ALPHA BANK

SEMI ANNUAL FINANCIAL REPORT

for the period from 1st January to 30th June 2016
(In accordance with Law 3556/2007)

Athens,
August 30, 2016

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Statement by the Members of the Board of Directors

(in accordance with article 5 paragraph 2 of Law 3556/2007)

To the best of our knowledge, the interim financial statements that have been prepared in accordance with the applicable International Financial Reporting 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 5 paragraphs 3-5 of Law 3556/2007, and the Board of Directors' semi-annual management report presents fairly the information required by article 5 paragraph 6 of Law 3556/2007 and the related decisions of the Hellenic Capital Market Commission.

Athens, 30 August 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE EXECUTIVE DIRECTOR
VASILEIOS T. RAPANOS **ID. No AI 666242**	**DEMETRIOS P. MANTZOUNIS** **ID. No I 166670**	**ARTEMIOS CH. THEODORIDIS** **ID. No AB 281969**

Board of Directors Semi Annual Management Report

GREEK ECONOMY

The adjustment programmes, implemented since 2010, managed to address the big macroeconomic and fiscal imbalances. In particular, the significant fiscal deficit has been diminished and 80% of the total fiscal consolidation effort has been accomplished. The primary fiscal surplus is targeted to 3.5% of GDP in 2018. Moreover, the deficit in the current account, the competitiveness losses in terms of unit labour cost and the rigidities in the labour market, have been coped. There was also a restructuring of production in favor of tradable goods and services.

The Greek economy has shown signs of resilience, as the negative impact of the imposition of capital controls in the summer of 2015 proved to be more moderate than initially expected. The GDP fell by only 0.3 % in 2015, while it shrunk by 0.96%, on a yearly basis, in H1 2016.

With the successful completion of the first review of the adjustment programme, economic prospects have been improved, as the creditors approved the partial disbursement of the second loan tranche according to the ESM programme, amounting to €10.3 bn. The first part of the tranche, amounting to €7.5 bn, has already been disbursed while the remaining, €2.8 bn, is expected to be released in the fall of 2016, assuming that a number of prior actions will be fullfilled.

The disbursement of the loan tranches aim to cover financing needs and allow the partial clearance of government arrears to the private sector, which, in turn, will have a positive impact on liquidity and economic activity in H2 2016. The completion of the first review has already improved business sentiment, signaled the government's determination to continue the reforms and finally contributes to the elimination of the recessionary effect and the return of the economy to a growth path.

The real GDP registered a negative rate of change by 0.9%, on a yearly basis, in the second quarter of 2016, from -1% in the first quarter, while the economy is expected to recover from the second half of the year onwards. Furthermore, from the second half of the year, a number of positive trends in economic activity are expected to be activated, based mainly on the gradual increase of investment spending, the stabilization of private consumption and the strengthening of tourism. The positive momentum is expected to continue, assuming the continuation of the reform effort, a development that will release forces towards the shift of the production model to more extravert and innovative activities.

In 2016 overall, the decline in economic activity is estimated to range between -0.4% and -0.2%. However, in 2017 it is estimated that the real GDP will grow by 2.5% (according to the Bank of Greece) with driving forces the fixed capital formation (+10.8%), goods and services exports (+3.9%) and private consumption (+1.6 %).

The key factors that are going to determine investment spending are the acceleration of privatizations, according to the Program, and the return of confidence. The latter will be strengthened by (i) the participation of Greek government bonds to the ECB's Quantitative Easing programme, (ii) the reinstatement of waiver allowing Greek banks to access ECB's normal financing lines and (iii) the agreement reached at the Eurogroup for debt relief measures in order to achieve debt sustainability in the long run. Additionally, Greece is expected to receive approximately €36 bn from the EU structural and investment funds over the programming period 2014-2020, which will be directed to the agricultural sector as well as energy, innovation, environment, maritime and fisheries.

The short-term hard data show a mixed picture:

(a) Retail trade turnover fell by 5.5% in the first five months of 2016, on a yearly basis, compared with a fall by 1.3% in the corresponding period of 2015.

(b) Exports of goods decreased significantly by 7.9% in the first half of the year, compared with a slight decrease of 4.2% in the corresponding period of 2015. However, the trade balance benefited by the fall in fuel prices and the contraction in domestic demand, for imported consumer goods.

(c) The fall in construction sector accelerated further in 2016, as building activity remains on a downward trend and financing problems have slowed down the progress of major infrastructure projects.

d) The gross value added of services sector contracted in the first quarter of 2016 (-0.8%) as trade sectors, hotels-restaurants and transport-communications fell by 2.6%, as compared to the corresponding period of 2015.

(e) In 2016, the labor market improves, albeit at slower pace than in 2015, due to positive expectations for tourism activity and the growth of flexible forms of employment. It is indicative that in the five month period of 2016 the average unemployment rate fell to 23.8%, versus 25.5% in the same period of 2015, employment increased by 2.7% and the number of unemployed decreased by 6.3%. However, high youth unemployment and long-term unemployment remain crucial issues, whose solution is linked to the continuation of structural changes.

(f) In H1 2016, the manufacturing production increased significantly by 4.3% on a yearly basis (first half 2015: +2.8%), while in June recorded an impressive increase of 8.5%.

(g) The growth rate of new passenger car registrations also increased significantly by 14.1%, on a yearly basis, in the first seven months of 2016 and by 37.1% in July.

(h) The fiscal consolidation is on track, as in 2016 is expected a primary surplus of 1.3% of GDP, against the target set for a primary surplus of 0.5% of GDP.

(i) Additionally, tourist activity increased, as foreign visitor's arrivals are expected to register a new record in 2016 for a fourth consecutive year (according to Bank of Greece).

In the current economic environment the restoration of confidence in the domestic banking system is apparent, accompanied by the improvement in the Economic Sentiment Index in July, which was affected positively by the completion of the first review and negatively by the outcome of the British referendum.

However, the improvement of the economic climate is not balanced, as it is mainly related to positive business expectations in the services sector, due to the expected good performance of tourism. On the contrary, the downward trend in consumer confidence index and the decline of retail sales in July, on an annual basis, are attributed the tax increase burden, as a result of the fiscal discipline, which in turn may lead to economic activity slowdown.

