been exempted from the amount of the new senior debt securities of the same period.

Additionally, the amount of maturities/redemptions includes maturities of issues amounting to €1,360 million.

iv. Liabilities from the securitization of consumer loans

Balance 1.1.2010	**1,097,547**
Changes for the period 1.1-31.12.2010	
Repayments	(811,305)
Securitization of new loans	475,951
Interest	12,722
Balance 31.12.2010	**774,915**

In addition liabilities of € 3.2 billion deriving from the securitization of consumer loans, corporate loans and credit cards are not presented in "Debt securities in issue and other borrowed funds", since these securities issued by special purpose entities, are held by the Bank.

The aforementioned amount of € 3.2 billion includes bonds that amount to € 956.3 million issued in 2010 through the special purpose entity Pisti 2010-1 Plc, covered by a portion of the credit cards and revolving consumer loans portfolio.

Part of these bonds that have been rated by credit rating agencies has been accepted as collateral by the Bank of Greece for monetary policy purposes.

During 2010 bonds amounting to €1.2 billion issued by the special purpose entity Talanto Plc, as well as bonds amounting to €2 billion issued by the special purpose entity Alpha Covered Bonds Plc, under the indirect covered bond program, were cancelled. In addition, on 23.12.2010, bonds issued through the special purpose entity Epihiro Plc, covered by corporate loans, amounting to €1.7 billion were partially repaid.

v. Subordinated debt

Balance 1.1.2010	**753,123**
Changes for the period 1.1 – 31.12.2010	
Fair value change due to hedging	5,491
Accrued interest	271
Foreign exchange differences	51,328
Balance 31.12.2010	**810,213**

vi. Hybrid securities

Balance 1.1.2010	**921,381**
Changes for the period 1.1 – 31.12.2010	
Maturities/Redemptions	(315,000)
Accrued interest	(13,364)
Balance 31.12.2010	**593,017**

Total of Debt securities in issue and other borrowed funds	**6,980,873**

29. Liabilities for current income tax and other taxes

	31.12.2010	31.12.2009
Current income tax	96,779	71,658
Other taxes	16,516	16,891
Total	**113,295**	**88,549**

30. Employee defined benefit obligations

After TAP was absorbed by the Common Insurance Fund of Bank Employees for the supplementary pension (article 10, Law 3620/2007), TAP obligation is restricted to paying a lump-sum benefit to retiring employees, which is guaranteed by the Bank.

The total amounts of the Balance Sheet and Income Statement recognized in the financial statements for employee defined benefit obligations are presented below:

	Balance Sheet Assets	
	31.12.2010	31.12.2009
TAP – Lump sum benefit	44,881	45,905
Total Assets (note 24)	**44,881**	**45,905**

	Income statement Expenses From 1 January to	
	31.12.2010	31.12.2009
TAP – Lump sum benefit	3,607	3,008
Total Expenses (note 7)	**3,607**	**3,008**

The amounts in the balance sheet are analyzed as follows:

	From 1 January to	
	31.12.2010	31.12.2009
Current service cost	2,804	3,699
Interest cost	7,791	6,960
Expected return on plan assets	(7,675)	(7,970)
Actuarial losses recognized in the year	687	319
Total (included in staff costs)	**3,607**	**3,008**

The amounts in the balance sheet during the last year and the previous four years are as follows:

	31.12.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006
Present value of defined benefit obligations	122,438	129,848	128,895	127,035	121,463
Fair value of plan assets	(135,448)	(151,969)	(156,268)	(162,031)	(165,051)
Deficit/(surplus)	**(13,010)**	**(22,121)**	**(27,373)**	**(34,996)**	**(43,588)**
Unrecognized actuarial losses	(31,871)	(23,784)	(19,938)	(14,193)	(8,447)
Asset in balance sheet	**(44,881)**	**(45,905)**	**(47,311)**	**(49,189)**	**(52,035)**

The movement in the present value of liability is as follows:

	2010	2009
Opening balance	**129,848**	**128,895**
Current service cost	2,804	3,699
Interest cost	7,791	6,960
Employee contributions	1,426	1,433
Benefits paid	(16,121)	(9,517)
Contributions paid directly by the Bank	(2,583)	(1,602)
Expenses	(4)	(20)
Actuarial losses/(gains)	(723)	
Closing balance	**122,438**	**129,848**

The movement in the fair value of plan assets is as follows:

	2010	2009
Opening balance	**151,969**	**156,268**
Expected return	7,675	7,970
Employee contributions	1,426	1,433
Benefits paid	(16,121)	(9,517)
Expenses	(4)	(20)
Actuarial losses	(9,497)	(4,165)
Closing balance	**135,448**	**151,969**

The plan assets include bonds of Alpha Credit Group of € 82.7 million, receivables from Alpha Bank of € 31.1 million, deposits with Alpha Bank of € 16.9 million, Alpha Bank's shares of € 3 million and other receivables of € 1.7 million.

The movement in the receivable is as follows:

Balance 1.1.2009	**(47,311)**
Accrued expense	3,008
Benefits paid directly by the Bank	(1,602)
Balance 31.12.2009	**(45,905)**
Changes for the period 1.1 - 31.12.2010	
Accrued expense	3,607
Benefits paid directly by the Bank	(2,583)
Balance 31.12.2010	**(44,881)**

The principal actuarial assumptions used are as follows:

	31.12.2010	31.12.2009
Discount rate	5.0%	6.4%
Expected return on plan assets	3.5%	5.0%
Future salary increases	2.0%	4.0%

31. Other liabilities

	31.12.2010	31.12.2009
Dividends payable	8,104	9,046
Suppliers	26,755	65,134
Deferred income	3,913	4,193
Accrued expenses	81,933	70,304
Liabilities to third parties	105,078	210,829
Liabilities to Common Insurance Fund of Bank Employees (1)	418,830	469,615
Liabilities from credit cards	208,965	239,353
Other	78,289	140,299
Total	**931,867**	**1,208,773**

(1) *In accordance with article 10 of Law 3620/2007 and the mandatory joint of TAP members to Common Insurance Fund of Bank Employees (E.T.A.T.) from 1.1.2008, the cost of the Bank amounted to € 543 million. This amount plus interest is attributable in ten equal annual installments.*

32. Provisions

Balance 1.1.2009	**8,415**
Changes for the period 1.1- 31.12.2009	
Reversal of provisions to cover credit risk relating to off-balance sheet items	(6,503)
Other provisions (note 9)	2,543
Provisions used during the period	(687)
Balance 31.12.2009	**3,768**
Changes for the period 1.1- 31.12.2010	
Other provisions used during the period	(2)
Restructuring program provisions (note 9)	5,481
Balance 31.12.2010	**9,247**

The amounts of other provisions charged to profit and loss account and the restructuring program provisions are included in the account "Other expenses" of the income statement.

EQUITY

33. Share capital

The Bank's share capital as of 31.12.2009 and 31.12.2010 is analyzed as follows:

	Number of Common Shares	Number of Preference Shares	Paid-in capital
Opening balance 1.1.2009	**410,976,652**		**1,931,590**
Share capital increase through the issuance of new preference, non-voting, paper and redeemable shares according to Law 3723/2008		200,000,000	940,000
Share capital increase through cash payment with the issuance of new common, registered, voting, non paper shares of nominal value €4.70 each and issue price €8.00 each	123,292,996		579,477
Balance 31.12.2009/31.12.2010	**534,269,648**	**200,000,000**	**3,451,067**

According to the article 39 of Law 3844/3.5.2010 which amended Law 3723/9.12.2008, the return of preference shares has a step up feature of 2% annually, if after five years following the issuance the preference shares have not been redeemed.

The Bank has recognized the preference shares as part of its equity and the related return for the year 2010 amounts to €72.4 million after income tax.

34. Share premium

Opening balance 1.1.2009	
Share capital increase - Share premium from the issue of common shares	406,867
Balance 31.12.2009 /31.12.2010	**406,867**

In 2009 the share capital increase and the issuance of 123,292,996 new common registered shares of nominal value €4.70 and issue price €8.00 resulted in a total difference that amounted to €406,867 between the shares' nominal value and issue price. The difference was credited in "Share Premium" account.

35. Reserves

Reserves are analysed as follows:

a. Statutory reserve

	31.12.2010	31.12.2009
Statutory reserve	420,425	398,992

According to the Bank's articles of association (article 26) as in force, the Bank is required to transfer 5% of its annual net profit to the statutory reserve, until the reserve amounts to one third of share capital. This reserve can only be used to offset losses according to article 44 of Law 2190/1920.

b. Available for sale securities reserve

	2010		2009	
Opening balance 1.1		**(196,601)**		**(216,432)**
Changes for the period 1.1 - 31.12				
Net change in fair value of available for sale securities, after income tax	(320,838)		260,373	
Net change in fair value of available for sale securities transferred to profit and loss	120,076		(240,542)	
Total		**(200,762)**		**19,831**
Balance 31.12		**(397,363)**		**(196,601)**

c. Other reserves

	2010	2009
Opening balance 1.1		
Changes for the period 1.1 - 31.12		
Net change in cash flow hedge reserve, after income tax	(29,419)	
Exchange differences on translating foreign branch operations	(185)	
Balance 31.12	**(29,604)**	**-**
Total reserves (a+b+c)	**(6,542)**	**202,391**

36. Retained earnings

According to article 28 of Law 3756/2009 as amended by Law 3844/3.5.2010, credit institutions participating in the programs referring to the enhancement of economy's liquidity of Law 3723/2008 may distribute dividend for 2009 only in the form of shares.

The Bank's Ordinary General Meeting of Shareholders, held on 22.6.2010, decided the following:

- the payment to the Greek State of €57.9 million regarding the accrued return on its preference shares for the year 2009, according to the Bank's Articles of Incorporation,
- not to distribute dividends to Bank's common shareholders for the year 2009 and
- to form statutory reserve amounting to €21.4 million.

The Bank's Board of Directors will not propose to the Ordinary General Meeting of Shareholders the distribution of dividend to common shareholders, since no profits were performed during the current year.

Additionally, the Bank's Board of Directors suggests the payment to the Greek State of the accrued return on its preference shares for the year 2010.

37. Treasury shares

The Bank, pursuant to the decisions of the Ordinary General Meeting of Shareholders held on 3.4.2008, purchased, during the period 1.1 - 16.2.2009, 457,601 treasury shares at a cost of €2,665 (€5.83 per share).

On 31.8.2009, the Bank completed the sale of 6,140,959 treasury shares the cost of which amounted to €71,650, through a private placement, which represented 1.49% of its issued common voting shares. The result of the above mentioned transaction has been recognized directly to "Retained earnings" account of equity.

The number of treasury shares and the cost are analyzed as follows:

	Number of shares	Cost	Percentage
Balance 1.1.2009	**5,683,358**	**68,985**	**1.38%**
Purchases 1.1 - 16.2.2009	457,601	2,665	0.11%
Sale 31.8.2009	(6,140,959)	(71,650)	(1.49)%
Balance 31.12.2009/31.12.2010	**-**	**-**	**-**

It is noted that in accordance with article 28 of Law 3756/31.3.2009, credit institutions during their participation in the enhancement of the Greek economy's liquidity program (Law 3723/2008), are not allowed to purchase treasury shares.

ADDITIONAL INFORMATION

38. Contingent liabilities and commitments

a) Legal issues

The Bank, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. No provision has been recorded because, after consultation with legal department, the ultimate disposition of these matters is not expected to have a material effect on the financial position or operations of the Bank.

b) Tax issues

The Bank and its branches in Bulgaria have been audited by the tax authorities for the years up to and including 2007, while its branches in London and Albania up to and including 2008 and 2009 respectively. Since 11.11.2010 a tax audit of the Bank is conducted for the years 2008 and 2009.

Additional taxes and penalties may be imposed for the unaudited years.

c) Operating leases

The Bank as a lessee

The Bank has various obligations with respect to leases of buildings which are used as branches or for administrative purposes.

The duration of the lease agreements is initially for 12 years with a renewal or extension option according to the lease agreements. The rent is subject to annual indexation adjustment, usually according to official annual inflation rate.

