



ALPHA BANK

Pricing for Protection – Can Margin Expansion Offset Credit Risk

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FRANKFURT

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A strong franchise with a regional footprint



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Alpha Bank at a Glance

- Founded in 1879 by the Costopoulos family which today controls 11% of the Bank
- Consistency in management ensuring firm implementation of Alpha Bank's strategy
- A leading franchise in Greece
 - ✓ 3rd largest branch network with 450 branches
 - ✓ €39.5bn of customer loans, up 12% y-o-y
 - ✓ €34.4bn of customer deposits, up 16% y-o-y
- Well-established presence in SEE
 - ✓ €6.6bn of customer loans in SEE (excl. Cyprus), up 36% y-o-y
 - ✓ €4.5bn of customer loans in Cyprus, up 23% y-o-y
 - ✓ Immature branch network; Only 40% out of 619 branches is more than 2 years old

Geographical Footprint

	Greece		
	Q1 08	Q1 09	YoY
Branches	410	450	9.8%
Loans (€bn)	35.2	39.5	12.0%
Deposits (€bn)	29.8	34.4	15.7%
Pre-Provision Income (€m)	273.2	208.4	(23.7%)



	SEE			Contribution to Group	
	Q1 08	Q1 09	YoY	Q1 08	Q1 09
Branches	416	619	48.8%	50%	58%
Loans (€bn)	8.5	11.1	30.6%	19%	21%
Deposits (€bn)	5.4	5.9	10.6%	15%	14%
Pre-Provision Income (€m)	51.9	51.2	(1.4%)	16%	19%

Note: Financial information as of 31st March 2009



Loans Margin Components

- **Cost of Credit**
- **Cost of Platform**
- **Gross Profit Margin**

Liabilities Margin Components

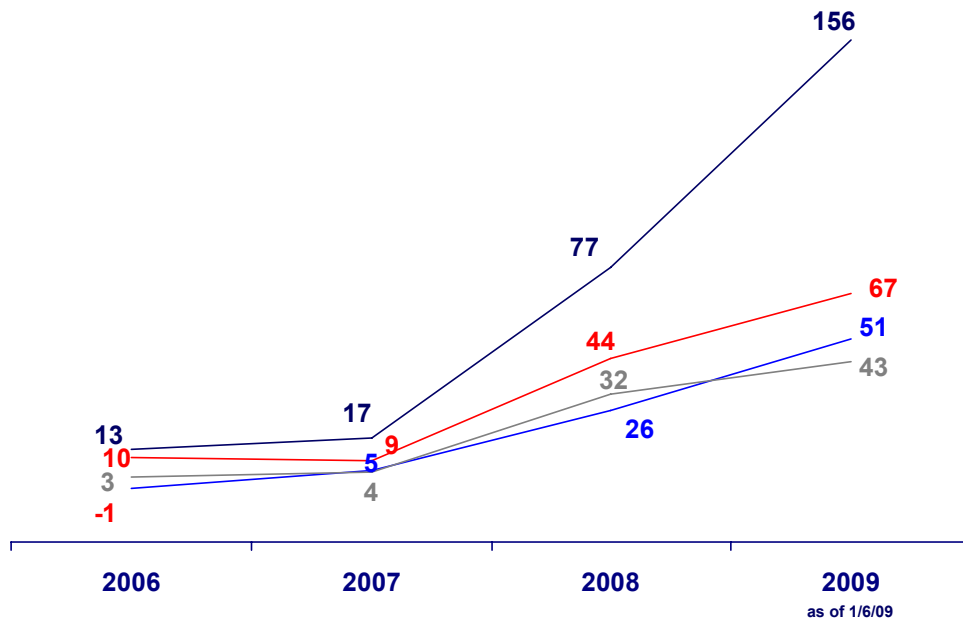
- **Sovereign Spread**
- **Bank Specific Spread**
- **Cost of Platform**
- **Deposit Spread**

Greek banks at structural disadvantage (but so are others)



Greece's Widening Spreads vs. the German Bund

	5-year Government Bond Yields			
	2006	2007	2008	2009 as of 1/6/09
Germany	3.60%	4.14%	3.69%	2.66%
Greece	3.73%	4.31%	4.45%	4.22%
Austria	3.59%	4.19%	3.95%	3.23%
Spain	3.63%	4.18%	4.01%	3.11%
Portugal	3.70%	4.23%	4.13%	3.37%



Source: Bloomberg
Note: Spread on 5-year government bond yield

Comments

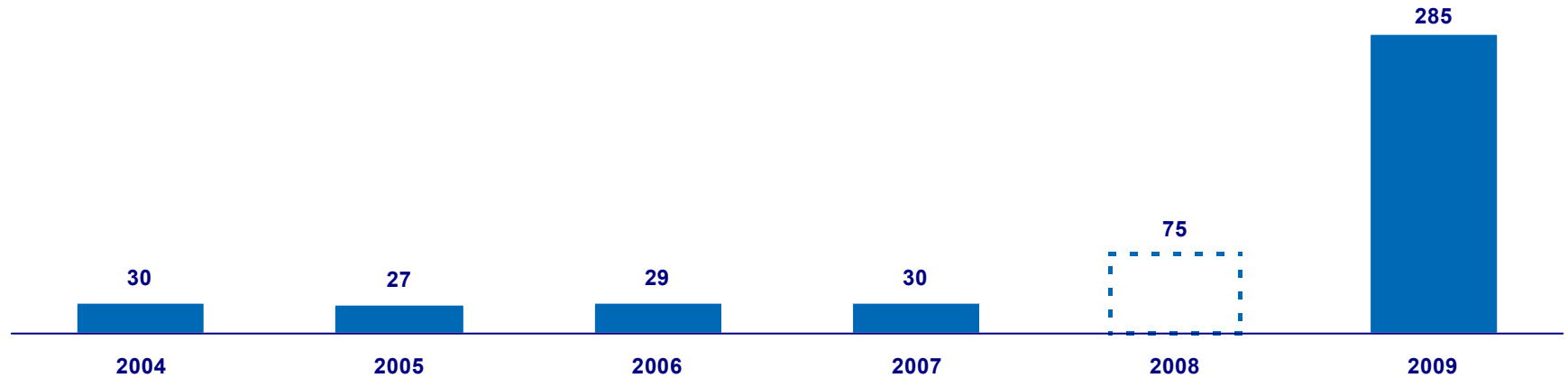
- Low fiscal flexibility due to continuing widening in government deficit
- Downward revision of GDP estimates for 2009 and 2010
- Delays in implementation of public sector reforms