The Banking Sector

Regarding the banking sector, there is an improvement in confidence in the domestic financial system, which is the result of a number of factors such as:

- The further relaxation of capital controls which may contributes to the return of deposits. Already in July 2016 there was an increase of deposits of the private sector by 1.4% on a yearly basis. Furthermore, in July 2016 the annual rate of change of credit to the business sector declined at a slower pace (July 2016: -0.4%, June 2016: -1%).
- The eligibility of the Greek government bonds as collateral in the Eurosystem by reinstating the waiver that enables Greek banks to obtain low-cost financing from the ECB.
- The reinstatement of the haircut level, applied to eligible collaterals, at the one prior to the abolition of the waiver, is a favorable development that affects positively the liquidity of Greek banks.

It is also mentioned that the credibility to the Greek economy is enhanced by the additional measures that have been approved by the Parliament, in combination with the contingency mechanism which will be activated in case of failure in accomplishing the targeted primary surpluses.

The above developments are important for the Greek banking sector in a period of uncertainty in the global financial markets, especially the European ones, as indicated in the plunge of the Euro Stoxx Banks price index. Despite the fact that the results of the stress tests, implemented to the European banks, were satisfying and the additional capital needs are limited to a relatively small number of banks, the global markets remain volatile due to:

a) the political uncertainty, geopolitical tensions and terrorist attacks, b) extremely low or even negative interest rates that affect negatively the profitability of the sector, c) the weak growth of the Eurozone and UK, which will hardly accelerate following the outcome of the British referendum and d) the increasing concerns about the level of non-performing loans and the general situation of the Italian financial sector.

INTERNATIONAL ECONOMY

High volatility of stock markets recorded in the first month of 2016 showed signs of stabilising in mid-February. However, the outcome of the referendum in the UK on 23 June 2016, in favour of leaving the European Union took the stock markets by surprise and significantly increased uncertainty. As a result, the sterling has depreciated, share prices have fallen, particularly the ones of European banks. Moreover, major government bond yields have declined and entered into a negative territory. According to Fitch rating agency estimates, government debt in the global markets negative yield is worth of about $11.4 trillion.

Political and economic uncertainty was reinforced by the fact that the new institutional relationship between the United Kingdom and the European Union is not yet defined and that there is no clear timetable for its establishment. This led to a downwards revision of the estimated global economy growth. According to the latest estimates by the International Monetary Fund (July 2016), world GDP will grow at 3.1% in 2016 and will accelerate to 3.4% in 2017.

The outcome of the referendum in the United Kingdom affected the projected path of oil prices, which has been adjusted downwards, around $45 and is expected to remain at this level until the first quarter of 2017. Persistence of the oil price at very low level for more than two years, has led to the prevalence of low inflationary pressures, particularly in advanced economies. Deflationary pressures are reinforced by the decline in commodity prices, and these are expected to remain at a low level for a long period.

In developed economies, low inflation allows the continuation of expansionary monetary policy in order to strengthen recovery and improves the financial conditions of the private sector which indirectly will positively affect the public sector, too. The major Central Banks aim to increase inflation close to 2%, with a combination of conventional and unconventional measures of expansionary monetary policy as very low, or even negative, official interest rates, quantitative easing (QE) and forward guidance.

International trade in goods and services is expected to record a rise in the current year by 3.1%, and further accelerate further in the next year (3.8%), according to estimates by the International Monetary Fund.

However, the global economy continues to be afflicted by geopolitical tensions and increased terrorist incidents, which may reverse the course of global economic activity.

In the US, GDP growth is expected to decelerate to 2.2% in 2016, compared with 2.4% in 2015, due to the relatively strong dollar and the decrease of private investment, particularly in the energy sector. Private consumption remained at a satisfactory level, based on the increased labour income and higher employment. However, the volatility of macroeconomic indicators in the US and the increased uncertainty in the financial markets has not yet allowed the Federal Reserve to raise interest rates after December 2015, when it seemed that a gradual rise in interest rates would follow.

In China, GDP growth rate is expected to further decelerate in 2016 to 6.5%, after having fallen to 6.9% in 2015 and 7.3% in 2014. The reason is the weakening of investments and exports, as growth is now based more on consumption and services and less on investment and industry.

In the Eurozone, GDP growth rose to 1.6% in 2015, compared with 0.9% in 2014, but is not expected to strengthen further in 2016. The recovery is based mainly on domestic demand as the European Central Bank (ECB) has adopted accommodative monetary policy since June 2014. Indicatively, the deposit rate is negative from June 2014 (-0.10%) and has been further reduced, to -0.40%, since March 2016. However, as the ECB points out, the expansionary monetary policy is imperative to be complemented by the necessary reforms in the labour and product markets in order to improve the Eurozone competitiveness and render recovery sustainable.

The fiscal policy stance in the Eurozone, has also contributed to the short-term economic recovery, as the debt of the General Government to GDP has declined due to higher primary surpluses and the growth rate being higher than the interest rate. The debt ratio of General Government to GDP has declined to 91.7% in the first quarter of 2016 from the high level of 94.4% in 2014. However, there are still considerable differences among Member States.

The economic recovery has led to job creation and, as a result, the unemployment rate is expected to fall further in 2016, to 10.5%, from 11.5% in 2015 and 11.6% in 2014.

The banking system of the Eurozone demonstrates resilience, according to the EU-wide stress test results. The stress test was carried out in July 2016, by the European Banking Authority (EBA) in cooperation with the ECB, in a sample of 51 banks, of which 37 are under ECB's supervision. The weighted average Common Equity ratio (CET1) stands higher than in 2014, both under the baseline (July 2016: 13.0%, 2014: 11.2%) and the adverse scenario (July 2016: 9.1%, 2014: 8.6%). However, Monte dei Paschi di Siena which bears a significant volume of non-performing loans was shown to have a weak financial position. This exercised pressure on the Eurozone banking sector shares. In the end, in early August the securitisation of Monte dei Paschi di Siena non-performing loans was approved and its recapitalisation is expected to take place.

Analysis of financial statements

On 30.06.2016 the total assets amounted to €67.4 billion. This amount was reduced by €1.9 billion or 2.8% compared to 31.12.2015. At the end of June 2016, the total Group loans, before impairment, amounted to €57.8 billion compared to €58.2 in 31.12.2015, showing a decrease by 0.7%. The increase of accumulated impairments by €0.3 billion during the first semester of 2016, resulted in the adjustment of loans' balance after impairment to €45.5 billion compared to €46.2 billion in 31.12.2015.

The total deposits of the Group amounted to €31.7 billion, showing an increase compared to 31.12.2015 by 0.7%, resulting to a loan deposit ratio of 143.7%. This indicator remains relatively stable compared to 31.12.2015 which amounted to 146.9%. Eurosystem funding decreased by € 1.7 billion during the first semester of 2016 mainly due to the sale of EFSF bonds through the PSPP programme, the increase of deposits and the new repurchase agreements (Repos).