The policy of the Bank is to renew these contracts.

The minimum future lease payments are:

	31.12.2010	31.12.2009
▪ less than one year	31,448	36,673
▪ between one and five years	107,445	112,139
▪ more than five years	95,153	110,031
Total	**234,046**	**258,843**

The total lease expense for 2010 relating to rental of buildings amounts to €37,992 (2009: €39,261) and it is included in the account "General administrative expenses".

The Bank as a lessor

The Bank's receivables from leases relate to buildings leased either to group companies or third parties.

The minimum future lease revenues are:

	31.12.2010	31.12.2009
▪ less than one year	2,814	3,734
▪ between one and five years	6,614	8,092
▪ more than five years	3,981	5,301
Total	**13,409**	**17,127**

The lease revenues for 2010 amount to €3,628 (2009: €3,987) and are included in the account "Other income".

d) Off balance sheet liabilities

The Bank, pursuant to its normal operations, is binded by contractual commitments that in the future may result in changes in its asset structure. These commitments are monitored in off balance sheet accounts. The contractual commitments, that the Bank has undertaken, relate to letters of guarantee, letters of credit, undrawn credit facilities and guarantees relating to bonds issued by subsidiaries of the Bank.

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment of the third party bound by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

Undrawn credit facilities are loan agreements that may not be fulfilled immediately or may be partially fulfilled. The amounts presented in the table below represent part of the agreed loan agreements and credit limits which remain unused.

The Bank's off balance sheet items are summarized below:

	31.12.2010	31.12.2009
Letters of guarantee	5,577,106	6,030,710
Letters of credit	47,225	59,593
Undrawn loan agreements and credit limits	15,239,190	16,663,088
Guarantees relating to bonds issued by subsidiaries of the Bank	7,181,297	11,278,533
Total	**28,044,818**	**34,031,924**

e) Assets pledged

	31.12.2010	31.12.2009
Assets pledged	27,556,022	18,516,442

Assets pledged include:

- Loans and advances to customers amounting to €6 billion from which:
  i. An amount of €3.8 billion has been pledged as collateral to the Bank of Greece in accordance with the Monetary Policy Council Act No 54/27.2.2004 as in force. With this act the Bank of Greece accepts as collateral, for monetary policy purposes and intraday credit, non marketable assets, which should meet the terms and conditions of the above act.
  ii. An amount of €2.2 billion has been granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State that amount to €1.6 billion in accordance with Law 3723/2008.
- Securities held for trading and investment securities portfolio as well as securities from Reverse Repos amounting to €21.6 billion out of which:
  i. An amount of €1.7 billion arises from the securitization of consumer, corporate loans and credit cards.
  ii. An amount of €3.5 billion relates to the issuance of covered bonds secured by mortgage loans amounting to €4.2 million.
  iii. An amount of €9.5 million relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008.
  iv. An amount of €6.9 billion relates to Greek State bonds and other bonds.

All the aforementioned securities are pledged as collateral to the European Central Bank for participation in main refinancing operations (note 40.3b), to the Bank of Greece for the participation in the Intra-Europe clearing of payments system on an ongoing time (TARGET), to the Athens Derivatives Exchange Clearing House, as well as to the European Investment Bank Lux.

f) Other pledges

On May 7, 2008 the Bank completed a new Medium Term Notes Program amounting to USD 7.5 billion, according to Rule 144A of the American Law, which will be offered to institutional investors. The issuer will be Alpha Group Jersey Limited, a wholly owned subsidiary of the Bank. The Notes will be guaranteed by the Bank and will be traded in Luxembourg's stock exchange. The program is valid but for the time being it remains inactive.

39. Segment Reporting

a. Analysis by operating segment

(Millions of Euro)

	1.1 - 31.12.2010						
	Total	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	1,350.9	808.8	395.9		108.4	37.8	
Net fee and commission income	242.0	112.0	80.9	27.2	14.2	7.7	
Other income	68.0	7.4	6.6	1.0	(8.1)	2.2	58.9
Total income	**1,660.9**	**928.2**	**483.4**	**28.2**	**114.5**	**47.7**	**58.9**
Total expenses	**(856.9)**	**(605.5)**	**(118.0)**	**(21.8)**	**(16.6)**	**(52.5)**	**(42.5)**
Impairment losses	(758.2)	(304.0)	(366.2)			(40.1)	(47.9)
Profit before income tax	**45.8**	**18.7**	**(0.8)**	**6.4**	**97.9**	**(44.9)**	**(31.5)**
Income tax	(102.1)						
Profit / (loss) after income tax	**(56.3)**						
Assets	63,770.9	24,203.5	17,982.1	234.7	17,317.8	1.558.8	2,474.0
Liabilities	59,345.6	28,759.0	2,466.8	1,317.3	24,074.4	948.9	1,779.2
Capital expenditure	85.9	51.4	15.2	1.5	1.1	10.7	6.0
Depreciation and Amortization	57.7	35.2	10.4	1.0	0.7	7.2	3.2

(Millions of Euro)

	1.1 - 31.12.2009						
	Total	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other
Net interest income	1,344.2	792.0	384.6	0.7	123.0	43.9	
Net fee and commission income	278.7	154.4	79.5	24.6	11.2	9.0	
Other income	382.9	5.8	9.9	0.9	114.8	1.4	250.1
Total income	**2,005.8**	**952.2**	**474.0**	**26.2**	**249.0**	**54.3**	**250.1**
Total expenses	**(905.8)**	**(618.9)**	**(121.8)**	**(19.2)**	**(22.0)**	**(56.1)**	**(67.8)**
Impairment losses	(532.3)	(256.3)	(237.3)			(38.7)	
Profit before income tax	**567.7**	**77.0**	**114.9**	**7.0**	**227.0**	**(40.5)**	**182.3**
Income tax	(139,0)						
Profit / (loss) after income tax	**428.7**						
Assets	67,848.6	23,971.9	18,474.4	193.5	21,198.8	1,736.1	2,273.9
Liabilities	63,073.0	33,105.5	2,883.8	1,617.0	22,582.0	873.5	2,011.2
Capital expenditure	62.0	40.0	11.3	0.8	0.7	9.2	
Depreciation and Amortization	56.1	33.6	9.4	0.6	0.6	7.7	4.2

i. Retail

Includes all individuals (retail banking customers), professionals, small and very small companies.

The Bank offers through its extended branch network, all types of deposit products (deposits/ savings accounts, working capital/ current accounts, investment facilities/ term deposits, Repos, Swaps), loan facilities (mortgages, consumer, corporate loans, letter of guarantees) and debit and credit cards to the above customers

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international activities, corporations managed by the Corporate Banking Division and shipping corporations.

The Bank offers working capital facilities, corporate loans, and letters of guarantee.

iii. Asset Management / Insurance

Consists of a wide range of asset management services offered through Bank's private banking units. In addition it offers a wide range of insurance products to individuals and companies.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South-Eastern Europe

Consists of the Bank's branches operating in South-Eastern Europe.

vi. Other

This segment consists of the Bank’s administration section.

b. Analysis by geographical sector

Millions of Euro

	1.1 - 31.12.2010		
	Total	Greece	Other countries
Net interest income	1,350.9	1,302.2	48,7
Net fee and commission income	242.0	233.8	8.2
Other income	68.0	65.3	2.7
Total income	**1,660.9**	**1,601.3**	**59.6**
Total expenses	**(856.9)**	**(802.1)**	**(54.8)**
Impairment losses	(758.2)	(718.1)	(40.1)
Profit before income tax	**45.8**	**81.1**	**(35.3)**
Income tax	(102.1)		
Profit / (loss) after income tax	**(56.3)**		
Assets	63,770.9	61,756.0	2,014.9

Millions of Euro

	1.1 - 31.12.2009		
	Total	Greece	Other countries
Net interest income	1,344.2	1,291.8	52.4
Net fee and commission income	278.7	269.5	9.2
Other income	382.9	379.2	3.7
Total income	**2,005.8**	**1,940.5**	**65.3**
Total expenses	**(905.8)**	**(849.1)**	**(56.7)**
Impairment losses	(532.3)	(493.7)	(38.6)
Profit before income tax	**567.7**	**597.7**	**(30.0)**
Income tax	(139.0)		
Profit / (loss) after income tax	**428.7**		
Assets	67,848.6	64,462.4	3,386.2

40. Financial risk management

The Bank has established a systematic and solid risk management framework for the reliable measurement of risk which is continually evolving to meet the challenges of the economic circumstances the way these are defined by the regulatory requirements and best banking practices. The framework's main objective is the reliable measurement of financial risks in order to minimize potential negative effects on the Bank's financial results.

The Bank's Board of Directors has overall responsibility for the improvement and oversight of the Risk Management framework. Risk Management Committee is established, which meets on a monthly basis and reports to the Board of Directors on its activities. The Risk Management Committee is responsible for the implementation and monitoring compliance with the risk management policies.

In the Bank the risk management departments are entitled with the responsibility for the implementation of the risk management framework, according to the directions of the Risk Management Committee.

40.1 Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk is considered the most significant risk for the Bank, and its continuous monitoring is management's first priority.

The Bank in order to effectively manage credit risk has developed specific methodologies and systems to measure credit risk. These systems and methodologies are continuously evolving so as to provide to the maximum extent possible current and productive support in the decisions making process of the business units in order to avoid possible adverse consequences on the results of the Bank.

The main tool for the measurement of credit risk is the credit risk grading system. Current systems use both quantitative and qualitative criteria of measurement and also criteria of transactional behavior in order to report customer probability of default and loss given default. Respective models are continuously improved in order for the total loan portfolio to be included in the new system of internal grading imposed by capital adequacy. Additionally, the Bank uses ratings provided by External Credit Assessment Institutions (ECAI).

At the same time, statistical models are being developed in order to calculate loss given default and the exposure at default.

Credit risk rating also determine both credit limits and collaterals and it is systematically reassessed on a three up to twelve month basis. The reassessment is based on the customer's credit worthiness and on any new information and events that may have a significant impact on the level of credit risk.

The grading systems are subject to continuous quality control to ensure at all times proactive ability.

At the same time the Bank performs stress testing exercises concerning credit risk on a regular basis. Based on respective stress testing an estimation is provided of the size of financial losses that could occur under extreme transactional behavior of the clients or of economic environment. On a regular basis large exposures are monitored and the Management and the Board of Directors are informed.

The Bank assesses on a regular basis whether there is objective evidence of impairment.

The Bank assesses at each balance sheet date, whether there is evidence of impairment in accordance with the general principles and methodology set out in IAS 39 and the relevant implementation guidance.