High sovereign spreads reflected in wider corporate spreads



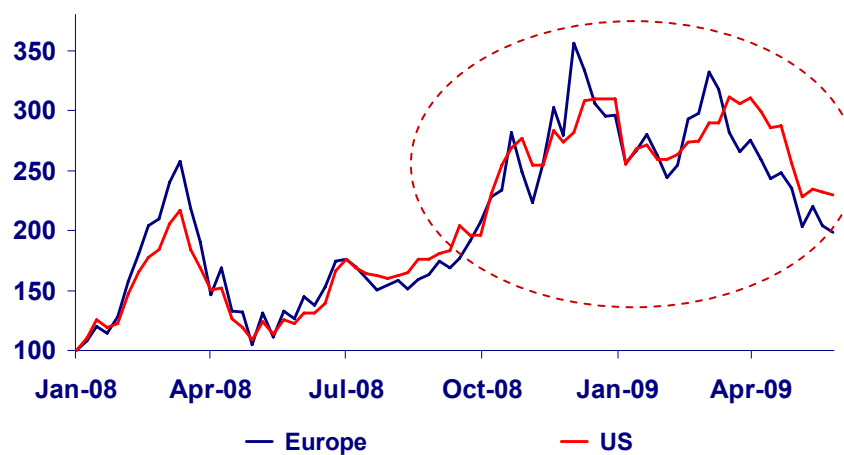
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Wholesale Funding Spreads – Senior Debt (in bps)



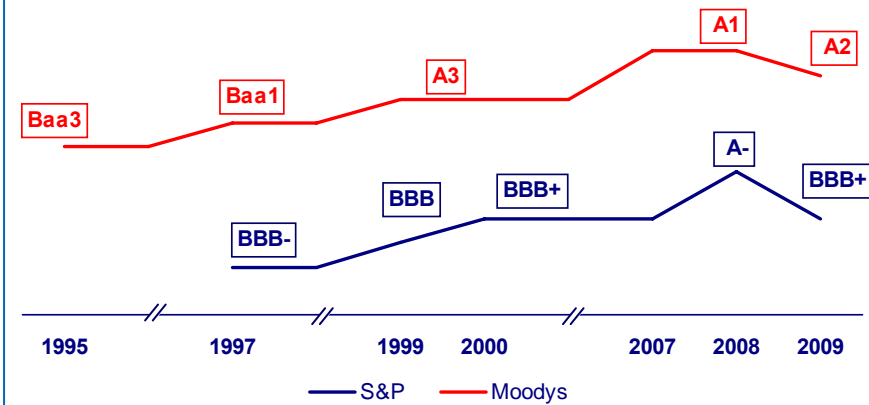
Note: Illustrative spread relative the ECB rate on wholesale funding raised

Corporate Bonds CDS*

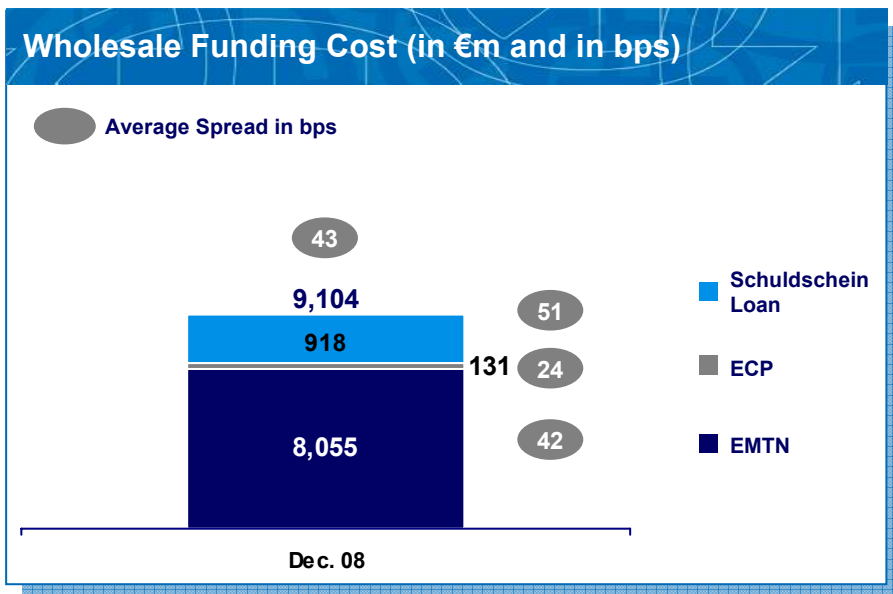
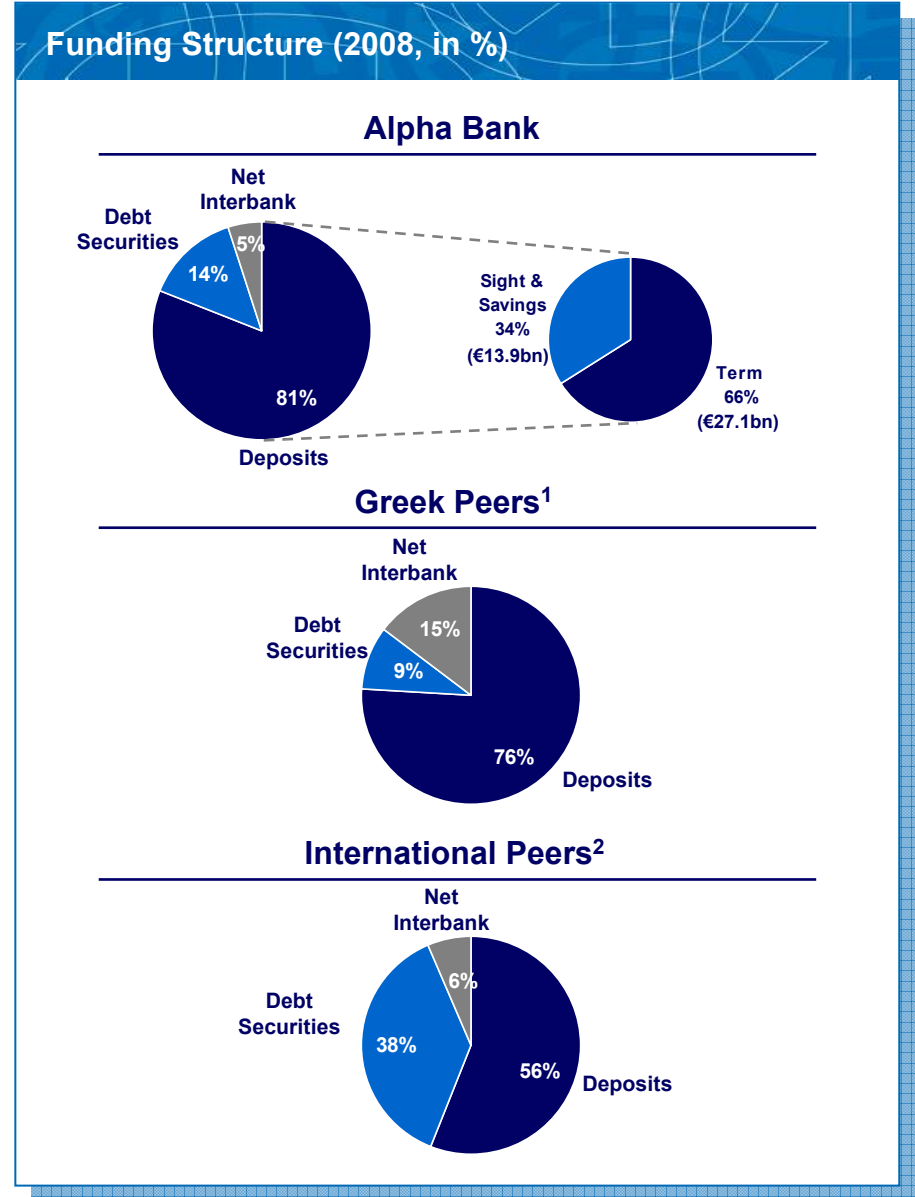
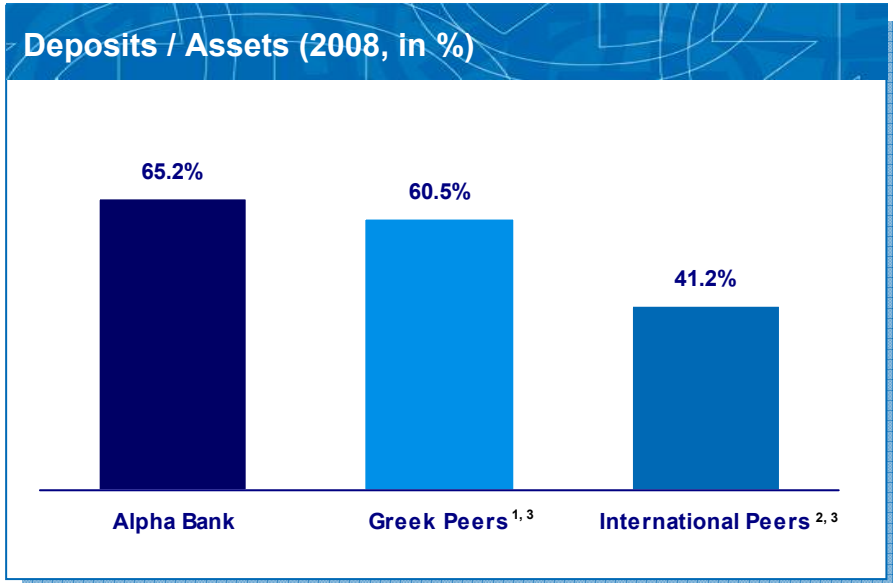