In Assets held for Sale and Liabilities related to Assets held for sale, have been included the figures of the companies APE Fixed Assets, APE Commercial Property AE, APE Investment Property AE and Ioniki Hotel Enterprises S.A., following the relevant decisions for the commencement of the sale procedure.

Regarding the captions of the Equity which amounted to €8.9 billion on 30.06.2016, the Common Equity Tier I amounted to 16.7%.

Analyzing the financial performance of the first semester, the net interest income amounted to €966 million and it was positively affected by the decrease of the deposits' interest rates and of bonds issued by the Group, after the liability management exercise at the end of the previous year.

Net fee and commission income amounted to €158.8 million decreasing by 1.5% compared to the first semester of 2015, which amounted to €161.2 million. This decrease is mainly attributed to the pressure on loans and mutual funds commissions, on contrast to the improvement in credit commissions after the imposition of capital controls in the summer of 2015.

Gains less losses on financial transactions recorded profits amounting to €60 million, out of which the amount of €71.9 million concerns the compensation of the Group from the acquisition of Visa Europe by Visa Inc.

Group's total income amounted to €1,213 million, increased by 2.4% compared to the first semester of 2015 which amounted to €1,185 million.

Group's total expenses, amounted to €603 million, increased by 8.7% compared to the first semester of 2015 which amounted to €555 million mainly due to the voluntary separation scheme cost of Alpha Bank Cyprus amounting to €31.5 million as well as to the proportion of the contribution to the Resolution Fund, which in the respective semester of 2015 did not exist.

The expenses to income ratio, excluding financial results and other non-recurring expenses, decreased by 0.9% compared to the first semester of 2015. (30.06.2016: 48.2%, 30.06.2015 49.1%)

The impairment losses and provisions to cover credit risk amounted to €605 million compared to €2,099 million in the first semester of 2015 which significant impairment losses were recognized, after taking into consideration the special conditions that existed and affected the estimations for the recoverability of loans of the reporting period.

Profit/(loss) after income tax from continuing operations amounted to losses of €20.6 million and the profit/(loss) after income tax from discontinued operations amounted to profits of €1.6 million, which concern the Bulgaria Branch and the subsidiary Alpha Bank AD Skopje.

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

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

- The issuance of senior debt securities guaranteed by the Greek State amounting to €5.15 billion.

These securities are pledged to the European Central Bank for liquidity purposes.

Other information

The Bank's Ordinary General Meeting of the Shareholders on 30.6.2016 decided the non distribution of dividend to the common shareholders.

Risk Management

Alpha Bank Group has established a framework of thorough and discreet management of all kinds of risks facing on the best supervisory practices and which is based on the common European legislation and the current system of common banking rules, principles and standards is improving continuously over the time in order to be applied in a coherent and effective way in a daily conduct of the Bank's activities within and across the borders making effective the corporate governance of the Bank.

The main objective of the Group during and the first half of 2016 was to maintain the high quality internal corporate governance and compliance within the regulatory and supervisory provisions risk management in order to ensure the confidence in the conduct of its business activities through sound provision of suitable financial services.

Since November 2014, the Group falls within the Single Supervisory Mechanism (SSM) - the new financial supervision system which involves the European Central Bank (ECB) and the Bank of Greece - and as a major banking institution is directly supervised by the European Central Bank (ECB).

The Single Supervisory Mechanism is working with the European Banking Authority (EBA), the European Parliament, the Eurogroup, the European Commission and the European Systemic Risk Board (ESRB) within their respective competences.

Moreover, since January 1st, 2014, EU Directive 2013/36/EU of the European Parliament and of the Council dated June 26, 2013 along with the EU Regulation 575/2013/EU dated June 26, 2013 ("CRD IV") are effective. The Directive and the Regulation gradually introduce the new capital adequacy framework (Basel III) of credit institutions.

Within this regulatory and supervisory risk management framework, Alpha Bank Group continues to strengthen its internal governance and its risk management strategy and redefining its business model in order to achieve full compliance within the increased regulatory requirements and the extensive guidelines. The latest ones are related to the governance of data risks, the collection of such data and their integration in the required reports of the management and supervisory authorities.

The Group's new approach constitutes of a solid foundation for the continuous redefinition of Risk Management strategy through (a) the determination of the extent to which the Bank is willing to undertake risks (risk appetite), (b) the assessment of potential impacts of activities in the development strategy by defining the risk management limits, so that the relevant decisions to combine the anticipated profitability with the potential losses and (c) the development of appropriate monitoring procedures for the implementation of this strategy through a mechanism which allocates the risk management responsibilities between the Bank units.

More specifically, the Group taking into account the nature, the scale and the complexity of its activities and risk profile, develops a risk management strategy based on the following three lines of defense, which are the key factors for its efficient operation:

- Development Units of banking and trading arrangements {host functions and handling customer requests, promotion and marketing of banking products to the public (credits, deposit products and investment facilities), and generally conduct transactions (front line)}, which are functionally separated from the requests approval units, confirmation, accounting and settlement.

  They constitute the first line of defense and 'ownership' of risk, which recognizes and manages risks that will arise in the course of banking business.

- Management and control risk and regulatory compliance Units, which are separated between themselves and also from the first line of defense.

  They constitute the second line of defense and their function is complementary in conducting banking business of the first line of defense in order to ensure the objectivity in decision-making process, to measure the effectiveness of these decisions in terms of risk conditions and to comply with the existing legislative and institutional framework, by involving the internal regulations and ethical standards as well as the total view and evaluation of the total exposure of the Bank and the Group to risk.
- Internal audit Units, which are separated from the first and second line of defense.

  They constitute the third line of defense, which through the audit mechanisms and procedures cover an ongoing basis of all operation of the Bank and the Group. They ensure the consistent implementation of the business strategy, by involving the risk management strategy through the true and fair implementation of the internal policies and procedures and they contribute to the efficient and secure operation.

Credit Risk

Credit risk arises from the potential weakness of borrowers' or counterparties' to repay their debts as they arise from their loan obligations to the Group.

The primary objective of the Group's strategy for the credit risk management is to achieve the maximization of the adjusted relative to the performance risk, by ensuring at the same time the conduct of daily business within a clearly defined framework of granting credit. This framework has been supported by strict credit criteria and it is the continuous, timely and systematic monitoring of the loan portfolio and the maintenance of the credit risks within the framework of acceptable overall risk limits.