Specifically the above mentioned procedures include the following steps:

a) Establishment of events that provide objective evidence that a loan is impaired (trigger events).

b) The criteria for assessment on an individual or collective basis.

c) Establishment of groups of assets with similar risk characteristics.

d) Methodology in determining future cash flows from impaired loans.

e) Interest income recognition

f) Impairment recognition

g) Recoveries/ Receivables from loans impaired

In note 1.12 "Impairment losses on loans and advances" the accounting principles applied for loan impairment are described in detail

FINANCIAL INSTRUMENTS CREDIT RISK

	31.12.2010			31.12.2009		
	Exposure before impairment	Impairment	Net exposure to credit risk	Exposure before impairment	Impairment	Net exposure to credit risk
Credit risk exposure relating to balance sheet items						
Balances with Central Banks	2,502,033		2,502,033	2,328,824		2,328,824
Due from banks	8,824,257		8,824,257	12,161,433		12,161,433
Loans and advances to customers:						
Individuals:						
- Mortgages	11,363,534	126,450	11,237,084	11,212,780	80,694	11,132,086
- Consumer	3,730,831	117,284	3,613,547	3,845,811	73,835	3,771,976
- Credit cards	1,124,901	56,449	1,068,452	1,217,631	44,119	1,173,512
- Other loans	54,824		54,824	55,477		55,477
	16,274,090	300,183	15,973,907	16,331,699	198,648	16,133,051
Companies:						
- Corporate loans	24,803,865	1,451,154	23,352,711	25,785,004	1,074,706	24,710,298
- Other receivables	592,417		592,417	967,406		967,406
	25,396,282	1,451,154	23,945,128	26,752,410	1,074,706	25,677,704
Total	41,670,372	1,751,337	39,919,035	43,084,109	1,273,354	41,810,755
Derivative financial assets	442,013		442,013	373,600		373,600
Securities held for trading:						
▪ Government bonds	33,754		33,754	63,075		63,075
▪ Other debt securities	2,042		2,042	3,871		3,871
Total	35,796		35,796	66,946		66,946
Available for sale securities:						
▪ Available for sale (Government bonds)	1,419,120		1,419,120	155,546		155,546
▪ Available for sale (other)	1,440,060	50,620	1,389,440	2,275,295	31,121	2,244,174
Total	2,859,180	50,620	2,808,560	2,430,841	31,121	2,399,720
Held to maturity securities:						
- Held to maturity (Government bonds)	4,095,463		4,095,463	2,682,765		2,682,765
- Held to maturity (other)	1,119,330	33,657	1,085,673	2,205,354	19,626	2,185,728
Total	5,214,793	33,657	5,181,136	4,888,119	19,626	4,868,493
Total amount of balance sheet items exposed to credit risk (a)	**61,548,444**	**1,835,614**	**59,712,830**	**65,333,872**	**1,324,101**	**64,009,771**
Other balance sheet items not exposed to credit risk	4,058,065		4,058,065	3,838,805		3,838,805
Total Assets	**65,606,509**	**1,835,614**	**63,770,895**	**69,172,677**	**1,324,101**	**67,848,576**
Credit risk exposure relating to off balance sheet items:						
Letters of guarantee and letters of credit	5,624,331		5,624,331	6,090,303		6,090,303
Undrawn loan agreements and credit limits [1]	15,239,190		15,239,190	16,663,088		16,663,088
Guarantees relating to bonds issued by subsidiaries of the Bank	7,181,297		7,181,297	11,278,533		11,278,533
Total amount of off balance sheet items exposed to credit risk (b)	**28,044,818**		**28,044,818**	**34,031,924**		**34,031,924**
Total credit risk exposure (a+b)	**89,593,262**	**1,835,614**	**87,757,648**	**99,365,796**	**1,324,101**	**98,041,695**

[1] *Undrawn loan agreements and credit limits as of 31.12.2010 include an amount of € 442.6 million (31.12.2009 € 652 million) which are committed limits that cannot be cancelled in cases where it becomes apparent that the counterparty will fail to meet its contractual obligations.*

LOANS AND ADVANCES TO CUSTOMERS – Analysis of past due amounts

	31.12.2010			
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Loans and advances to individuals				
- Mortgage				
Performing loans	9,365,149			9,365,149
Past due 1 - 90 days		1,174,454		1,174,454
Past due > 90 days			823,931	823,931
	9,365,149	**1,174,454**	**823,931**	**11,363,534**
- Credit cards, consumer and other loans				
Performing loans	3,922,812			3,922,812
Past due 1 - 90 days		678,659		678,659
Past due > 90 days			309,085	309,085
	3,922,812	**678,659**	**309,085**	**4,910,556**
Corporate loans				
Performing loans	20,282,020		1,013,219	21,295,239
Past due 1 - 90 days		1,364,771	277,960	1,642,731
Past due > 90 days		255,145	2,203,167	2,458,312
	20,282,020	**1,619,916**	**3,494,346**	**25,396,282**
Total portfolio				
Performing loans	33,569,981		1,013,219	34,583,200
Past due 1 - 90 days		3,217,884	277,960	3,495,844
Past due > 90 days		255,145	3,336,183	3,591,328
Total	**33,569,981**	**3,473,029**	**4,627,362**	**41,670,372**

	31.12.2009			
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
Loans and advances to individuals				
- Mortgage				
Performing loans	9,591,859			9,591,859
Past due 1 - 90 days		1,000,056		1,000,056
Past due > 90 days			620,865	620,865
	9,591,859	**1,000,056**	**620,865**	**11,212,780**
- Credit cards, consumer and other loans				
Performing loans	4,152,812			4,152,812
Past due 1 - 90 days		698,936		698,936
Past due > 90 days			267,171	267,171
	4,152,812	**698,936**	**267,171**	**5,118,919**
Corporate loans				
Performing loans	23,192,152		463,710	23,655,862
Past due 1 - 90 days		1,336,354	134,578	1,470,932
Past due > 90 days		197,012	1,428,604	1,625,616
	23,192,152	**1,533,366**	**2,026,892**	**26,752,410**
Total portfolio				
Performing loans	36,936,823		463,710	37,400,533
Past due 1 - 90 days		3,035,346	134,578	3,169,924
Past due > 90 days		197,012	2,316,640	2,513,652
Total	**36,936,823**	**3,232,358**	**2,914,928**	**43,084,109**

LOANS AND ADVANCES TO CUSTOMERS – Neither past due nor impaired

	31.12.2010			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Low risk	9,365,149	3,922,812	18,919,620	32,207,581
Under surveillance			1,362,400	1,362,400
Total	**9,365,149**	**3,922,812**	**20,282,020**	**33,569,981**

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Low risk	9,591,859	4,152,812	22,236,917	35,981,588
Under surveillance			955,235	955,235
Total	**9,591,859**	**4,152,812**	**23,192,152**	**36,936,823**

This category includes loans that have indications that the counterparty will not be able to meet its contractual obligations. For these accounts a settlement was agreed upon during the last 12 months, and they are subsequently repaid according to schedule. These loans amounted to €904.6 million as at 31.12.2010 (31.12.2009: €544.7 million).

LOANS AND ADVANCES TO CUSTOMERS – Past due but not impaired

	31.12.2010			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Past due 1 - 90 days	1,174,454	678,659	1,364,771	3,217,884
Past due > 90 days			255,145	255,145
Total	**1,174,454**	**678,659**	**1,619,916**	**3,473,029**
Fair value of collaterals	**1,112,822**	**57,706**	**1,401,140**	**2,571,668**

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Past due 1 - 90 days	1,000,056	698,936	1,336,354	3,035,346
Past due > 90 days			197,012	197,012
Total	**1,000,056**	**698,936**	**1,533,366**	**3,232,358**
Fair value of collaterals	**866,963**	**4,732**	**1,374,308**	**2,246,003**

LOANS AND ADVANCES TO CUSTOMERS - Impaired

	31.12.2010			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Carrying amount before impairment	823,931	309,085	3,494,346	4,627,362
Allowance of impairment	(126,450)	(173,733)	(1,451,154)	(1,751,337)
Carrying amount	**697,481**	**135,352**	**2,043,192**	**2,876,025**
Fair value of collaterals	**757,925**	**27,122**	**3,060,982**	**3,846,029**

	31.12.2009			
	Mortgage	Credit cards, consumer and other loans	Corporate loans	Total
Carrying amount before impairment	620,865	267,171	2,026,892	2,914,928
Allowance of impairment	(80,694)	(117,954)	(1,074,706)	(1,273,354)
Carrying amount	**540,171**	**149,217**	**952,186**	**1,641,574**
Fair value of collaterals	**577,454**	**7,820**	**1,834,250**	**2,419,524**

BALANCES WITH CENTRAL BANKS -DUE FROM BANKS - DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES - Analysis per rating

	31.12.2010						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
AAA	1,816,013				559	50,541	1,867,113
AA+ to AA-		732,795	167,170		23,271	49,407	972,643
A+ to A-		308,243	27,980		250,989	266,066	853,278
BBB+ to BBB-	646,061	7,757,393	112,848	29,538	2,226,553	4,385,644	15,158,037
Lower than BBB-	39,959	7,484	120,070	6,258	221,478	439,932	835,181
Unrated		18,342	13,945		136,330	23,203	191,820
Exposure before impairment	**2,502,033**	**8,824,257**	**442,013**	**35,796**	**2,859,180**	**5,214,793**	**19,878,072**

	31.12.2009						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
AAA	1,300,009				21,991	140,087	1,462,087
AA+ to AA-		269,464	10,573		9,840	179,981	469,858
A+ to A-	917,352	10,624,842	264,300	60,116	1,999,735	3,477,446	17,343,791
BBB+ to BBB-	72,869	1,249,202	1,170	325	259,343	659,611	2,242,520
Lower than BBB-	38,594	13,447	79,026	6,505	70,178	402,085	609,835
Unrated		4,478	18,531		69,754	28,909	121,672
Exposure before impairment	**2,328,824**	**12,161,433**	**373,600**	**66,946**	**2,430,841**	**4,888,119**	**22,249,763**

BALANCES WITH CENTRAL BANKS -DUE FROM BANKS –DERIVATIVE FINANCIAL INSTRUMENTS AND DEBT SECURITIES – Analysis of past due amounts

	31.12.2010						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
Neither past due nor impaired	2,502,033	8,824,257	442,013	35,796	2,786,838	5,164,631	19,755,568
Past due but not impaired							
Impaired					72,342	50,162	122,504
Exposure before impairment	**2,502,033**	**8,824,257**	**442,013**	**35,796**	**2,859,180**	**5,214,793**	**19,878,072**
Less: Allowance for impairment losses					(50,620)	(33,657)	(84,277)
Net exposure	**2,502,033**	**8,824,257**	**442,013**	**35,796**	**2,808,560**	**5,181,136**	**19,793,795**

	31.12.2009						
	Balances with Central Banks	Due from Banks	Derivative Financial Instruments	Securities held for trading	Available for sale securities	Held to maturity securities	Total
Neither past due nor impaired	2,328,824	12,161,433	373,600	66,946	2,393,313	4,860,651	22,184,767
Past due but not impaired							
Impaired					37,528	27,468	64,996
Exposure before impairment	**2,328,824**	**12,161,433**	**373,600**	**66,946**	**2,430,841**	**4,888,119**	**22,249,763**
Less: Allowance for impairment losses					(31,121)	(19,626)	(50,747)
Net exposure	**2,328,824**	**12,161,433**	**373,600**	**66,946**	**2,399,720**	**4,868,493**	**22,199,016**

In the following tables are presented the financial instruments exposed to credit risk by sectors of the counterparties.

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by sector

	31.12.2010										
	Financial Institutions and other financial services	Manufacturing	Construction and real estate	Wholesale and retail trade	Public sector	Transportation	Shipping	Hotels -Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	2,502,033										2,502,033
Due from banks	8,824,257										8,824,257
Loans and advances to customers:											
Individuals:											
▪ Mortgages										11,363,534	11,363,534
▪ Credit cards and consumer loans										4,855,732	4,855,732
▪ Other loans										54,824	54,824
Total										**16,274,090**	**16,274,090**
Corporate loans and other receivables	1,691,669	5,497,865	3,097,443	5,668,236	312,197	2,700,350	1,587,833	1,605,707	3,234,982		25,396,282
Total	**1,691,669**	**5,497,865**	**3,097,443**	**5,668,236**	**312,197**	**2,700,350**	**1,587,833**	**1,605,707**	**3,234,982**	**16,274,090**	**41,670,372**
Derivative financial assets	196,196	4,822	51,454	11,782	108,520	162	19,381	17,868	31,828		442,013
Securities held for trading	2,042				33,754						35,796
Available for sale securities	1,391,078		40,146	8,827	1,419,120				9		2,859,180
Held to maturity securities	1,007,150	2,287	50,867	59,026	4,095,463						5,214,793
Total amount of balance sheet items exposed to credit risk (a)	**15,614,425**	**5,504,974**	**3,239,910**	**5,747,871**	**5,969,054**	**2,700,512**	**1,607,214**	**1,623,575**	**3,266,819**	**16,274,090**	**61,548,444**
Other balance sheet items not exposed to credit risk									4,058,065		4,058,065
Total assets	**15,614,425**	**5,504,974**	**3,239,910**	**5,747,871**	**5,969,054**	**2,700,512**	**1,607,214**	**1,623,575**	**7,324,884**	**16,274,090**	**65,606,509**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	844,270	783,452	2,132,757	1,197,946		104,159	12,151	44,752	504,844		5,624,331
Undrawn loan agreements and credit limits									15,239,190		15,239,190
Guarantees for bonds issued by subsidiaries of the Bank									7,181,297		7,181,297
Total amount of off balance sheet items exposed to credit risk (b)	**844,270**	**783,452**	**2,132,757**	**1,197,946**		**104,159**	**12,151**	**44,752**	**22,925,331**		**28,044,818**
Total credit risk exposure (a+b)	**16,458,695**	**6,288,426**	**5,372,667**	**6,945,817**	**5,969,054**	**2,804,671**	**1,619,365**	**1,668,327**	**26,192,150**	**16,274,090**	**89,593,262**