*i-Traxx 5yr Euro Main CDS Index
CDX N.America IG 5yr CDS Index

Ratings History



Alpha Bank benefiting from a strong deposit franchise

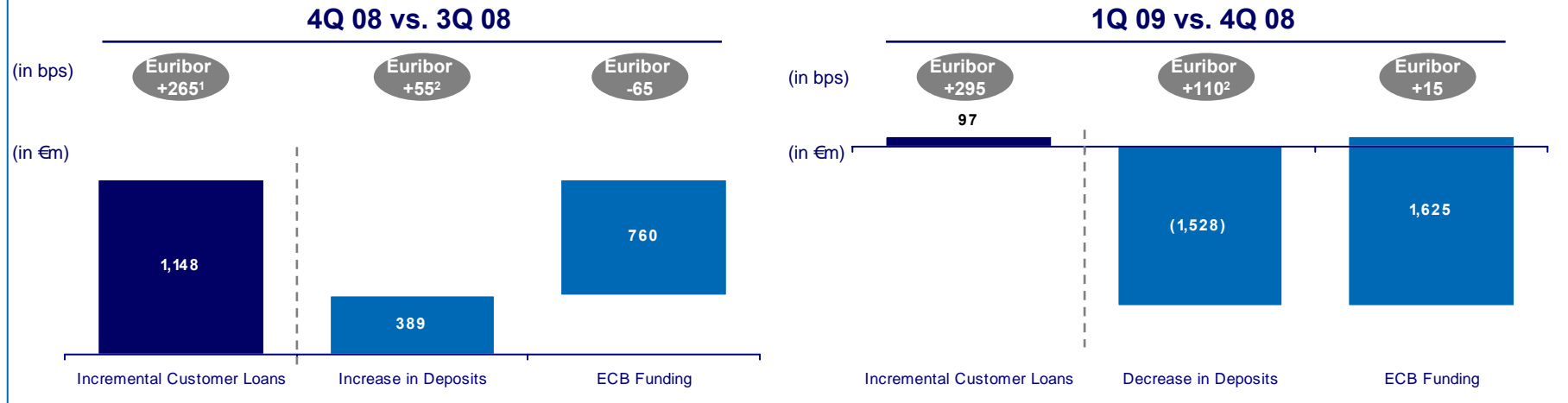


Source: Companies 2008 annual and interim reports and investor relations
 (1) Greek peers include NBG, EFG, Piraeus
 (2) International selected peers include Swedbank, Sabadell, Banesto, Bankinter and Banco Popular
 (3) Asset weighted average

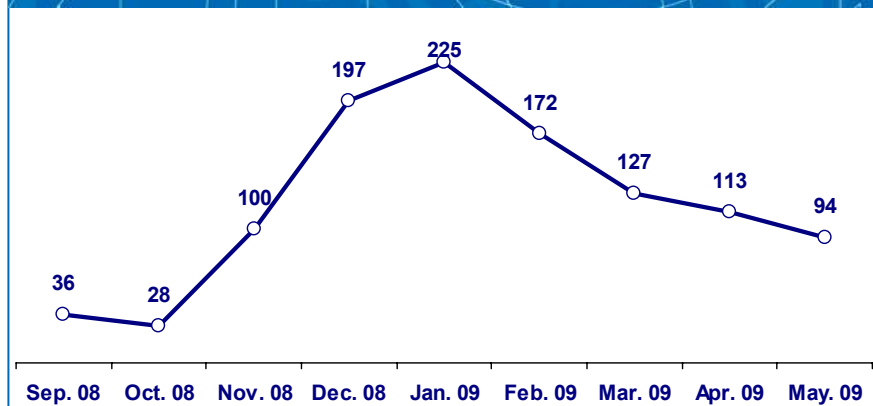
Deposit spreads came under pressure in 2008 but improvement is already visible