The framework of the Group's credit risk management is developed based on a series of credit policy procedures, systems and measurement models by monitoring and auditing models of credit risk which are subject to an ongoing review process. This happens in order to ensure full compliance with the new institutional and regulatory framework as well as the international best practices and their adaptation to the requirements of respective economic conditions and to the nature and extent of the Group's business.

The indicative actions below represent the development and improvement that occurred with respect to the aforementioned framework:

- Ongoing upgrade of Wholesale and Retail Banking Credit Policies in Greece and on abroad in order to be adapted in the given macroeconomic and financial conditions of the Group's risk profile as well as in the acceptable maximum risk appetite limits totally for each kind of risk.
- Ongoing update of the credit rating models for corporate and retail banking in Greece and on abroad in order to ensure their proper and effective operation.
- Update of the impairment policy for Wholesale and Retail Banking.
- Centralized and automated approval process for retail banking applications in Greece and abroad.
- Determining a specific framework for the management of overdue and non-performing loans, in addition to the existing obligations, which arise from the Executive Committee Act 2015/227 of January 9, 2015 of the European Committee for amending Executive Committee Act (EU) No. 680/2014 of the Committee for establishing executive technical standards regarding the submission of supervisory reports by institutions in accordance with the regulation (EU) No. 575/2013 of the European Parliament and the Council and Executive Committee Act of Bank of Greece, P.E.E. 42/30.5.2014 and the amendment of this with the Executive Committee Act of Bank of Greece, P.E.E. 47/9.2.2015, which define the framework of supervisory commitments for the management of overdue and non-performing loans from credit institutions.

  This framework develops based on the following pillars:

  a. The establishment of an independent operation management for the "Troubled assets" (Troubled Asset Committee). This is achieved by the representation of the Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Councils,

  b. The establishment of a separate management strategy for these loans, and

  c. The improvement of IT systems and processes in order to comply with the required periodic reporting to management and supervisory mechanisms.
- Systematic and periodic credit control of Wholesale and Retail Banking credit facilities.
- Systematic estimation and assessment of credit risk per counterparty and per sector of economic activity.
- Periodic stress tests as a tool of assessment of consequences of various macroeconomic scenarios to establish the business strategy, the business decisions and the capital position of the Group. The stress tests are performed according to the requirements of the regulatory framework and they are fundamental parameters of the Group's credit risk management Policy.

Additionally, the following actions are in progress in order to enhance and develop the internal system of credit risk management:

- Continuation of the preparation for the transition process for the Bank and the Group companies to the Advanced Method for the Calculation of Capital Requirements against Credit Risk. For the purpose of this transition, the Advanced Internal Ratings-Based Approach method will be used with regards to the corporate loan portfolios, retail banking, leasing and factoring.
- Development of the necessary processes and models for the implementation of IFRS 9 Financial instruments, which will be applied on January 1st, 2018.
- Establishment of Environmental and social Risk Management Policy in the legal entities credit universe procedures, which is an integral part of the overall risk management framework, fully aligned with the current regulatory framework, the European legislation and the international best practices.
- Expansion of systematic and periodic credit control of Wholesale and Retail Banking credit facilities including the non-performing sector.
- Reinforcing the completeness and quality control mechanism of crucial fields of Wholesale and Retail Credit for monitoring, measuring and controlling of the credit risk.

Liquidity and interest rate risk of banking portfolio

In the first semester of 2016 the imposition of the capital controls in banking system, which were imposed for the first time in June 29th, 2015, remains (even though slightly relaxed) resulting to the reduction of capital sources from the banking system. In the first half of 2016, Bank's deposits dropped slightly (0.16%), while the Group's deposits showed a trend for increase by 0.74% with most important participation that of our subsidiary in Romania. As a result from these developments on 30.6.2016 Bank's financing from the Eurosystem raised to €22.7 billion, showing a decrease by €1.8 billion compared to 31.12.2015. Correspondingly, the contribution of emergency funding mechanism by Bank of Greece (ELA) to the total Eurosystem funding reached the level of €16.9 billion. On June 29, 2016 the ECB re-issued a waiver for Greek Government Debt to be used as collateral for ECB funding. As a result, Alpha Bank pledged €2.4 billion face value of Greek Government Bonds and €1,1 billion of Greek Government T-bills to the ECB, with a subsequent reduction of the ELA collateral. The cash value of the collaterals was €1.8 billion and it was used to repay ELA funding. Access to cheaper ECB funding will have a positive effect on Net Interest Income.

Under the new requirements of the liquidity Regulatory Environment (Basel III) the liquidity sources are systematically monitored. During 2016 and on a monthly basis the Bank submits the Liquidity Coverage Ratio and performed the Net Stable Funding Ratio. On quarterly basis, Bank provides information to Single Supervisory Mechanism (SSM) related with the funding sources along with the impact on Groups profitability due to interest rate crisis scenarios. Furthermore, starting in April 2016 the Bank submits to the Single Supervisory Mechanism (SSM) monthly reports for the additional liquidity monitoring metrics.

During the first half of 2016, Bank has updated the policies and procedures of the Recovery Plan along with the scenarios for the stress tests. Given the compromised situation of the Greek economy, the Bank's subsidiaries have been asked by their local supervisors, to renew and update, apart from the Contingency Funding Plans, the Recovery Plans as well.

The continuous update of the ALM system, in which all Bank's reports are based, is essential for the evolution and the development of the product mix of the Bank, by taking into account the current structure of competition and the economic conditions. In particular, the audit and the finalization of the conventions of repricing and of movement of non-maturing assets-liabilities are parts of the efficient and the effective management of asset liability risk. In cooperation with the IT Department is about to start a project in order to implement the Back testing for the ALM conventions for maturity and reprising of the accounts without contractual maturity date. The Bank has updated the ALM balance sheet in order to follow up in a more effective way the gap and the basis risk.

The interbank financing (short, medium to long-term) and the Early Warning Indicators of the Bank and of Group's subsidiaries and foreign branches are monitored on a daily basis with reports and checks in order to capture daily variations.

Due to the criticality of the Greek economy, stress tests are incurred frequently for liquidity purposes in order to assess potential outflows (contractual or contingent). The purpose of this process is to determine the level of the immediate liquidity which is available in order to cover Bank's needs.

Over and above, during the first half of 2016, the extreme scenarios for the interest rate risk were enhanced according to the new supervisory framework for interest rate risk monitoring for Bank's portfolio "Interest Rate Risk in the Banking Book" (BIS, April 2016).