FINANCIAL INSTRUMENTS CREDIT RISK – Analysis by sector

	31.12.2009										
	Financial Institutions and other financial services	Manufacturing	Construction and real estate	Wholesale and retail trade	Public sector	Transportation	Shipping	Hotels -Tourism	Other sectors	Individuals	Total
Credit risk exposure relating to balance sheet items:											
Balances with Central Banks	2,328,824										2,328,824
Due from banks	12,161,433										12,161,433
Loans and advances to customers:											
Individuals:											
▪ Mortgages										11,212,780	11,212,780
▪ Credit cards and consumer loans										5,063,442	5,063,442
▪ Other loans										55,477	55,477
Total										**16,331,699**	**16,331,699**
Corporate loans and other receivables	2,133,201	5,815,268	3,333,473	6,395,152	365,285	2,342,210	1,579,347	2,002,973	2,785,501		26,752,410
Total	**2,133,201**	**5,815,268**	**3,333,473**	**6,395,152**	**365,285**	**2,342,210**	**1,579,347**	**2,002,973**	**2,785,501**	**16,331,699**	**43,084,109**
Derivative financial assets	196,498	13,035	35,707	10,180	55,693		13,510	19,669	29,308		373,600
Securities held for trading	3,461			410	63,075						66,946
Available for sale securities	2,195,888	10,835	31,381	37,182	155,546				9		2,430,841
Held to maturity securities	1,922,393	103,553	48,566	130,842	2,682,765						4,888,119
Total amount of balance sheet items exposed to credit risk (a)	**20,941,698**	**5,942,691**	**3,449,127**	**6,573,766**	**3,322,364**	**2,342,210**	**1,592,857**	**2,022,642**	**2,814,818**	**16,331,699**	**65,333,872**
Other balance sheet items not exposed to credit risk									3,838,805		3,838,805
Total assets	**20,941,698**	**5,942,691**	**3,449,127**	**6,573,766**	**3,322,364**	**2,342,210**	**1,592,857**	**2,022,642**	**6,653,623**	**16,331,699**	**69,172,677**
Credit risk exposure relating to off balance sheet items:											
Letters of guarantee and letters of credit	120,203	980,186	2,152,340	1,162,636	1,614	74,413	42,166	26,326	1,530,419		6,090,303
Undrawn loan agreements and credit limits									16,663,088		16,663,088
Guarantees for bonds issued by subsidiaries of the Bank									11,278,533		11,278,533
Total amount of off balance sheet items exposed to credit risk (b)	**120,203**	**980,186**	**2,152,340**	**1,162,636**	**1,614**	**74,413**	**42,166**	**26,326**	**29,472,040**		**34,031,924**
Total credit risk exposure (a+b)	**21,061,901**	**6,922,877**	**5,601,467**	**7,736,402**	**3,323,978**	**2,416,623**	**1,635,023**	**2,048,968**	**32,286,858**	**16,331,699**	**99,365,796**

40.2 Market risk

Market risk is the risk of losses arising from unfavourable changes in the value or volatility of interest rates, foreign exchange rates, stock exchange indexes, equity prices and commodities. Losses may also occur either from the trading portfolio or from the banking book.

i. Trading portfolio

The market risk is measured by the Value at Risk – VAR. The method applied for calculating Value at Risk is historical simulation. The Bank applies a holding period of one and ten days, depending on the time required to liquidate the portfolio.

1 day value at risk, 99% confidence level (2 years historical data)

	2010					2009
	Foreign currency risk	Interest rate risk	Price risk	Covariance	Total	Total
31 December	153,640	300,307	1,031,173	(437,176)	1,047,944	1,648,465
Average daily value (annual)	550,757	156,172	1,443,977	(749,837)	1,401,069	2,057,951
Maximum daily value (annual)*	588,686	134,068	1,854,147	(872,148)	1,704,753	3,584,169
Minimum daily value (annual)*	153,640	300,307	1,031,173	(437,176)	1,047,944	1,336,083

* relating to the total value at risk

The Value at Risk methodology is complemented with scenario analysis and stress testing, in order to estimate the potential size of losses that could arise from the trading portfolio for hypothetical as well as historical extreme movements of market parameters.

Within the scope of policy-making for financial risk management by the Asset and Liability Management Committee (ALCO), exposure limits and maximum loss (stop loss) for various products of the trading portfolio have been set. In particular the following limits have been set for the following risks:

- Foreign currency risk regarding spot and forward positions
- Interest rate risk regarding positions on bonds, Interest Rate Swaps, Interest Futures, Interest Options
- Price risk regarding position in shares, index Futures and Options
- Credit risk regarding interbank transactions, corporate bonds and emerging market government bonds.

Positions held in these products are monitored during the day and are examined as to the corresponding limit percentage cover and limit excess.

ii. Other financial instruments of assets and liabilities

Apart from the trading portfolio market risk may also arise from the Banking Book from the analysis. This risk is foreign currency risk and interest rate risk.

a. Foreign currency risk

The Bank takes on the risk arising from the fluctuations in foreign exchange rates.

The General Management of the Bank sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. The total position arises from the net on balance sheet position and derivatives forward position as presented in the tables below:

	31.12.2010								
	USD	GBP	CHF	JPY	RON	RSD	Other F/C	Euro	Total
ASSETS									
Cash and balances with Central Banks	6,355	1,263	394	38			92,702	2,704,414	2,805,166
Due from banks	321,641	229,234	2,025,366	24,790	36,108	411	21,442	6,165,265	8,824,257
Securities held for trading							6,193	29,603	35,796
Derivative financial assets								442,013	442,013
Loans and advances to customers	1,767,651	303,230	424,327	37,386			179,676	37,206,765	39,919,035
Investment securities									
- Available for sale	15,174	135			174		42,196	2,750,881	2,808,560
- Held to maturity	14,233							5,166,903	5,181,136
Investments in subsidiaries, associates and joint ventures		63,900			195,724	247,687	166,857	1,178,874	1,853,042
Investment property								47,706	47,706
Property, plant and equipment							33,145	598,117	631,262
Goodwill and other intangible assets							6,058	92,462	98,520
Deferred tax assets							7,086	448,466	455,552
Other assets	242	1,130	1				47,082	533,708	582,163
Non-current assets held for sale								86,687	86,687
Total Assets	**2,125,296**	**598,892**	**2,450,088**	**62,214**	**232,006**	**248,098**	**602,437**	**57,451,864**	**63,770,895**
LIABILITIES									
Due to banks and customers	3,082,151	116,779	19,014	508,227	1,895	11,507	568,059	45,656,073	49,963,705
Derivative financial liabilities								1,106,591	1,106,591
Debt securities in issue and other borrowed funds	52,736	4,073		278,862	39,810		28,060	6,577,332	6,980,873
Liabilities for current income tax and other taxes							146	113,149	113,295
Deferred tax liabilities								234,819	234,819
Other liabilities	702	445	264	623			8,256	921,577	931,867
Provisions							381	8,866	9,247
Total Liabilities	**3,135,589**	**121,297**	**19,278**	**787,712**	**41,705**	**11,507**	**604,902**	**54,618,407**	**59,340,397**
Net balance sheet position	(1,010,293)	477,595	2,430,810	(725,498)	190,301	236,591	(2,465)	2,833,457	4,430,498
Derivatives forward foreign exchange position	1,002,691	(488,839)	(2,444,671)	719,976	(88,327)	11,404	148,891	848,685	(290,190)
Total Foreign Exchange Position	**(7,602)**	**(11,244)**	**(13,861)**	**(5,522)**	**101,974**	**247,995**	**146,426**	**3,682,142**	**4,140,308**
Undrawn loan agreements and credit limits	53,864	14,677	9,565	6,958			3,394	15,150,732	15,239,190

	31.12.2009								
	USD	GBP	CHF	JPY	RON	RSD	Other F/C	Euro	Total
ASSETS									
Cash and balances with Central Banks	7,824	1,432	294	26			109,908	2,606,490	2,725,974
Due from banks	(133,111)	266,363	2,042,353	11,654	199,153	2	91,368	9,683,651	12,161,433
Securities held for trading	121						6,096	60,729	66,946
Derivative financial assets								373,600	373,600
Loans and advances to customers	1,949,284	310,966	402,443	31,018			189,198	38,927,846	41,810,755
Investment securities									
- Available for sale	52,074	79	16,853		15,781		49,058	2,265,875	2,399,720
- Held to maturity	348,442							4,520,051	4,868,493
Investments in subsidiaries, associates and joint ventures	3,662	57,903			128,224	247,687	163,636	1,193,607	1,794,719
Investment property								48,325	48,325
Property, plant and equipment							38,874	600,348	639,222
Goodwill and other intangible assets							6,348	69,603	75,951
Deferred tax assets								313,798	313,798
Other assets	2,078	1,305	(1)				18,861	472,284	494,527
Non-current assets held for sale								75,113	75,113
Total Assets	**2,230,374**	**638,048**	**2,461,942**	**42,698**	**343,158**	**247,689**	**673,347**	**61,211,320**	**67,848,576**
LIABILITIES									
Due to banks and customers	4,518,208	242,059	21,056	959,325	66		526,896	44,281,866	50,549,476
Derivative financial liabilities								628,886	628,886
Debt securities in issue and other borrowed funds	323,406	5,186	102,677	227,533	99,034		54,655	9,593,091	10,405,582
Liabilities for current income tax and other taxes								88,549	88,549
Deferred tax liabilities								187,970	187,970
Other liabilities	878	495	220	509			1,991	1,204,680	1,208,773
Provisions								3,768	3,768
Total Liabilities	**4,842,492**	**247,740**	**123,953**	**1,187,367**	**99,100**		**583,542**	**55,988,810**	**63,073,004**
Net balance sheet position	(2,612,118)	390,308	2,337,989	(1,144,669)	244,058	247,689	89,805	5,222,510	4,775,572
Derivatives forward foreign exchange position	2,600,042	(405,038)	(2,344,053)	1,142,752	(117,434)		71,137	(966,742)	(19,336)
Total Foreign Exchange Position	**(12,076)**	**(14,730)**	**(6,064)**	**(1,917)**	**126,624**	**247,689**	**160,942**	**4,255,768**	**4,756,236**
Undrawn loan agreements and credit limits	68,356	46,839					4,947	16,542,946	16,663,088

The Bank's high exposure in other currencies is primarily due to UAH/EUR position.

The net foreign exchange position as at 31.12.2010 presents the following sensitivity analysis:

Currency	Exchange rate variation scenario against Euro(%)	Impact on net income before tax
USD	Appreciation of USD 5%	(401)
	Depreciation of USD 5%	362
GBP	Appreciation of GBP 5%	(592)
	Depreciation of GBP 5%	535
CHF	Appreciation of CHF 5%	(730)
	Depreciation of CHF 5%	660
RON	Appreciation of RON 5%	5,367
	Depreciation of RON 5%	(4,856)
MKD	Appreciation of MKD 5%	1,509
	Depreciation of MKD 5%	(1,366)
RSD	Appreciation of RSD 5%	13,052
	Depreciation of RSD 5%	(11,810)
UAH	Appreciation of UAH 5%	7,637
	Depreciation of UAH 5%	(6,910)

b. Interest rate risk

Gap analysis is performed in order to examine the interest rate risk of assets and liabilities. Assets and liabilities are allocated into time bands according to their repricing date for variable interest rate instruments, or according to their maturity date for fixed rate instruments.