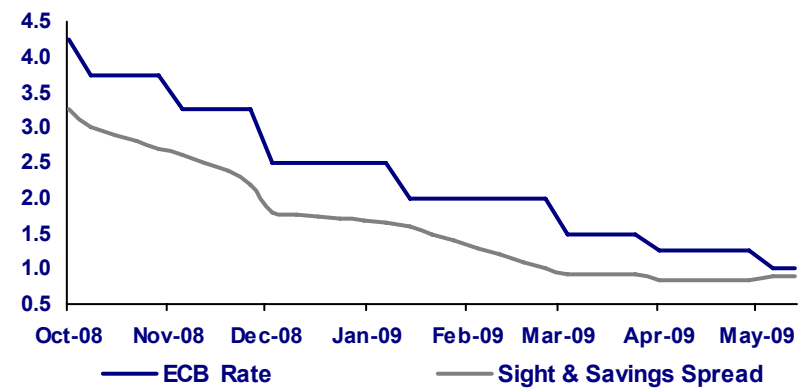
Incremental Loan Funding and Spreads (in €m and in bps)



New Time Deposit Cost Spreads – Greece³



Sight & Savings Deposits Spread (Greece) vs ECB Rate

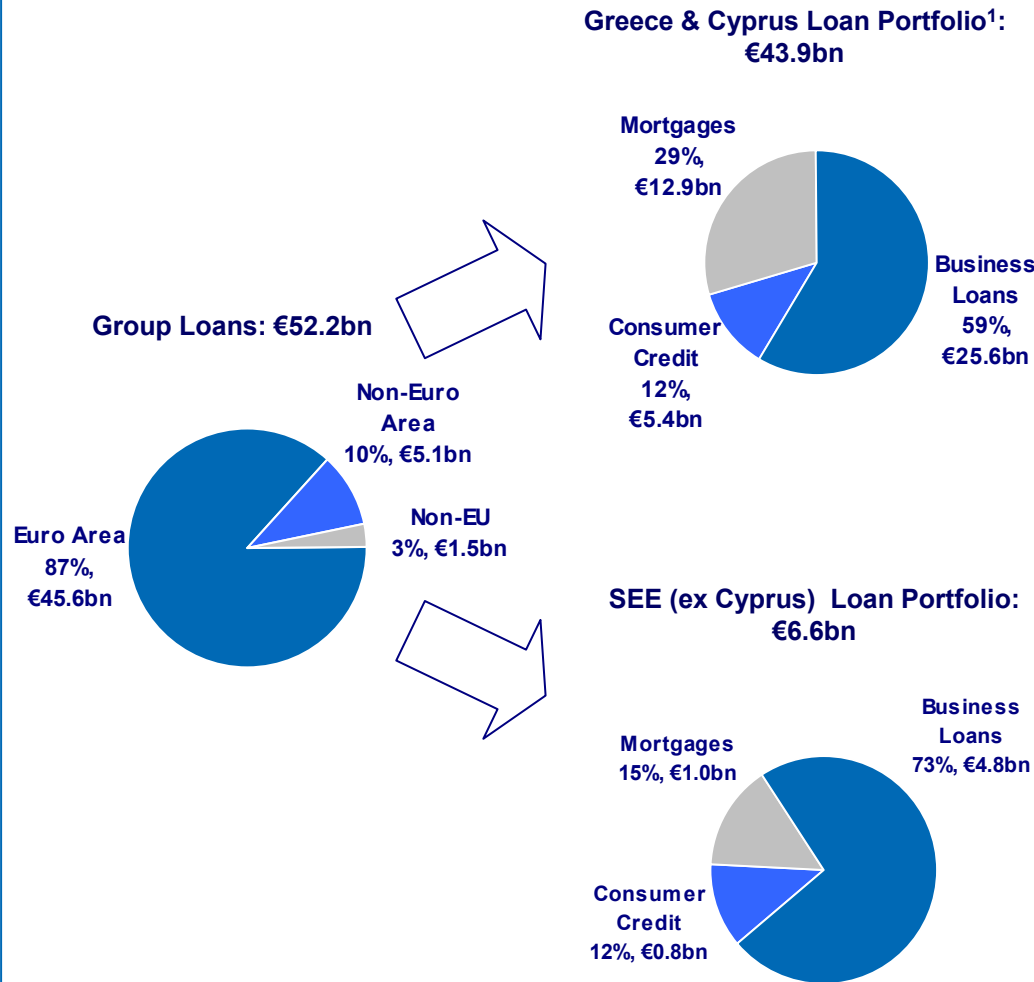


(1) Spread on total loan book (vs. incremental balances)
 (2) Spread of Time Deposits in Greece
 (3) Excluding Alpha Bank bonds

Highly diversified loan portfolio with distinct defensive characteristics



Gross Loan Portfolio Breakdown (1Q 2009, in €bn and in %)



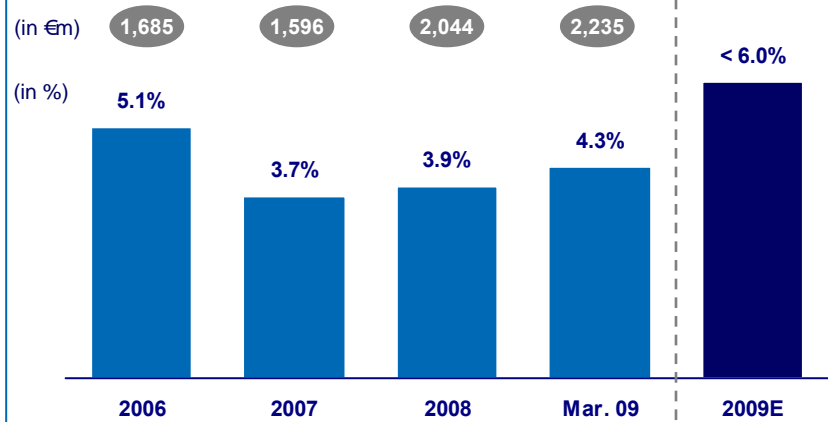
Comments

- 97% of loan exposure within EU countries
- SEE loan exposure only amounting to 13%, coupled with a strong defensive profile
- Total consumer lending (incl. SEE) only amounting to 12%
- Greek mortgages accounting for 25% of loan exposure