Moreover, the levels of the Risk Appetite & Risk Tolerance related to interest rate risk of the banking book were readjusted.

Market, Counterparty and Currency Risk

The Group has developed a strong set of control policies and procedures in accordance with the regulatory framework and international best practices to meet business needs that involve market and counterparty risk limiting adverse impact on results and equity. The framework of methodologies and systems for the effective management of these risks is evolving on a continuous basis in accordance with the changing circumstances in the markets and in order to meet customer requirements.

The valuation of bonds and derivative positions are monitored on an ongoing basis. The terms are examined for each new position and an appropriate valuation methodology is developed, in case it is required. On a regular basis stress tests are conducted in order to assess the impact on results and equity of various scenarios in the market conditions where the Group operates.

A detailed structure for trading and investment position limits and counterparty limits have been adopted and implemented, that involve regular monitoring of trigger events in order to perform extra limit reviews. The limit usage is monitored on an ongoing basis and any limit breaches identified are reported officially.

For the mitigation of the market risk of the banking portfolio, hedging relationships using derivatives are applied and hedge effectiveness is tested on a regular basis.

In 2015, there were problems in conducting operations in foreign currency financing due to the restrictions on capital movements and the reduction or withdrawal of interbank credit lines, resulting in an increase in the Group open currency position. As market conditions improve during 2016, the Group gradually reduces these positions. During the first semester 2016 the counterparty credit and country risk manual was reviewed and it is gradually applied by the Group companies. The Group participates in the Targeted Review of Internal Models conducted by the European Central Bank due to the application of an internal model for the market risk capital requirement calculation and submitted the required questionnaire during the first semester 2016. Furthermore, the Group participated in the benchmarking of internal approaches regarding market risk, that was conducted by the European Banking Authority in cooperation with the European Central Bank, as well as the ad-hoc Quantitative Impact Study for Basel III monitoring regarding the application of the Fundamental Review of the Trading Book for market risk capital requirement calculation, that was conducted by the European Central Bank.

Operational Risk

In the context of the continuous improvement in the implementation of the operational risk management framework, the Bank proceeded rigorously to the expansion of preventive measures in order to identify and evaluate risk as well as, the enhancement of the process of collecting and analyzing operational risk events.

Specifically, the RCSA method of operational risk self-assessment has been implemented during the year in accordance with the general plan for the Bank and Group Companies. It is noted that this method provides the recognition and assessment of potential operational risks through the implementation of audits (residual risks). Further to the above the respective divisions proceed with the appropriate actions in order to mitigate the potential negative impacts.

Moreover, a project for the improvement of the Operational Risk Management Framework and the implementation of Advanced Techniques in Operational Risk Measurement is in progress.

The operational risk events, the risk and control self-assessment results as well as, other operational risk issues are systematically monitored by the Bank and the Group Companies by the competent Operational Risk Management Committees which review the relevant information and ensure the implementation of Operational Risk mitigation measures.

Management Non Performing Loans (NPLs)

The quality of the Bank's loan portfolio deteriorated in the fourth quarter of 2008 till the fourth quarter of 2014 as a result of the prolonged recession of the Greek economy where GDP fell by 24.3%[1]. This had as a consequence an increase of the non-performing loans (NPL) in all individual portfolios. In response to these challenges, the Bank focused on three key prevention strategies of NPLs:

- Focus on enhancing recovery efforts, particularly in relation to the borrowers in early deliquencies
- Improvement and enhancement of tangible collaterals
- Offering of forbearance products to borrowers in an effort to alleviate short-term financial difficulties. This ensures that the Bank could complete these products, if necessary, once a more stable macroeconomic environment allows for a better assessment of the financial capacity for the borrowers.

However, in a very challenging economic environment, the Bank constantly reviews and adjusts its strategy for the management of NPLs. During 2014 and 2015, the Bank has implemented a major change in the management infrastructure and its NPL strategy, using Bank of Greece recommendations for non-performing loans (Troubled Asset Review) and the Act 47 of the Executive Committee.

The development and launch of targeted long-term arrangements represents a significant shift from the past, where the focus was more on short-term arrangements. In addition, efforts for the increased collectability and improved collateral levels remain a key aspect of the Bank's strategy.

At the same time key operating indicators were adjusted and updated accordingly:

- Organizational restructuring: Major re-emgineering aiming at creating and developing appropriate and independent management structures, which in tandem with improve-

[1] *ELSTAT http://www.statistics.gr/portal/page/portal/ESYE/PAGE-themes?p_param=A0704&r_param=SEL84&y_param=TS&mytabs=0, table 13*

ments in the overall governance structure, provide increased control over governance as well as the implementation of evidence-based practices and policies regarding the management of past due portfolio.

- Segmentation and Portfolio Analysis: clearly defined and detailed strategies are in progress, including a strict and well defined segmentation framework.
- Flexible and upgraded modification products and final settlement solutions (for example out of court settlements).
- Focused human resources management with specialised teams and targeted training.
- Significant IT investment and automated decision-making tools (for example NPV calculators)

These functional changes are related to major strategic movements, and more specifically:

- Joint Venture with Aktua (which is a specialized provider of loan services, group member of Centerbridge). This joint venture, is expected to start its operations in the first quarter of 2017. This action will allow the Bank to manage more effectively the portfolio of the non-performing loans as well as the real estate which is under its ownership (REO).
- Agreement with Eurobank, EBRD and KKR Credit for assigning the management of large corporate credit and equity exposures to Pillarstone, with the aim to provide operational expertise and fresh long term capital, so as to help companies stabilize, recover and grow. This innovative platform is anticipated to become operational within 2016.
- Loss Budget allocation framework: the Bank, in collaboration with an international consultant, has formulated a granular loss budget allocation framework o facilitate the implementation of its strategy for the restructuring of the portfolio of non-performing loans. This framework provides for:
  i. Loss allocation into sub-portfolios in order to achieve better non-performing loans management objectives.
  ii. Control and monitoring of key performance indicators of the Bank's NPLs management strategy
  iii. Identification of the most suitable resolution strategies per segment
- Property Repossession Strategy (REO): Evaluation of the existing Property Repossession strategy in order to determine the best way to maximize their value for the Bank in the current economic environment.

Some of the above initiatives are already in place (e.g, organization, systems), while others have been already developed and implemented over the past months.

In addition, it is expected that the above initiatives will also benefit from the changes in the Greek legislative framework and the improvement in the economic climate.