GAP Analysis of assets and liabilities is set out in the table below:

	31.12.2010							
	< Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	2,441,072						364,094	2,805,166
Due from banks	4,720,137	3,095,392	309,408	593,865	105,440	15		8,824,257
Securities held for trading	20	1,781	7,129	1,068	14,420	11,378		35,796
Derivative financial assets	442,013							442,013
Loans and advances to customers	27,271,690	5,750,438	3,058,226	1,802,421	1,303,948	732,312		39,919,035
Investment securities								
- Available for sale	746,153	895,520	1,011,198	12,146	68,174	27,773	47,596	2,808,560
- Held to maturity	408,639	2,034,773	1,034,446	75,887	774,024	853,367		5,181,136
Investments in subsidiaries, associates and joint ventures							1,853,042	1,853,042
Investment property							47,706	47,706
Property, plant and equipment							631,262	631,262
Goodwill and other intangible assets							98,520	98,520
Deferred tax assets							455,552	455,552
Other assets							582,163	582,163
Non-current assets held for sale							86,687	86,687
Total Assets	**36,029,724**	**11,777,904**	**5,420,407**	**2,485,387**	**2,266,006**	**1,624,845**	**4,166,622**	**63,770,895**
LIABILITIES								
Due to banks	5,688,655	13,029,332	12,008					18,729,995
Derivative financial liabilities	1,106,591							1,106,591
Due to customers	20,751,926	4,409,704	930,282	2,582,755	2,403,805		155,238	31,233,710
Debt securities in issue and other borrowed funds	1,791,012	3,657,281	504,281	10,537	1,017,762			6,980,873
Liabilities for current income tax and other taxes							113,295	113,295
Deferred tax liabilities							234,819	234,819
Other liabilities							931,867	931,867
Provisions							9,247	9,247
Total Liabilities	**29,338,184**	**21,096,317**	**1,446,571**	**2,593,292**	**3,421,567**		**1,444,466**	**59,340,397**
EQUITY								
Share capital							3,451,067	3,451,067
Share premium							406,867	406,867
Reserves							(6,542)	(6,542)
Retained earnings							579,106	579,106
Total Equity							**4,430,498**	**4,430,498**
Total Liabilities and Equity	**29,338,184**	**21,096,317**	**1,446,571**	**2,593,292**	**3,421,567**		**5,874,964**	**63,770,895**
GAP	**6,691,540**	**(9,318,413)**	**3,973,836**	**(107,905)**	**(1,155,561)**	**1,624,845**	**(1,708,342)**	
CUMULATIVE GAP	**6,691,540**	**(2,626,873)**	**1,346,963**	**1,239,058**	**83,497**	**1,708,342**		

	31.12.2009							
	< Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	> 5 years	Non-interest bearing	Total
ASSETS								
Cash and balances with Central Banks	2,192,574						533,400	2,725,974
Due from banks	7,593,283	3,947,353	213,633	194,325	205,708	7,046	85	12,161,433
Securities held for trading	3,769		33,012	13,586	11,630	4,949		66,946
Derivative financial assets	373,600							373,600
Loans and advances to customers	25,332,104	6,933,495	4,572,409	1,387,780	2,718,528	866,439		41,810,755
Investment securities:								
- Available for sale	921,468	922,804	45,975	28,858	360,748	48,668	71,199	2,399,720
- Held to maturity	565,505	997,505	2,600,575	53,539	275,799	375,570		4,868,493
Investments in subsidiaries, associates and joint ventures							1,794,719	1,794,719
Investment property							48,325	48,325
Property, plant and equipment							639,222	639,222
Goodwill and other intangible assets							75,951	75,951
Deferrred tax assets							313,798	313,798
Other assets							494,527	494,527
Non-current assets held for sale							75,113	75,113
Total Assets	**36,982,303**	**12,801,157**	**7,465,604**	**1,678,088**	**3,572,413**	**1,302,672**	**4,046,339**	**67,848,576**
LIABILITIES								
Due to banks	3,081,874	1,861,900	342,657	10,004,997				15,291,428
Derivative financial liabilities	628,886							628,886
Due to customers	22,975,032	5,536,717	3,719,195	1,642,397	1,384,707			35,258,048
Debt securities in issue and other borrowed funds	2,502,058	7,139,560	683,210	1,957	73,734	5,063		10,405,582
Liabilities for current income tax and other taxes							88,549	88,549
Deferred tax liabilities							187,970	187,970
Other liabilities							1,208,773	1,208,773
Provisions							3,768	3,768
Total Liabilities	**29,187,850**	**14,538,177**	**4,745,062**	**11,649,351**	**1,458,441**	**5,063**	**1,489,060**	**63,073,004**
EQUITY								
Share capital							3,451,067	3,451,067
Share premium							406,867	406,867
Reserves							202,391	202,391
Retained earnings							715,247	715,247
Total Equity							**4,775,572**	**4,775,572**
Total Liabilities and Equity	**29,187,850**	**14,538,177**	**4,745,062**	**11,649,351**	**1,458,441**	**5,063**	**6,264,632**	**67,848,576**
GAP	**7,794,453**	**(1,737,020)**	**2,720,542**	**(9,971,263)**	**2,113,972**	**1,297,609**	**(2,218,293)**	
CUMULATIVE GAP	**7,794,453**	**6,057,433**	**8,777,975**	**(1,193,288)**	**920,684**	**2,218,293**		

GAP Analysis allows an immediate calculation of changes in net interest income and equity for available for sale securities upon application of alternative scenarios, such as changes in market interest rates or changes in the Bank's base interest rates.

Currency	Interest rate variation scenario (parallel fall or rise in yield curves)	Sensitivity for net interest income (annual)	Sensitivity of equity
EUR	+ 50	40,992	(5,124)
	- 50	(18,847)	5,278
USD	+ 50	366	(248)
	- 50	1,363	257
GBP	+ 50	(161)	
	- 50	74	
CHF	+ 50	(124)	
	- 50	6,655	

40.3 Liquidity risk (liquidity gap analysis)

Liquidity risk relates to the Bank's ability to maintain sufficient funds to cover its obligations.

A substantial portion of the Bank's assets are funded with customer deposits and bonds issued by the Group. This type of funding comprises two categories:

a) Customer deposits for working capital purposes

Deposits for working capital purposes consist of savings accounts and current deposits. Although these deposits may be withdrawn on demand, the number of the accounts and type of depositors ensure that unexpected fluctuations are limited and that these deposits constitute mostly a stable deposit base.

b) Customer deposits and bonds issued for investment purposes

Customer deposits and bonds issued for investment purposes concern customer term deposits, customer repurchase agreements (repos) and sale of bonds issued by the Group.

The last two years the European Central Bank has been an additional source of funding with the use of collaterals pledged. The Bank’s total borrowings from the European Central Bank amounted to € 14 billion on 31 December 2010 (2009: € 10 billion). The Bank’s borrowings from the European Central Bank increased by 39.3% in 2010, while the respective lending of Greek banks as a whole increased by 131.2%. The increase in the Bank’s ECB borrowings in 2010 reflects the deterioration of the Greek liquidity market, which is due to the downgrade of the Greek State’s credit rating.

	31.12.2010					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	2,805,166					2,805,166
Due from banks	1,761,273	1,277,584	434,052	316,933	5,034,415	8,824,257
Securities held for trading	34,006				1,790	35,796
Derivative financial assets	442,013					442,013
Loans and advances to customers	1,469,671	1,964,054	1,990,205	2,495,166	31,999,939	39,919,035
Investment securities						
- Available for sale	2,699,705				108,855	2,808,560
- Held to maturity	3,642,093				1,539,043	5,181,136
Investments in subsidiaries, associates and joint ventures					1,853,042	1,853,042
Investment property					47,706	47,706
Property, plant and equipment					631,262	631,262
Goodwill and other intangible assets					98,520	98,520
Deferred tax assets					455,552	455,552
Other assets	4,611		22,260	166,676	388,616	582,163
Non-current assets held for sale					86,687	86,687
Total Assets	**12,858,538**	**3,241,638**	**2,446,517**	**2,978,775**	**42,245,427**	**63,770,895**
LIABILITIES						
Due to banks	5,527,487	12,665,856	4,611	155,892	376,149	18,729,995
Derivative financial liabilities	1,106,591					1,106,591
Due to customers	2,057,582	1,023,419	493,021	1,421,336	26,238,352	31,233,710
Debt securities in issue and other borrowed funds	4,000	247,464	792,572	204,330	5,732,507	6,980,873
Liabilities for current income tax and other taxes	113,295					113,295
Deferred tax liabilities					234,819	234,819
Other liabilities	701,007	62,388	19,306	46,715	102,451	931,867
Provisions					9,247	9,247
Total Liabilities	**9,509,962**	**13,999,127**	**1,309,510**	**1,828,273**	**32,693,525**	**59,340,397**
EQUITY						
Total Equity					**4,430,498**	**4,430,498**
Total Liabilities and Equity	**9,509,962**	**13,999,127**	**1,309,510**	**1,828,273**	**37,124,023**	**63,770,895**
Liquidity gap	**3,348,576**	**(10,757,489)**	**1,137,007**	**1,150,502**	**5,121,404**	

	31.12.2009					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS						
Cash and balances with Central Banks	2,725,974					2,725,974
Due from banks	4,877,993	2,055,305	49,938	607,193	4,571,004	12,161,433
Securities held for trading	63,599				3,347	66,946
Derivative financial assets	373,600					373,600
Loans and advances to customers	1,506,887	1,878,336	2,065,262	2,510,543	33,849,727	41,810,755
Investment securities						
- Available for sale	2,276,128				123,592	2,399,720
- Held to maturity	3,407,945				1,460,548	4,868,493
Investments in subsidiaries, associates and joint ventures					1,794,719	1,794,719
Investment property					48,325	48,325
Property, plant and equipment					639,222	639,222
Goodwill and other intangible assets					75,951	75,951
Deferred tax assets					313,798	313,798
Other assets	5,340		17,095	220,210	251,882	494,527
Non-current assets held for sale					75,113	75,113
Total Assets	**15,237,466**	**3,933,641**	**2,132,295**	**3,337,946**	**43,207,228**	**67,848,576**
LIABILITIES						
Due to banks	2,966,476	1,255,604	367,219	10,052,595	649,534	15,291,428
Derivative financial liabilities	628,886					628,886
Due to customers	7,375,644	6,865,461	4,285,875	2,822,280	13,908,788	35,258,048
Debt securities in issue and other borrowed funds	281,067	624,806	504,152	574,340	8,421,217	10,405,582
Liabilities for current income tax and other taxes	88,549					88,549
Deferred tax liabilities					187,970	187,970
Other liabilities	956,220	56,395	24,057	57,159	114,942	1,208,773
Provisions					3,768	3,768
Total Liabilities	**12,296,842**	**8,802,266**	**5,181,303**	**13,506,374**	**23,286,219**	**63,073,004**
EQUITY						
Total Equity					**4,775,572**	**4,775,572**
Total Liabilities and Equity	**12,296,842**	**8,802,266**	**5,181,303**	**13,506,374**	**28,061,791**	**67,848,576**
Liquidity gap	**2,940,624**	**(4,868,625)**	**(3,049,008)**	**(10,168,428)**	**15,145,437**	

Cash flows arising from financial liabilities including derivatives financial liabilities, are allocated into time bands according to their due date. Estimated interest payments are also included. Liabilities in foreign currency have been translated into Euro. Especially for derivatives, their outflows and inflows are estimated according to their contractual terms.