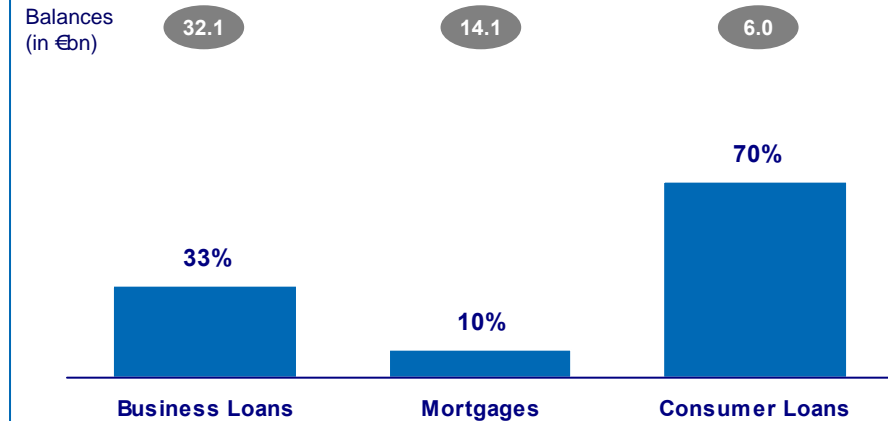
(1) Excluding UK

Asset quality deterioration stable

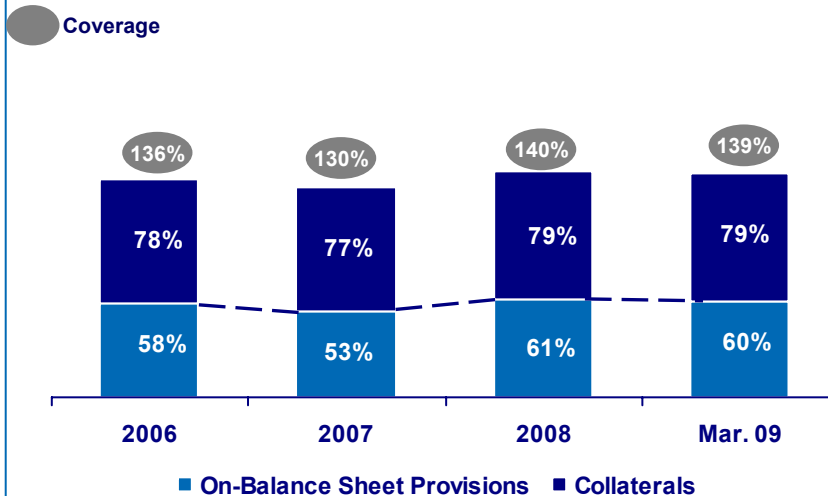
Group NPLs and NPL ratio



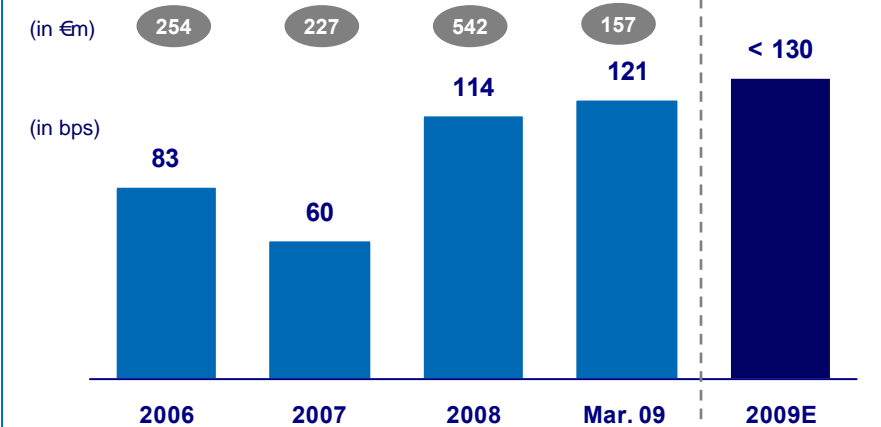
Loan Portfolio – Loss Given Default (1Q 2009, in %)