More specifically:

- Structural Reforms: The implementation of the planned structural reforms, as they are stated in the third loan agreement, is expected to create the necessary conditions for the banks in order to implement the best possible way for their strategy. Particularly, an expanded judicial reform, the new civil procedure code, the changes regarding the residential property either the auction suspension removal of the principal residence or the private creditors alleviation are some of them.
- Improved macroeconomic environment forecast: The estimated improvement of the Greek economy, in conjunction with the eventual lifting of capital controls, is expected to improve the ability of borrowers to respect their repayment schedules. It is also expected that they will enhance the reliability of the planned business projects, by enhancing the value of the existing collaterals.

Administrative Structure Division – Arreas Management

Having realized the strategic need to focus on NPL management, the Bank has embarked on an effort to streamline the monitoring functions and the management of past due exposures. Dedicated teams have been established within the Bank to monitor the evolution of a wide range of NPL-related strategies and metrics within the Bank's pre-defined NPL Strategy.

Organisation Structure and Corporate Governance

Since 2009 discrete units for the management of Retail and Wholesale NPLs have been established and they are key pillars for the Bank. These independent Units report directly to the Bank CEO through the Directors of each division. Moreover, they are responsible for all the areas which are related to the loan management – such as monitoring the portfolio and the front line services. Through those Units, the Bank has achieved the segregation of arrears management, from the Relationship Management and the Approval Authorities, by combining automated and mass procedures for portfolio's low-risk segments and a case by case management of the portfolio's more complex and higher-risk segments.

Furthermore, the establishment of the Troubled Assets Committee (TAC) has also contributed to the strategic alignment of the Retail & Wholesale NPL strategy.

Exposure management of arrears strategy

Investing in the organizational structure of the arrears units, the Bank has developed a strategic framework for the troubled assets in line with the Act 47 / 09.02.2015 of the Executive Committee of the Bank of Greece and the banks' Code of Conduct.

The procedures are defined based on the delinquency bucket and / or whether the borrower is viable or not (Going Concern vs. Gone Concern status). In this way, further segmentation of the non-performing portfolio by using financial indicators and several models has been achieved. The policies and procedures of sophisticated control mechanisms on the front line processes, such as daily monitoring of collection companies and by strengthening the control mechanisms for collection agencies and law firms (including the frequent on-site visits) are key pillars of the management of the non-performing loans for the Bank's management.

The TAC plays a pivotal role in setting and monitoring of the overall NPL strategy

Prospects for the future

The year 2016 could be considered as the beginning of a new face that will lead the country, out of the economic crisis, to a sustainable growth. However, this requires: (a) the continuation of fiscal consolidation in order to achieve the fiscal primary surplus target of 3.5% of GDP in 2018, (b) the rapid implementation, with continuity and consistency, of reforms in the goods and services markets and in the functioning of the public sector, the utilization of public property and the acceleration of privatizations, (c) the encouragement of business investment by ensuring a stable and friendly environment to entrepreneurship.

In this context, the active management of non-performing loans in conjunction with the reduction in funding costs of the Bank and the already improved from the first semester expenses to income ratio, is expected to gradually lead the Group to profitability.

Related parties

According to the corresponding regulatory framework, this report must include the main transactions with related parties. All the transactions between related parties, of the Bank and the Group companies, are performed in the ordinary course of business, conducted according to market conditions and are authorized by corresponding management personnel. There are no other material transactions between related parties beyond those described in the following paragraph.

a. The outstanding balances of the Group transactions with key management personnel which is composed by members of the Board of Directors and the Executive Committee of the Bank, as well as their close family members and the companies relating to them, as well as the corresponding results from those transactions are as follows:

Amounts in thousands of euro

Loans and advances to customers	10,001
Due to customers	26,780
Employee defined benefit obligations	221
Letters of guarantee and approved limits	10,931
Interest and similar income	50
Fee and commission income	68
Interest expense and similar charges	31
Fees paid to key management and close family members	1,753

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

A. SUBSIDIARIES

Amounts in thousands of euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Banks					
1. Alpha Bank London Ltd	16,405	11,377	5,262		1,560
2. Alpha Bank Cyprus Ltd	187,689	235,261	739	10	60,212
3. Emporiki Bank Cyprus Ltd					
4. Alpha Bank Romania S.A.	1,283,895	160,589	870	1,597	333,859
5. Alpha Bank AD Skopje			37		
6. Alpha Bank Srbija A.D.	143,398	26,758	977	96	6,083
7. Alpha Bank Albania SH.A.	15,863	20,946	205	109	
Leasing companies					
1. Alpha Leasing A.E.	199,449	8,898	2,468	87	
2. ABC Factors A.E.	444,376	483	11,378		52,463
Investment Banking					
1. Alpha Finance A.E.Π.E.Y.	140	14,555	459	276	56
2. SSIF Alpha Finance Romania S.A.		15			
3. Alpha Ventures A.E.		35,919	3	160	
4. Alpha A.E. Ventures Capital Management – AKES		2,081	13	8	
5. Emporiki Ventures Capital Developed Markets Ltd					
6. Emporiki Ventures Capital Emerging Markets Ltd		394			