	31.12.2010						
		Nominal inflows / (outflows)					
	Total Balance Sheet	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	TOTAL
Non-derivative Liabilities							
Due to banks	18,729,995	(5,558,329)	(12,696,229)	(10,758)	(166,430)	(440,109)	(18,871,855)
Due to customers	31,233,710	(9,479,079)	(4,481,487)	(1,383,185)	(3,535,207)	(12,632,200)	(31,511,158)
Debt securities in issue and other borrowed funds	6,980,873	(5,674)	(289,181)	(828,393)	(279,537)	(7,584,991)	(8,987,776)
Other liabilities	931,867	(697,785)	(62,388)	(19,306)	(46,715)	(105,673)	(931,867)
Derivatives held for liabilities fair value hedge	30,800						
- Outflows		(58)	(26,913)	(1,061)	(8,859)	(356,965)	(393,856)
- Inflows		5	28,677	1,118	11,099	435,112	476,011
Derivatives held for assets fair value hedge	328,452						
- Outflows		(77,211)	(3,130)	(73,719)	(42,309)	(1,349,443)	(1,545,812)
- Inflows		77,794	7,989	19,211	53,062	1,320,278	1,478,334
Derivatives held for trading	747,339						
- Outflows		(958,978)	(401,382)	(441,182)	(328,064)	(5,454,750)	(7,584,356)
- Inflows		870,060	395,474	396,768	296,680	5,118,916	7,077,898
Total	**58,983,036**	**(15,829,255)**	**(17,528,570)**	**(2,340,507)**	**(4,046,280)**	**(21,049,825)**	**(60,794,437)**
Off Balance sheet items							
Unrecognized loan commitments		(442,629)					(442,629)
Financial guarantees		(10,189)	(14,486)	(19,203)	(11,530)	(103,358)	(158,766)
Total off Balance sheet items		**(452,818)**	**(14,486)**	**(19,203)**	**(11,530)**	**(103,358)**	**(601,395)**

		31.12.2009					
	Total Balance Sheet	Nominal inflows / (outflows)					
		Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	TOTAL
Non-derivative Liabilities							
Due to banks	15,291,428	(3,076,388)	(1,258,953)	(381,917)	(10,136,881)	(1,689,023)	(16,543,162)
Due to customers	35,258,048	(7,618,619)	(6,872,832)	(4,322,477)	(2,850,676)	(13,690,416)	(35,355,020)
Debt securities in issue and other borrowed funds	10,405,582	(74,548)	(485,695)	(555,761)	(697,721)	(11,162,634)	(12,976,359)
Other liabilities	1,208,773	(956,220)	(56,395)	(24,057)	(57,159)	(114,942)	(1,208,773)
Derivatives held for liabilities fair value hedge	33,087						
- Outflows		(53)	(2,786)	(2,199)	(10,095)	(286,105)	(301,238)
- Inflows		245	8,293	1,541	10,946	354,161	375,186
Derivatives held for assets fair value hedge	221,756						
- Outflows		(30)	(3,049)	(48,406)	(46,938)	(1,418,719)	(1,517,142)
- Inflows		1,087	7,789	16,184	44,311	1,398,252	1,467,623
Derivatives held for trading	374,043						
- Outflows		(2,218,777)	(1,102,440)	(96,891)	(232,017)	(2,394,689)	(6,044,814)
- Inflows		2,138,001	1,104,818	128,052	177,169	2,671,280	6,219,320
Total	**62,792,717**	**(11,805,302)**	**(8,661,250)**	**(5,285,931)**	**(13,799,061)**	**(26,332,835)**	**(65,884,379)**
Off Balance sheet items							
Unrecognized loan commitments		(651,985)					(651,985)
Financial guarantees		(17,924)	(32,816)	(20,798)	(11,081)	(97,589)	(180,208)
Total off Balance sheet items		**(669,909)**	**(32,816)**	**(20,798)**	**(11,081)**	**(97,589)**	**(832,193)**

40.4 Fair value of financial assets and liabilities

The table below presents the carrying amounts and fair values of loans and advances to customers, held to maturity investment securities and due to customers. These financial assets and liabilities are carried at their amortized cost and not at fair value in the financial statements.

The fair value of loans is estimated based on the interbank market yield curves adjusted with the credit spread of loans.

The fair value of deposits is estimated based on the interbank market yield curves deducted from customers' spread depending on the type of the deposit.

Both loans and deposits future cash flows are discounted based on their duration and the respective interest rates.

The fair value of held to maturity securities is calculated based on market prices, as long as the market is active. In all other cases the discounting cash flows method is used where all significant variables are based on observable market data.

	31.12.2010	
	Carrying amount	Fair value
ASSETS		
Loans and advances to customers	39,919,035	39,894,517
Held to maturity investment securities	5,181,136	4,090,189
LIABILITIES		
Due to customers	31,233,710	31,257,005

	31.12.2009	
	Carrying amount	Fair value
ASSETS		
Loans and advances to customers	41,810,755	42,112,194
Held to maturity investment securities	4,868,493	4,451,761
LIABILITIES		
Due to customers	35,258,048	35,270,939

For the remaining financial assets and liabilities which are carried at amortized cost the fair values are not substantially different from the carrying amount.

Hierarchy of financial instruments measured at fair value

The table below analyses financial instruments measured at fair value by the level in fair value hierarchy based on the significance of the inputs used in making the fair value measurements as follows:

- Level 1 inputs: Quoted market price (unadjusted) in an active market,
- Level 2 inputs: Directly or indirectly observable inputs,
- Level 3 inputs: Not based on observable market data, but on the Bank's assumptions.

	31.12.2010			
	Derivative financial assets	Securities held for trading	Available for sale securities	Derivative financial liabilities
Level 1		29,603	2,351,334	8
Level 2	438,898	6,193	428,649	1,103,262
Level 3	3,115		28,577	3,321
Total	**442,013**	**35,796**	**2,808,560**	**1,106,591**

	31.12.2009			
	Derivative financial assets	Securities held for trading	Available for sale securities	Derivative financial liabilities
Level 1	5	59,530	1,313,512	
Level 2	369,028	7,416	781,466	623,888
Level 3	4,567		304,742	4,998
Total	**373,600**	**66,946**	**2,399,720**	**628,886**

Financial assets and liabilities measured at fair value in Level 3

A reconciliation for financial instruments measured at fair value in Level 3 is as follows:

	31.12.2010		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2010	**304,742**	**4,567**	**(4,998)**
Total gain or loss recognized in income statement	(28,951)	(1,066)	1,215
Total gain or loss recognized in equity	29,416		
Purchases/ Issues	2,568		
Sales/ Repayments/ Settlements	(33,009)	(386)	462
Transfers from level 3 (to levels 1 and 2)	(246,189)		
Balance 31.12.2010	**28,577**	**3,115**	**(3,321)**
Amounts included in the income statement for financial instruments held at the end of the reporting period	(24,532)	(1,066)	1,215

	31.12.2009		
	Assets		Liabilities
	Available for sale securities	Derivative financial assets	Derivative financial liabilities
Opening balance 1.1.2009	**106,955**	**(7)**	**(1,090)**
Total gain or loss recognized in income statement	(17,113)	4,653	722
Total gain or loss recognized in equity	32,211		
Purchases/ Issues	274,062		
Sales/ Repayments/ Settlements	(91,373)	(79)	(4,630)
Balance 31.12.2009	**304,742**	**4,567**	**(4,998)**
Amounts included in the income statement for financial instruments held at the end of the reporting period	(26,647)	4,653	707

41. Capital management - capital adequacy

The policy of the Bank is to maintain a strong capital base so as to maintain investors, creditor and market confidence and to sustain future development of the business.

Share capital increases are performed through Shareholders' General Meeting or Board of Directors' decisions in accordance with articles of association or relevant laws.

The Bank is allowed to purchase treasury shares based on the terms and conditions of law.

The Bank uses all modern methods to manage capital adequacy. It has issued hybrid and subordinated debt which are included as regulatory own-funds. The cost of these securities is lower than share capital and adds value to the shareholders.

The Bank's capital adequacy is monitored by the Bank of Greece to which the Bank reports on a quarterly basis.

The minimum capital adequacy ratios (Tier I and capital adequacy ratio) which the Bank must adhere to are established by decisions of the Governor of the Bank of Greece.

The calculation of capital adequacy from 1 January 2008 is determined under the new regulatory framework (Basel II), which has been transposed into Greek law by Law 3601/2007. The new regulatory framework significantly amends the measurement of credit risk and introduces capital requirements for operational risk. There are no significant changes in the measurement of market risk. Specifically, credit risk of the investment portfolio and operational risk are measured based on the Standardized Approach.

The capital adequacy ratio is determined by comparing the Bank's regulatory own funds with the risks that the Bank undertakes (risk weighted assets). Own funds include Tier I capital (share capital, reserves), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt and fixed asset revaluation reserves). The risk-weighted assets arise from the credit risk of the investment portfolio, the market risk of the trading portfolio and the operational risk.

The Bank during 2010 followed a consistent policy for deleveraging its balance sheet which strengthened its capital base.

The current capital ratios (Tier I ratio and capital adequacy ratio) are much higher than the regulatory limits set by the Bank of Greece directive and the capital base is capable to support the business growth of the Bank, in all areas, for the next years.

	31.12.2010 (estimate)	31.12.2009
Tier I ratio	11.7%	11.6%
Capital adequacy ratio (Tier I + Tier II)	13.5%	13.2%

The Basel Committee on December 16th, 2010 published its final recommendations, as well as the timetable for the implementation of the new capital adequacy framework – Basel III. Alpha Bank is in a preferable position in relation to its compliance with the above mentioned directive; the impact on the Bank's Core Tier I ratio is not expected to be significant. The relatively low impact is due to the minimum amounts of goodwill and intangible assets included in its capital base. Furthermore, the fact that the group has not undertaken substantial risk arising from insurance related activities while at the same time the use of the standardized approach rather than the internal rating method for the calculation of capital requirements, discharge Alpha Bank from potential capital burdens due to the upcoming implementation of Basel III. It is estimated that the implementation of the Basel III framework will substantially reduce the capital adequacy ratios of the European Banks.

In addition, the percentage of hybrid and subordinated debt securities is much lower than regulatory limits, which gives the Bank the opportunity, if deemed necessary to further exploit them.

42. Related-party transactions

The Bank enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arms length and are approved by relevant Bank committees.

a. The outstanding balances of the transactions with members of the Board of Directors, their close family members and the entities controlled by them are as follows:

	31.12.2010	31.12.2009
Assets		
Loans and advances to customers	165,787	161,383
Liabilities		
Due to customers	81,445	61,601
Letters of guarantee	4,806	10,213

	From 1 January to	
	31.12.2010	31.12.2009
Interest and similar income	4,351	6,776
Interest expense and similar charges	1,881	2,852

b. The outstanding balances with subsidiaries and associates and the related results of these transactions are as follows:

I. Subsidiaries

	31.12.2010	31.12.2009
Assets		
Due from banks	7,204,124	7,431,552
Securities held for trading	394	1,899
Derivative financial assets	513	1,402
Loans and advances to customers	1,433,637	2,110,063
Available for sale securities	1,134,353	1,672,570
Other assets	11	2,360
Total	**9,773,032**	**11,219,846**
Liabilities		
Due to banks	2,658,488	2,564,014
Due to customers	419,758	94,989
Derivative financial liabilities	780	295
Debt securities in issue and other borrowed funds	6,980,278	10,409,365
Other liabilities	1,406	25,648
Total	**10,060,710**	**13,094,311**
Letters of guarantee and other guarantees	**799,680**	**712,328**

	From 1 January to	
	31.12.2010	31.12.2009
Income		
Interest and similar income	127,461	207,555
Dividend income	45,750	103,664
Fee and commission income	22,385	24,073
Gains less losses on financial transactions	269	1,563
Other income	2,549	2,732
Total	**198,414**	**339,587**
Expenses		
Interest expense and similar charges	235,645	360,695
Commission expense	1,157	1,693
General administrative expenses	21,303	31,868
Total	**258,105**	**394,256**

II. Associates

	31.12.2010	31.12.2009
Assets		
Loans and advances to customers	24	42
Liabilities		
Due to customers	431	2,560

	From 1 January to	
	31.12.2010	31.12.2009
Income		
Interest and similar income	1	5
Dividend income	15	18
Total	**16**	**23**
Expenses		
Interest expense and similar charges	24	40

c. The Board of Directors and Executive General Managers' fees recorded in the income statement of 2010 amounted to €3,841 (31.12.2009: €4,296).

43. Auditors' fees

The total fees of "KPMG Certified Auditors A.E.", legal auditor of the Bank, are analyzed as follows as stipulated in Article 43a of Certified Law 2190/1920 and as amended by Article 30 of Law 3756/2009.