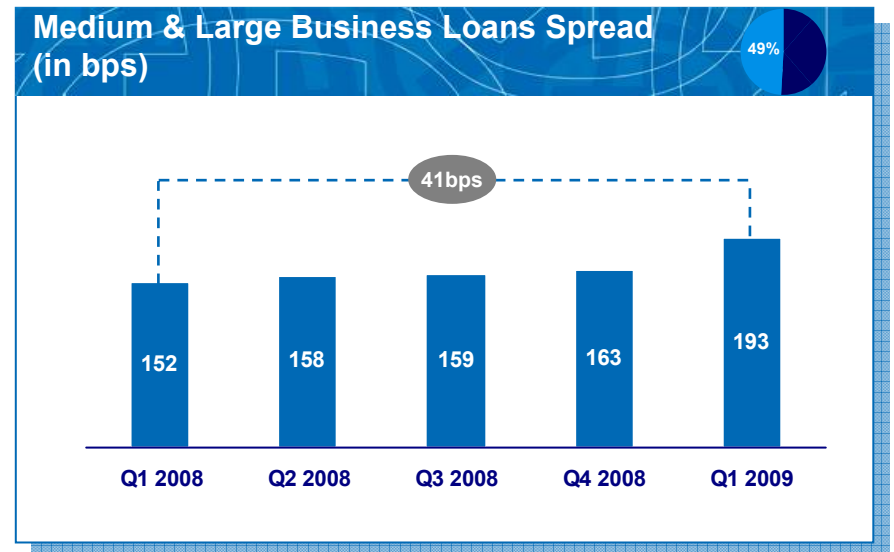
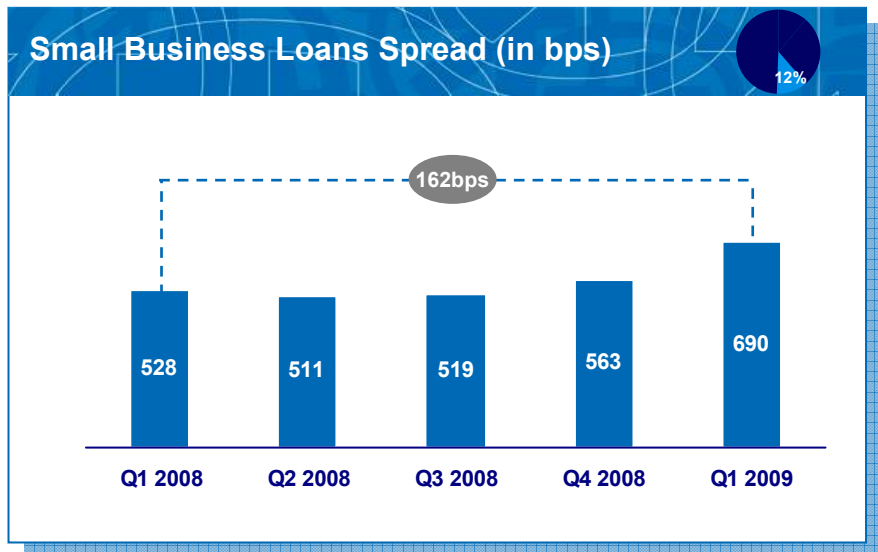
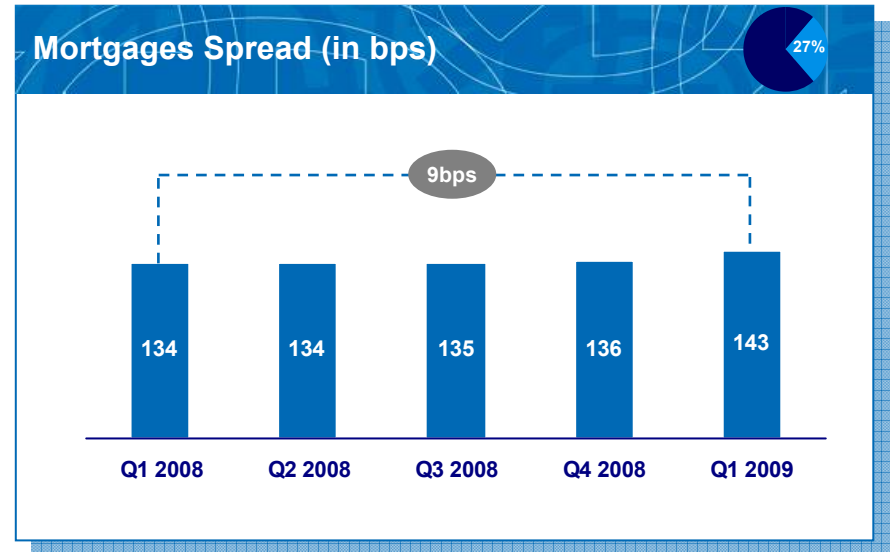
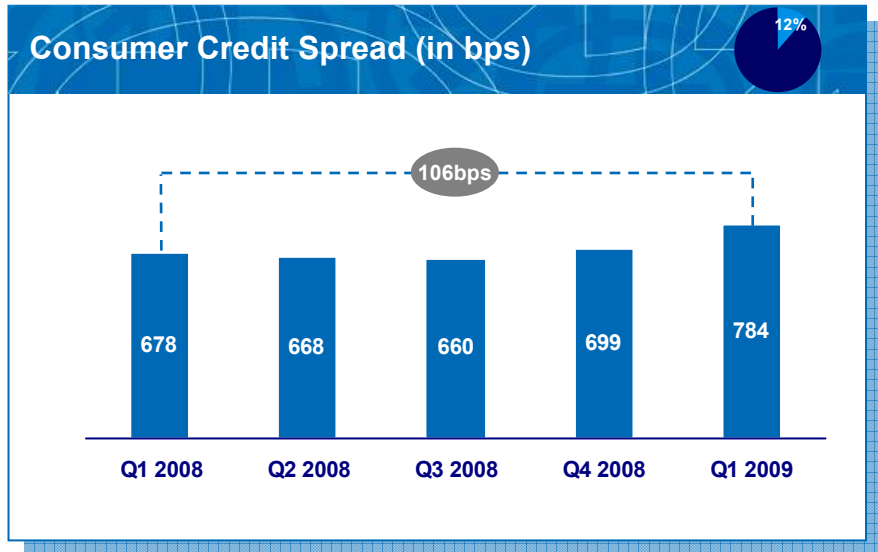
Proactively Enhancing Coverage



Group Impairment Losses



Actively re-pricing the asset side



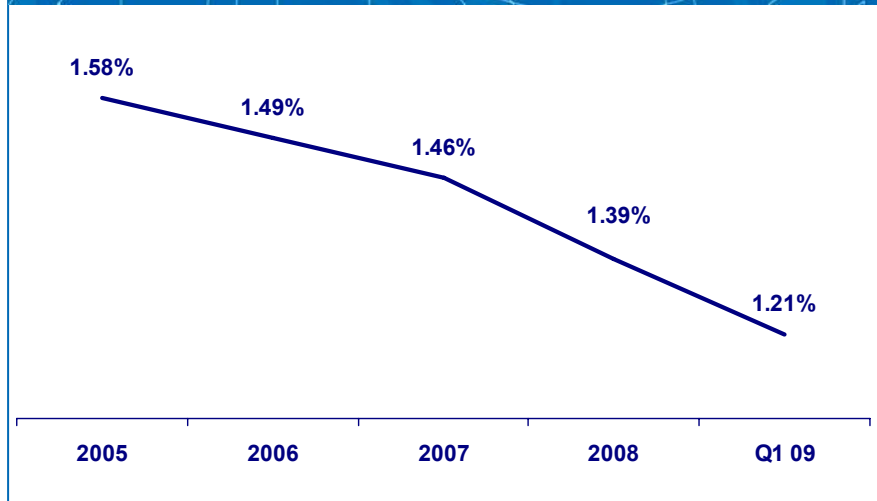
Note: Indicated spread refer to Greece only