A. SUBSIDIARIES

Amounts in thousands of euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Asset Management					
1. Alpha Asset Management A.E.D.A.K.	11,744	41,107	13,838	160	
Insurance					
1. Alpha Insurance Agents A.E.	4,990	7,017	4,990	25	
2. Alphalife A.A.E.Z.	393	593	583	990	
Real estate and hotel					
1. Alpha Astika Akinita A.E	334	58,398	500	2,750	
2. Ionian Hotel Enterprises A.E.	67,347	5,658	861	146	
3. Oceanos A.T.O.E.E.		2,749		11	
4. Emporiki Development and Real Estate Management A.E.		48,712		253	
5. Alpha Real Estate Bulgaria E.O.O.D.					
6. Chardash Trading E.O.O.D.				290	
7. Alpha Investment Property Chalandriou A.E.	19,254	22,514	173	4	
8. Alpha Investment Property Attikis A.E.	6,377	1	83		
9. Alpha Investment Property Attikis II A.E.		612			
10. Alpha Investment Property Amarousion I A.E.	1,530	19,493	12	4	
11. Alpha Investment Property Amarousion II A.E.	478	13,173	4	2	
12. Stockfort Ltd	23,369	3	215		
13. AGI-RRE Zeus S.R.L.	31,649		301		
14. AGI-RRE Poseidon S.R.L.	13,041		124		
15. AGI-BRE Participations 1 E.O.O.D.	4,623		52		
16. AGI-BRE Participations 2 E.O.O.D.	8,811		91		
17. AGI-BRE Participations 2BG E.O.O.D.	2,014		28		
18. AGI-BRE Participations 3 E.O.O.D.	19,736		179		
19. AGI-BRE Participations 4 E.O.O.D.					
20. APE Fixed Assets A.E.		7			
21. HT-1 E.O.O.D.	317		8		
22. SC Carmel Residential S.R.L.	6,759		123		
23. AGI – RRE Hera S.R.L.	12,248		119		
24. Alpha Investment Property Neas Kifisias A.E.	3,361	900	27		
25. Alpha Investment Property Kallirois A.E.	588	988	5		
26. Alpha Investment Property Leivadias A.E.	4,506	153	91		
27. Asmita Gardens S.R.L.					
28. Alpha Investment Property Kefalariou A.E.		20			
29. Ashtrom Residents S.R.L.	9,735				
30. AGI-BRE Participations 5 E.O.O.D.					
31. Cubic Center Development S.A.	27,569				
32. Alpha Investment Property Neas Erythreas A.E.	10,000	1,571			
33. Anaplasis Plagaias A.E.	15,068		703		
34. Alpha Real Estate Services S.R.L.		10			
Special purpose and holding entities					
1. Alpha Credit Group Plc		9,014			
2. Alpha Group Jersey Ltd	21	15,273			15,542
3. Alpha Group Investments Ltd		24,921			
4. Ionian Holdings A.E.	56,034	332,614	56,034	1,431	
5. Ionian Equity Participations Ltd	775	424			
6. Emporiki Group Finance Plc		1,289			
7. AGI-RRE Participations 1 Ltd		1,157			
8. Alpha Group Ltd		263,863		36	
9. Katanalotika Plc	1,187				
10. Epihiro Plc		1,253			
11. Irida Plc	331,982	44,784	444		
12. Pisti 2010-1 Plc		142			
13. Alpha Shipping Finance Ltd	5	257,530	2,333	6,541	
14. Umera Ltd	417,354	22,257	773	38	9,660
15. AGI-RRE Poseidon Ltd	38,006		317		

A. SUBSIDIARIES

Amounts in thousands of euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
16. AGI-BRE Participations 4 Ltd	3,381		85		
17. AGI-RRE Artemis Ltd	1,731				
18. Zerelda Ltd		1			
19. AGI-Cypre Ermis Ltd	1,750,754	44,211	14,050		315,916
20. AGI-SRE Ariadni DOO	21,697				
21. AGI-CYPRE ALAMINOS LTD	8,356		3		
22. AGI-CYPRE TOCHINI LTD	1,287				
23. AGI-CYPRE MAZOTOS LTD	7,410				
Other companies					
1. Kafe Alpha A.E.		170	8	142	
2. Alpha Supporting Services A.E.		31,196	280	3,398	
3. Real Car Rental A.E.		46			
4. Zerelda Ltd		1			
5. Evisak A.E.		885		3	
6. Emporiki Management A.E.	15	1,985	24	7	
7. Alpha Bank Notification Services A.E.	5	382	6	150	
B. JOINT VENTURES					
1. APE Commercial Property A.E.	4	13,652	1	62	
2. APE Investment Property A.E.	149,262	6,918	2,456	24	
3. Alpha TANEO A.K.E.S.		425			
4. Rosequeens Properties S.R.L.	5,398		400		
5. Aktua Hellas Holdings S.A.		21			
C. ASSOCIATES					
1. AEDEP Thessalias and Stereas Ellados		60			
2. Banking Information Systems A.E.		288			
3. Olganos A.E.	3,044		5		
Total	**5,394,764**	**1,815,717**	**122,740**	**18,810**	**795,351**

c. Other related party transactions

The outstanding balances and the corresponding results are analyzed as follows:

Amounts in thousands of euro

	Assets	Liabilities	Income	Expenses
Employees Supplementary Funds – TAP		2,345		16
Hellenic Financial Stability Fund - HFSF			5	

Athens, 30 August 2016

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

VASILEIOS T. RAPANOS
I.D. No AI 666242

Independent Auditors' Report on Review of Interim Financial Information

(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Introduction

We have reviewed the accompanying consolidated balance sheet of ALPHA BANK A.E. (the "Bank") as of 30 June 2016 and the related consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, which comprise the condensed interim financial information and which forms an integral part of the six-month financial report of article 5 of Law 3556/2007. The Bank's management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Report on other legal and regulatory requirements

Our review did not identify any inconsistency or disparity of the other information of the six-month financial report as provided for by article 5 of L. 3556/2007 with the accompanying condensed interim financial information.

Athens, 30 August 2016

KPMG Certified Auditors AE
AM SOEL 114

Nikolaos Vouniseas	Ioannis Achilas
Certified Auditor Accountant	Certified Auditor Accountant
AM SOEL 18701	AM SOEL 12831

Interim Consolidated Financial Statements as at 30.6.2016

Interim Consolidated Income Statement

(Amounts in thousands of Euro)

	Note	From 1 January to		From 1 April to	
		30.6.2016	30.6.2015*	30.6.2016	30.6.2015*
Interest and similar income		1,382,951	1,524,439	677,464	763,387
Interest expense and similar charges		(416,644)	(567,545)	(194,099)	(281,459)
Net interest income		966,307	956,894	483,365	481,928
Fee and commission income		182,447	194,511	94,063	96,380
Commission expense		(23,677)	(33,347)	(13,869)	(18,984)
Net fee and commission income		158,770	161,164	80,194	77,396
Dividend income		1,120	545	529	520
Gains less losses on financial transactions	2	60,038	35,962	56,999	10,005
Other income		27,275	30,576	14,921	16,979
		88,433	67,083	72,449	27,504
Total income		**1,213,510**	**1,185,141**	**636,008**	**586,828**
Staff costs		(258,481)	(263,471)	(129,026)	(129,888)
Provision for voluntary separation scheme		(31,480)		(487)	
General administrative expenses	3	(247,089)	(237,329)	(128,847)	(120,486)
Depreciation and amortization		(49,495)	(51,537)	(23,632)	(25,921)
Other expenses		(16,274)	(2,208)	(12,706)	(1,311)
Total expenses		**(602,819)**	**(554,545)**	**(294,698)**	**(277,606)**
Impairment losses and provisions to cover credit risk	4	(604,828)	(2,098,842)	(349,710)	(1,672,696)
Share of profit/(loss) of associates and joint ventures		(1,967)	(3,987)	(506)	(1,997)
Profit/(loss) before income tax		**3,896**	**(1,472,233)**	**(8,906)**	**(1,365,471)**
Income tax	5	(24,447)	309,358	(9,540)	318,579
Profit/(loss) after income tax from continuing operations		**(20,551)**	**(1,162,875)**	**(18,446)**	**(1,046,892)**
Profit/(Loss) after income tax from discontinued operations	26	1,607	(89,208)	1,666	(89,353)
Profit/(loss), after income tax		**(18,944)**	**(1,252,083)**	**(16,780)**	**(1,136,245)**
Profit/(loss) attributable to:					
Equity owners of the Bank					
- from continuing operations		(20,650)	(1,163,042)	(18,502)	(1,046,923)
- from discontinued operations		1,607	(89,208)	1,666	(89,353)
		(19,043)	**(1,252,250)**	**(16,836)**	**(1,136,276)**
Non-controlling interests					
- from continuing operations		99	167	56	31
Earnings/(losses) per share:					
Basic and diluted (€ per share)	6	(0.01)	(4.90)	(0.01)	(4.45)
Basic and diluted from continuing operations (€ per share)	6	(0.01)	(4.55)	(0.01)	(4.10)
Basic and diluted from discontinued operations (€ per share)	6	0.00	(0.35)	0.00	(0.35)