	1.1 - 31.12.2010	1.1 - 31.12.2009
Fees for statutory audit	441	490
Fees for other audit related assignments	32	510
Fees for other non-audit assignments	57	11
Total	**530**	**1,011**

44. Acquisitions, disposals of subsidiaries, associates and other corporate events

a. On 25.1.2010 the Bank participated in the share capital increase of its subsidiary Alpha Bank Romania S.A. by € 69.8 million.

b. On 29.1.2010 the special purpose entity Pisti 2010-1 Plc was established with registered office in the United Kingdom and primary operating activity the issuance of asset backed notes. The Bank, during 2010, securitized a portion of the credit cards and revolving consumer loans' portfolio, through the above mentioned entity.

c. On 27.5.2010 the Bank purchased 31,381,000 shares of OJSC Astra Bank for € 14.2 million, which resulted in the increase of the Bank's participation in its subsidiary to 100%.

d. On 24.6.2010 and 30.6.2010 the Bank purchased shares issued by its subsidiaries Alpha Bank Romania S.A., Alpha Leasing Romania IFN S.A. and SSIF Alpha Finance Romania S.A. from other subsidiaries, at a total cost of € 1.6 million.

e. On 25.6.2010, the Bank participated in the share capital increase of its 100% owned subsidiary Ionian Equity Participations Ltd, by € 4.1 million.

f. On 1.7.2010 the 100% owned subsidiary of the Bank Ionian Supporting Services A.E. was renamed to Alpha Supporting Services A.E.

g. On 8.7.2010 the 100% owned subsidiary of the Bank OJSC Astra Bank was renamed to JSC Astra Bank.

h. On 5.10.2010 the Bank participated proportionately in the share capital increase of its associate APE Investment Property A.E. by € 1.3 million.

i. On 22.11.2010 the Bank participated proportionately in the share capital increase of its subsidiary Alphalife A.A.E.Z. by €1 million.

j. On 15.12.2010 the Bank participated in the share capital increase of its 100% owned subsidiary Ionian Equity Participations Ltd, by € 5.4 million.

k. On 30.12.2010 the Bank participated in the share capital increase of its 100% owned subsidiary Alpha Bank A.D. Skopje by €6 million.

45. Restatement of prior year balances

Placements with the European Central Bank were reclassified from the account "Due from Banks" to the account "Cash and balances with Central Banks". Due to the above mentioned reclassification the prior year comparative balances where restated as follows:

Cash and balances with Central Banks

	30.9.2010	30.6.2010	31.3.2010	31.12.2009
Published amounts	971,929	1,124,943	905,630	1,425,965
Restated amounts	3,118,944	3,224,958	1,525,634	2,725,974
Reclassifications	2,147,015	2,100,015	620,004	1,300,009

Due from banks

	30.9.2010	30.6.2010	31.3.2010	31.12.2009
Published amounts	11,338,160	11,176,065	10,671,946	13,461,442
Restated amounts	9,191,145	9,076,050	10,051,942	12,161,433
Reclassifications	(2,147,015)	(2,100,015)	(620,004)	(1,300,009)

Further to the above, the respective amounts were reclassified in the analysis included in the respective notes.

46. Events after the balance sheet date

According to Law 3723/2008 for the enhancement of the Greek economy's liquidity program, the Bank proceeded, on 15.2.2011, to the issuance of a senior debt security guaranteed by the Greek state, amounting to Euro 950 million, with a three year duration and bearing a three month Euribor interest rate plus a spread of 8.5%.

Athens, March 22, 2011

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE ACCOUNTING MANAGER
YANNIS S. COSTOPOULOS **I.D. No. X 661480**	**DEMETRIOS P. MANTZOUNIS** **I.D. No. I 166670**	**VASILEIOS E. PSALTIS** **I.D. No. Ξ 116654**	**MARIANNA D. ANTONIOU** **I.D. No. X 694507**

FINANCIAL INFORMATION OF ALPHA BANK A.E. AND THE GROUP

For the period from January 1, 2010 to December 31, 2010
(Published in accordance with Codified Law 2190/20, article 135 concerning businesses that prepare annual financial statements, consolidated or not, in accordance with International Financial Reporting Standards - I.F.R.S.)
(Amounts in thousands of Euro)

The financial information derived from the financial statements, provide a general presentation of the financial position and results of Alpha Bank A.E. and its Group. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank www.alpha.gr, where the financial statements as well as the auditor's report are available.

INFORMATION OF ALPHA BANK

Registered office :	40 Stadiou Street, 102 52 ATHENS
R.N.S.A.:	6066/06/B/86/05
Supervising authority:	Bank of Greece, Ministry of Economy, Competitiveness and Shipping
Date of approval of the Financial Statements by the Board of Directors (from which the financial information were derived):	March 22, 2011
Certified Auditors:	Nick E. Vouniseas (A.M. SOEL 18701) Charalampos G. Syrounis (A.M. SOEL 19071)
Audit Firm:	KPMG Certified Auditors A.E. (A.M. SOEL 114)
Type of Auditors' Report:	Unqualified opinion
Website address:	www.alpha.gr

MEMBERS OF THE BOARD OF DIRECTORS:

CHAIRMAN (Executive Member)
Yannis S. Costopoulos
VICE CHAIRMAN
(Non-Executive Independent Member)
Minas G. Tanes
MANAGING DIRECTOR
(Executive Member)
Demetrios P. Mantzounis (CEO)

EXECUTIVE DIRECTORS
AND GENERAL MANAGERS
(Executive Members)
Spyros N. Filaretos (COO)
Artemis Ch. Theodoridis

NON-EXECUTIVE MEMBERS
Sophia G. Eleftheroudaki
Paul G. Karakostas
Nicholaos I. Manessis
Ioanna E. Papadopoulou

NON-EXECUTIVE
INDEPENDENT MEMBERS
George E. Agouridis
Pavlos A. Apostolides
Thanos M. Veremis
Evangelos J. Kaloussis
Ioannis K. Lyras

NON-EXECUTIVE MEMBER
(in accordance with
Law 3723/2008)
Sarantis-Evangelos G. Lolos

BALANCE SHEET

	Consolidated		Alpha Bank	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
ASSETS				
Cash and balances with Central Banks	4,124,283	3,814,673	2,805,166	2,725,974
Due from banks	2,397,664	5,108,146	8,824,257	12,161,433
Securities held for trading	41,268	70,600	35,796	66,946
Derivative financial assets	441,082	347,178	442,013	373,600
Loans and advances to customers	49,304,745	51,399,939	39,919,035	41,810,755
Investment securities				
- Available for sale	2,375,964	1,418,162	2,808,560	2,399,720
- Held to maturity	5,282,498	4,868,493	5,181,136	4,868,493
Investments in subsidiaries, associates and joint ventures			1,853,042	1,794,719
Investments in associates	49,617	50,715		
Investment property	71,729	72,668	47,706	48,325
Property, plant and equipment	1,240,658	1,258,451	631,262	639,222
Goodwill and other intangible assets	193,191	178,109	98,520	75,951
Deferred tax assets	427,554	293,289	455,552	313,798
Other assets	666,984	599,984	582,163	494,527
	66,617,237	69,480,407	63,684,208	67,773,463
Non-current assets held for sale	181,078	115,640	86,687	75,113
Total Assets	**66,798,315**	**69,596,047**	**63,770,895**	**67,848,576**
LIABILITIES				
Due to banks	16,461,381	13,235,439	18,729,995	15,291,428
Derivative financial liabilities	1,105,433	603,932	1,106,591	628,886
Due to customers (including debt securities in issue)	38,292,501	42,915,694	31,233,710	35,258,048
Debt securities in issue held by institutional investors and other borrowed funds	3,561,188	5,148,875	6,980,873	10,405,582
Liabilities for current income tax and other taxes	136,520	108,487	113,295	88,549
Deferred tax liabilities	263,510	202,492	234,819	187,970
Employee defined benefit obligations	52,592	47,850		
Other liabilities	1,058,511	1,304,862	931,867	1,208,773
Provisions	82,745	55,057	9,247	3,768
Total Liabilities (a)	**61,014,381**	**63,622,688**	**59,340,397**	**63,073,004**
EQUITY				
Share Capital	3,451,067	3,451,067	3,451,067	3,451,067
Share premium	406,867	406,867	406,867	406,867
Reserves	104,441	239,253	(6,542)	202,391
Retained earnings	1,248,496	1,274,961	579,106	715,247
Equity attributable to Equity owners of the Bank	5,210,871	5,372,148	4,430,498	4,775,572
Non-controlling interests	13,413	17,424		
Hybrid securities	559,650	583,787		
Total Equity (b)	**5,783,934**	**5,973,359**	**4,430,498**	**4,775,572**
Total Liabilities and Equity (a) + (b)	**66,798,315**	**69,596,047**	**63,770,895**	**67,848,576**

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Consolidated		Alpha Bank	
	From 1 January to		From 1 January to	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Interest and similar income	3,543,386	3,874,672	2,955,785	3,339,178
Interest expense and similar charges	(1,724,756)	(2,112,073)	(1,604,904)	(1,994,966)
Net interest income	1,818,630	1,762,599	1,350,881	1,344,212
Fee and commission income	383,475	425,194	283,012	316,910
Commission expense	(50,938)	(46,371)	(41,062)	(38,178)
Net fee and commission income	332,537	378,823	241,950	278,732
Dividend income	2,678	2,646	46,527	105,037
Gains less losses on financial transactions	35,139	171,522	9,161	263,591
Other income	60,427	67,430	12,326	14,276
	98,244	241,598	68,014	382,904
Total income	**2,249,411**	**2,383,020**	**1,660,845**	**2,005,848**
Staff costs	(548,839)	(565,466)	(403,212)	(412,686)
General administrative expenses	(497,396)	(540,184)	(389,426)	(434,138)
Depreciation and amortization expenses	(93,286)	(91,765)	(57,770)	(56,072)
Other expenses	(8,937)	(4,482)	(6,484)	(2,946)
Total expenses	**(1,148,458)**	**(1,201,897)**	**(856,892)**	**(905,842)**
Impairment losses and provisions to cover credit risk	(884,754)	(676,343)	(758,198)	(532,300)
Share of profit/(loss) of associates	172	(2,963)		
	(884,582)	(679,306)	(758,198)	(532,300)
Profit before income tax	**216,371**	**501,817**	**45,755**	**567,706**
Income tax	(68,531)	(110,337)	(46,552)	(101,616)
	147,840	**391,480**	**(797)**	**466,090**
Extraordinary tax (Law 3845/2010 and 3808/2009)	(61,801)	(42,403)	(55,512)	(37,433)
Profit/(Loss) after income tax and extraordinary tax (a)	**86,039**	**349,077**	**(56,309)**	**428,657**
Profit/(Loss) attributable to:				
Equity owners of the Bank	**85,649**	**349,814**	**(56,309)**	**428,657**
Non-controlling interests	390	(737)		
Other comprehensive income recognized directly in Equity:				
Change in available for sale securities' reserve	(145,174)	74,124	(256,915)	25,529
Change in cash flow hedge reserve	(38,206)		(38,206)	
Exchange differences on translating and hedging the net investment in foreign operations	(13,259)	(22,480)	(32)	(175)
Income tax	41,455	(17,775)	64,940	(5,698)
Total of other comprehensive income recognized directly in Equity, after income tax (b)	**(155,184)**	**33,869**	**(230,213)**	**19,656**
Total comprehensive income for the year, after income tax (a) + (b)	**(69,145)**	**382,946**	**(286,522)**	**448,313**
Total comprehensive income for the year attributable to:				
Equity owners of the Bank	**(69,992)**	**383,676**	**(286,522)**	**448,313**
Non-controlling interests	847	(730)		
Earnings/(Losses) per share:				
Basic & Diluted (€ per share)	0.0248	0.6443	(0.2409)	0.8188
Proposed Dividend (€ per share)			-	-