Track record in managing cost efficiently

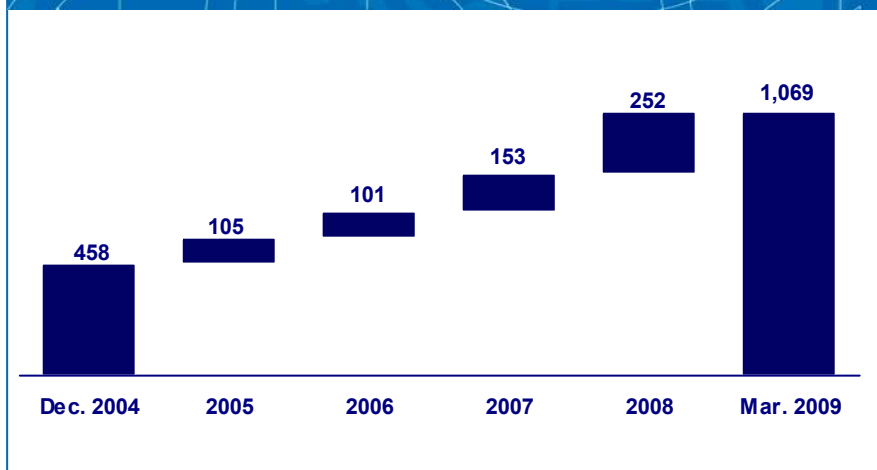


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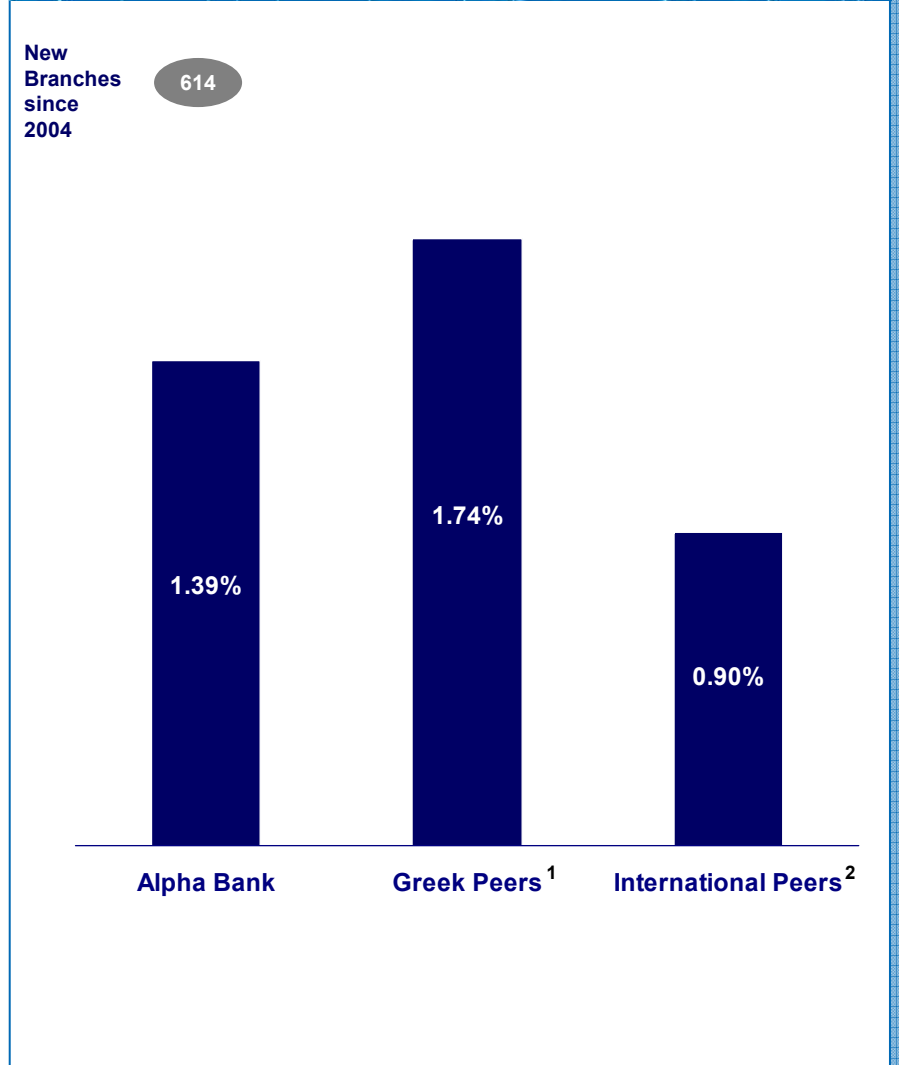
Cost / Customer Exposure (Avg. Loans + Avg. Deposits)



Addition of Branches



Cost / Customer Exposure (Avg. Loans + Avg. Deposits), 2008 Benchmarking

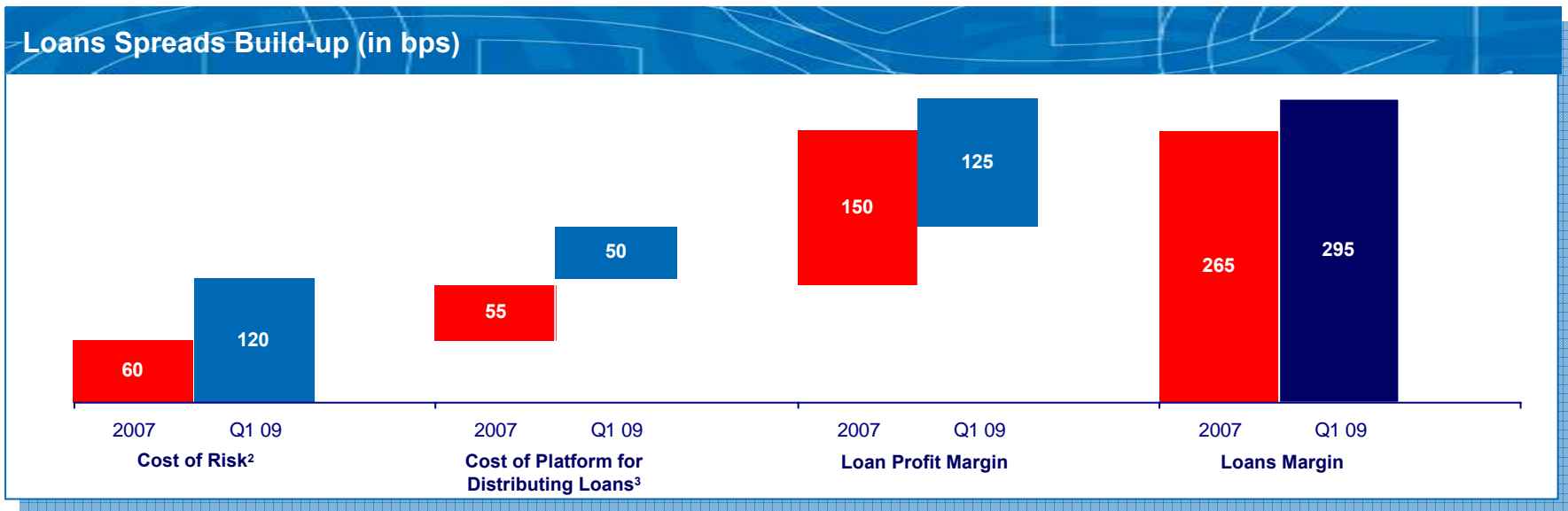
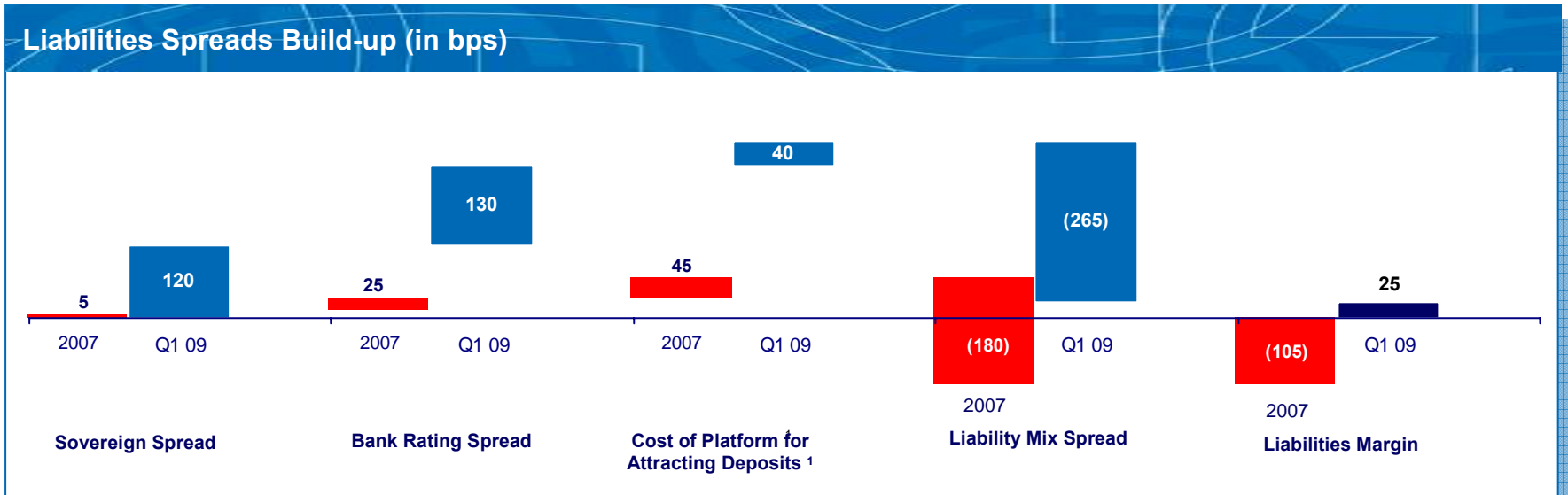


Source: Companies 2008 annual and interim reports and investor relations

(1) Greek peers include NBG, EFG, Piraeus

(2) International selected peers include Swedbank, Sabadell, Banesto, Bankinter and Banco Popular

Putting the individual pieces together: margin expansion does offset credit risk



(1) Calculated as operating expenses, adjusted for interest income, over customer exposure (avg. loans and deposits), multiplied by % of deposits in customer exposure

(2) Spreads calculated on Alpha Bank's average loans

(3) Calculated as operating expenses, adjusted for interest income, over customer exposure (avg. loans and deposits), multiplied by % of loans in customer exposure



- A. Alpha Bank's suffering, from widened Greek sovereign spread is contained due to its limited reliance on wholesale funding**
- B. Marginal deposit spread has come under pressure, but worse is already behind us, due to decisive actions undertaken**
- C. Alpha Bank is successfully re-pricing its loan book and expects further improvement in this respect**
- D. Proactive and prudent risk management continues to be an area of focus**
- E. Alpha Bank has track record in maintaining an efficient platform**

Appendix

Group Results by Business Unit



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(€ million)	Retail		Commercial & Corporate		SE Europe		Investment Banking & Treasury		Asset Management		Other		Group	
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Operating Income	231.2	315.5	106.3	105.1	123.7	111.1	53.7	27.6	12.2	23.7	14.3	8.0	541.4	591.0
Net Interest Income	186.8	271.4	83.9	82.8	98.9	73.9	29.3	7.8	3.0	4.3	0.5	1.8	402.6	442.0
Net fee and Commission Income	42.5	41.1	20.2	20.6	14.7	22.2	7.0	12.7	8.7	19.1	(0.2)	(0.4)	92.8	115.3
Income from Financial Operations	1.7	2.9	1.5	1.1	7.3	12.5	13.7	5.2	0.3	0.3	5.3	(5.0)	29.8	17.1
Other Income	0.1	0.1	0.8	0.6	2.8	2.5	3.6	1.9	0.2	0.1	8.7	11.5	16.2	16.7
Operating Expenses	140.6	141.3	31.5	29.3	72.5	59.2	9.6	10.0	9.3	13.0	15.3	10.8	278.8	263.5
Staff Costs	70.9	72.7	20.0	18.3	32.5	31.0	4.7	4.7	4.7	5.5	6.0	7.1	138.9	139.3
General Expenses	60.9	59.4	9.0	8.6	33.6	23.0	4.5	4.4	4.1	7.0	5.0	1.5	117.1	104.0
Depreciation	8.8	9.1	2.5	2.4	6.4	5.2	0.3	0.9	0.5	0.5	4.3	2.1	22.8	20.3
Impairment Losses	72.1	48.7	61.5	9.8	23.6	9.0	0.0	0.0	(0.0)	(0.0)	0.0	(0.0)	157.3	67.6
Profit before tax	18.5	125.5	13.3	66.0	27.6	42.9	44.0	17.6	2.9	10.7	(1.1)	(2.8)	105.3	259.9
Risk Adjusted Return on 8% Regulatory Capital	7%	51%	4%	20%	13%	29%	38%	20%	17%	70%	10% (*)	27% (*)
Cost / Income Ratio	61%	45%	30%	28%	59%	53%	18%	36%	76%	55%	107%	135%	52%	45%

(*) Including excess tier I regulatory capital of € 74 mn in Q1 09 and € 512 mn in Q1 08



(€ million)	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	% Change Q109-Q108
Operating Income	541.4	523.2	607.4	624.2	591.0	(8.4%)
Net Interest Income	402.6	436.2	464.5	455.9	442.0	(8.9%)
Net fee and commission income	92.8	111.1	119.4	118.5	115.3	(19.5%)
Income from Financial Operations	29.8	(45.0)	(2.2)	23.2	17.1	74.7%
Other Income	16.2	20.8	25.6	26.5	16.7	(3.0%)
Operating Expenses	278.8	333.5	294.5	286.7	263.5	5.8%
Staff Costs	138.9	153.0	151.3	146.0	139.3	(0.3%)
General Expenses	117.1	156.4	120.7	118.9	104.0	12.7%
Depreciation and amortization expenses	22.8	24.2	22.6	21.9	20.3	12.3%
Impairment losses	157.3	275.7	124.1	74.4	67.6	132.7%
Profit before tax	105.3	(86.1)	188.8	263.1	259.9	(59.5%)
Income Tax	20.0	30.0	34.1	53.3	54.7	(63.5%)
Net Profit after tax	85.3	(56.1)	154.7	209.7	205.1	(58.4%)
Net Profit attributable to shareholders	85.7	(55.8)	153.7	209.1	205.0	(58.2%)
Net Interest Margin (net of impairment losses)	2.4%	2.7%	3.0%	3.2%	3.2%	
Cost / Income	51.5%	63.8%	48.5%	45.9%	44.6%	
Return on Equity After Tax and Minorities (ROE)	11.3%	(7.0%)	18.5%	25.4%	24.5%	

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