STATEMENT OF CASH FLOWS

	Consolidated		Alpha Bank	
	From 1 January to		From 1 January to	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Net cash flows from operating activities (a)	(1,130,419)	2,684,409	(1,778,198)	(2,130,537)
Net cash flows from investing activities (b)	(1,646,673)	(59,162)	(1,145,863)	4,374,506
Net cash flows from financing activities (c)	(238,237)	571,545	(856,616)	1,639,630
Net increase / (decrease) in cash and cash equivalents of the year (a) + (b) + (c)	**(3,015,329)**	**3,196,792**	**(3,780,677)**	**3,883,599**
Effect of exchange rate fluctuations on cash and cash equivalents	(20,566)	(23,245)	1,827	1,996
Total net cash flows for the year	**(3,035,895)**	**3,173,547**	**(3,778,850)**	**3,885,595**
Cash and cash equivalents at the beginning of the year	**6,187,183**	**3,013,636**	**8,424,719**	**4,539,124**
Cash and cash equivalents at the end of the year	**3,151,288**	**6,187,183**	**4,645,869**	**8,424,719**

STATEMENT OF CHANGES IN EQUITY

	Consolidated		Alpha Bank	
	From 1 January to		From 1 January to	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Equity at the beginning of the year (1.1.2010 and 1.1.2009 respectively)	5,973,359	3,940,697	4,775,572	2,369,349
Total comprehensive income for the year, after income tax	(69,145)	382,946	(286,522)	448,313
Share capital increase		1,926,344		1,926,344
Expenses relating to the share capital increase, after income tax	(607)	(39,929)	(607)	(39,929)
Change of ownership interests in subsidiaries	(15,769)	(19,434)		
Dividends distributed to non-controlling interests	(330)	(381)		
Dividends paid to hybrid securities' owners	(28,173)	(53,887)		
Dividends paid for preference shares	(57,945)		(57,945)	
(Purchases) / Sales of treasury shares and hybrid securities	(17,822)	(162,893)		71,495
Other	366	(104)		
Equity at the end of the year (31.12.2010 and 31.12.2009 respectively)	**5,783,934**	**5,973,359**	**4,430,498**	**4,775,572**

ADDITIONAL DATA AND INFORMATION

1. Companies included in the Consolidated Financial Statements, the Group's participation in them as at 31.12.2010, as well as the method of consolidation applied, are presented in note 40 of the Consolidated Financial Statements as at 31.12.2010. Companies, not included in the Consolidated Financial Statements, are also listed in this note.
2. During the period from 1.1.2010 until 31.12.2010 the following changes took place in the companies which are fully consolidated and are included in the Consolidated Financial Statements:
   - New companies: The special purpose entity Pisti 2010-1 Plc was consolidated for the first time on 31.3.2010. On 30.6.2010 were consolidated for the first time the special purpose entities AGI-RRE Participations 1 Ltd and AGI-BRE Participations 1 Ltd, which were acquired from the Bank's subsidiary Alpha Group Investments Ltd, and which established AGI-RRE Participations 1 S.R.L. and AGI-BRE Participations 1 E.O.O.D. respectively. On 31.12.2010 the special purpose entity Stockford Ltd, acquired from the Bank's subsidiary Alpha Group Investments Ltd, was consolidated for the first time.
   - Transfers within the Group: On 18.5.2010, the Group Company SSIF Alpha Finance Romania S.A. transferred its participation in Alpha Advisory Romania S.R.L. to the Group Company Alpha Astika Akinita A.E. On 24.6.2010 and 30.6.2010 the Bank purchased shares issued by its subsidiaries Alpha Bank Romania S.A., Alpha Leasing Romania IFN S.A. and SSIF Alpha Finance Romania S.A. from other subsidiaries.
   - Renamed Companies: On 10.6.2010, Alpha Advisory Romania S.R.L., subsidiary of Alpha Astika Akinita A.E., was renamed to Alpha Astika Akinita Romania S.R.L. On 1.7.2010 the Bank's subsidiary Ionian Supporting Services A.E. was renamed to Alpha Supporting Services A.E. On 8.7.2010 the Bank's subsidiary OJSC Astra Bank was renamed to JSC Astra Bank.
3. The unaudited tax years of the Bank and the Group companies are listed in notes 38b and 39b of the Financial Statements as at 31.12.2010 of the Bank and the Group respectively.
4. There are no pending legal cases or issues in progress, as well as decisions of legal or arbitrary authorities, which may have a material impact on the financial position or operation of the Group and the Bank. The Group has raised a provision for them which amounts to Euro 2.7 million. Other provisions raised by the Group and the Bank amount to Euro 80 million and Euro 9.2 million respectively.
5. The Bank and the Group companies did not hold any treasury shares as at 31.12.2010.
6. The total number of employees of the Group as at 31.12.2010 was 14,896 (31.12.2009: 15,163) and of the Bank was 8,612 (31.12.2009: 8,860).
7. The results arising from the related party transactions during the period 1.1.2010 until 31.12.2010 are as follows:
   - With members of the Board of Directors and other key management personnel: **a)** of the Group: income Euro 4,436 thousand, expenses Euro 15,469 thousand **b)** of the Bank: income Euro 4,351 thousand, expenses Euro 5,722 thousand.
   - With other related parties: **a)** of the Group: income Euro 1 thousand, expenses Euro 2,197 thousand **b)** of the Bank: income Euro 198,430 thousand, expenses Euro 258,129 thousand.

   The balances as at 31.12.2010 of the receivables and liabilities arising from the above transactions are as follows:
   - With members of the Board of Directors and other key management personnel: **a)** of the Group: receivables Euro 166,337 thousand, liabilities Euro 118,736 thousand, letters of guarantee Euro 4,806 thousand **b)** of the Bank: receivables Euro 165,787 thousand, liabilities Euro 81,445 thousand, letters of guarantee Euro 4,806 thousand.
   - With other related parties: **a)** of the Group: receivables Euro 24 thousand, liabilities Euro 431 thousand **b)** of the Bank: receivables Euro 9,773,056 thousand, liabilities Euro 10,061,141 thousand, letters of guarantee and other guarantees Euro 799,680 thousand.
8. The items of income and expense recognized directly in Equity are analyzed in the "Statement of total comprehensive income", as presented above.
9. According to article 28 of Law 3756/2009 as amended by Law 3844/3.5.2010, credit institutions participating in the programs referring to the enhancement of economy's liquidity of Law 3723/2008 may distribute dividend for 2009 only in the form of shares.

   The Bank's Ordinary General Meeting of Shareholders held on 22.6.2010 decided not to distribute dividends to Bank's common shareholders for the year 2009. The Ordinary General Meeting mentioned above also decided the payment to the Greek State of Euro 57.9 million regarding the accrued return on its preference shares for the year 2009, according to the Bank's Articles of Incorporation.
10. The Bank's Board of Directors will not propose to the Ordinary General Meeting of Shareholders the distribution of dividend to common shareholders, since no profits were performed during the current year.

    Additionally, the Bank's Board of Directors suggests the payment to the Greek State of the accrued return on its preference shares for the year 2010.
11. Certain amounts of the Financial Statements as at 31.12.2009 were reclassified in order to render them comparable to the respective amounts as at 31.12.2010. This reclassification had no impact on results and equity of the Group and the Bank. Details are included in notes 47 and 45 of the Financial Statements as at 31.12.2010 of the Group and the Bank respectively.
12. The accounting policies applied by the Group and the Bank for the completion of the Financial Statements as at 31.12.2010, are in accordance with the requirements of International Financial Reporting Standards (I.F.R.S.) and are presented in note 1 of the Financial Statements of the Group and the Bank respectively.

Athens, March 22, 2011

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL OFFICER	THE ACCOUNTING MANAGER
YANNIS S. COSTOPOULOS I.D. No. X 661480	DEMETRIOS P. MANTZOUNIS I.D. No. I 166670	VASSILIOS E. PSALTIS I.D. No. Ξ 116654	MARIANNA D. ANTONIOU I.D. No. X 694507

Report on the use of funds raised from the share capital increase through cash payment with pre-emption and over subscription rights in favor of existing common shareholders

Pursuant to the decision of the Athens Stock Exchange 25/17.7.2008 and the Hellenic Capital Market Commission Board of Director's decision 7/448/11.10.2007 it is hereby notified that from the Bank's share capital increase through cash payment which took place on the basis of the decision of the Bank's Board of Directors meeting held on 19.10.2009, raised capital amounted to €986.3 million. Costs of the issue amounted to €43.7 million.

From the share capital increase 123,292,996 new common, non paper, registered, with voting rights shares were issued of nominal value €4.70 each, which were listed for trading on the Athens Stock Exchange on 7.12.2009.

The Bank's share capital increase was confirmed by the Board of Directors meeting held on 30.11.2009.

The Bank intends to use the net proceeds of the share capital increase solely for the full redemption followed by cancellation of the 200,000,000 preference, registered, without voting rights redeemable shares with nominal value €4.70 each which were issued pursuant to article 1 of Law 3723/2008.

TABLE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

	Amount of funds raised	Funds utilized until 31.12.2010	Balance of funds as at 31.12.2010
Amounts in million Euro	986.3	43.7	942.6

The amount of €43.7 million utilized up to 31.12.2010 relates to issue costs, before tax.

Net proceeds from the share capital increase, up to the date of its intended use, will be used to enforce the Bank's Tier I capital.

INFORMATION PURSUANT TO ARTICLE 10 OF LAW 3401/2005

Corporate Announcements of the year 2010 are available on the website of the Bank www.alpha.gr/page/default.asp?la=1&id=7391.

Subject	Date
Nine-Month 2010 Results Net Profit of Euro 137.7 million after Euro 644 million of provisions Balance Sheet strengthening continued, raising Core Tier I to nearly 9%	23.11.2010
Nine - Month 2010 results announcement scheduled for November 23, 2010	05.11.2010
Announcement	28.09.2010
Announcement	28.09.2010
Announcement	31.08.2010
First Half 2010 Results Net Profit of Euro 100.2 million, with quarterly pre-provision income reaching Euro 296.2 million CEBS stress test result reinforces solid capital position	31.08.2010
Direct issuance of Euro 1 billion covered bond	27.07.2010
First Half 2010 results announcement scheduled for August 31, 2010	29.06.2010
Constitution of the Board of Directors into a Body at the meeting of 22.6.2010	23.06.2010
Resolutions of the Ordinary General Meeting of Shareholders of Alpha Bank on 22.6.2010 (paragraph 4.1.3.3. of the Athens Exchange Regulations)	23.06.2010
Ordinary General Meeting of the Shareholders of Alpha Bank of June 22, 2010	22.06.2010
Notification of important changes concerning the voting rights deriving from shares under l. 3556/2007	21.06.2010
Notification about a significant change in the number of voting rights according to Law 3556/2007	02.06.2010
Invitation to the Ordinary General Meeting of Shareholders	31.05.2010
First Quarter 2010 Results Net Profit at Euro 52 million after Euro 200 million of provisions Tangible equity of Euro 4.2 billion, unaffected by adverse developments in sovereign credit markets	27.05.2010
First Quarter 2010 results announcement scheduled for May 27, 2010	30.04.2010
Announcement	30.03.2010
Full Year 2009 Results Net Profit at Euro 392 million Balance Sheet strengthened with Core Tier I rising to 9%	16.03.2010
Announcement	05.03.2010
Full Year 2009 results announcement scheduled for March 16, 2010	02.03.2010
Notification about a significant change in the number of voting rights according to Law 3556/2007	12.02.2010

Availability of Annual Financial Report

The Annual Financial Report, which includes:

- The Statement by the Members of the Board of Directors
- The Board of Directors' report
- The Explanatory Report of the Board of Directors
- The Corporate Governance Report
- The Independent Auditors' Report
- The Annual Financial Statements of the Bank and the Group
- The Financial Information of the Bank and the Group
- The Report on the use of funds

is available on the website address www.alpha.gr/page/default.asp?la=2&id=7699

The Annual Financial Statements, the Independent Auditors' report and the Board of Directors' Report of consolidated companies are available on the website address: www.alpha.gr/page/default.asp?la=1&id=8219