* *The figures of the Interim Consolidated Income Statement of the comparative periods have been restated due to modification of the presentation of legal expenses, the finalization of the Bulgaria Branch transfer terms and the presentation of Alpha Bank Skopje as a discontinued operation (notes 26 and 28).*

The attached notes (pages 27 - 78) form an integral part of these interim consolidated financial statements

Interim Consolidated Balance Sheet

(Amounts in thousands of Euro)

	Note	30.6.2016	31.12.2015*
ASSETS			
Cash and balances with Central Banks		1,486,533	1,730,327
Due from banks		2,121,309	1,976,273
Trading securities	8	2,590	2,779
Derivative financial assets		839,166	793,015
Loans and advances to customers	7	45,495,962	46,186,116
Investment securities			
- Available for sale	8	5,644,128	5,794,484
- Held to maturity	8	44,746	79,709
- Loans and receivables	8	3,683,411	4,289,482
Investments in associates and joint ventures		10,582	45,771
Investment property	9	628,290	623,662
Property, plant and equipment	10	823,731	860,901
Goodwill and other intangible assets	11	366,224	345,151
Deferred tax assets		4,421,863	4,398,176
Other assets		1,520,955	1,508,633
		67,089,490	68,634,479
Assets held for sale	26	282,429	663,063
Total Assets		**67,371,919**	**69,297,542**
LIABILITIES			
Due to banks	12	23,417,669	25,115,363
Derivative financial liabilities		1,659,398	1,550,529
Due to customers (including debt securities in issue)		31,667,039	31,434,266
Debt securities in issue and other borrowed funds	13	320,444	400,729
Liabilities of current income tax and other taxes		26,437	38,192
Deferred tax liabilities		23,213	20,852
Employee defined benefit obligations	14	87,674	108,550
Other liabilities		902,905	910,623
Provisions	15	335,968	298,458
		58,440,747	59,877,562
Liabilities related to assets held for sale	26	9,322	366,781
Total Liabilities		**58,450,069**	**60,244,343**
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	16	461,064	461,064
Share premium		10,790,870	10,790,870
Reserves		189,762	300,086
Amounts recognized directly in equity for held for sale items		(122)	8,834
Retained earnings	16	(2,558,915)	(2,546,885)
		8,882,659	**9,013,969**
Non-controlling interests		**24,059**	**23,998**
Hybrid securities	17	**15,132**	**15,232**
Total Equity		**8,921,850**	**9,053,199**
Total Liabilities and Equity		**67,371,919**	**69,297,542**

* *The figures of the Consolidated Balance Sheet of the comparative period have been restated due to the completion of the valuation of net assets of acquired subsidiary company (note 28).*

The attached notes (pages 27 - 78) form an integral part of these interim consolidated financial statements

Interim Consolidated Statement of Comprehensive Income

(Amounts in thousands of Euro)

	Note	From 1 January to		From 1 April to	
		30.6.2016	30.6.2015*	30.6.2016	30.6.2015*
Profit/(loss), after income tax, recognized in the income statement		**(18,944)**	**(1,252,083)**	**(16,780)**	**(1,136,245)**
Other comprehensive income recognized directly in equity:					
Amounts that may be reclassified to the income statement					
Net change in available for sale securities' reserve		(20,838)	(328,119)	73,668	(127,829)
Net change in cash flow hedge reserve		(127,695)	63,745	(28,443)	153,944
Exchange differences on translating and hedging the net investment in foreign operations		(1,901)	596	1,199	(1,749)
Change in the share of other comprehensive income of associates and joint ventures			101		101
Income tax	5	38,635	62,563	(15,862)	(15,295)
Amounts that may be reclassified to the income statement from continuing operations		**(111,799)**	**(201,114)**	**30,562**	**9,172**
Amounts that may be reclassified to the income statement from discontinued operations		**(40)**	**39**	**7**	**(10)**
Amounts that may not be reclassified to the income statement		-	-	-	-
Total of other comprehensive income recognized directly in equity, after income tax	5	**(111,839)**	**(201,075)**	**30,569**	**9,162**
Total comprehensive income for the period, after income tax		**(130,783)**	**(1,453,158)**	**13,789**	**(1,127,083)**
Total comprehensive income for the period attributable to:					
Equity owners of the Bank					
- from continuing operations		(132,411)	(1,364,207)	12,123	(1,037,816)
- from discontinued opearations		1,567	(89,169)	1,626	(89,314)
		(130,844)	**(1,453,376)**	**13,749**	**(1,127,130)**
Non controlling interests					
-from continuing operations		61	218	40	47

* *The figures of the Consolidated Statement of Comprehensive Income of the comparative period have been restated due to the finalization of the Bulgaria Branch transfer terms, the completion of the valuation of net assets of acquired subsidiary company and the presentation of Alpha Bank Skopje as a discontinued operation (notes 26 and 28).*

Interim Consolidated Statement of Changes in Equity

(Amounts in thousands of Euro)

	Note	Share Capital	Share Premium	Reserves	Retained earnings	Total	Non controlling interests	Hybrid securities	Total Equity
Balance 1.1.2015		**3,830,718**	**4,858,216**	**105,687**	**(1,142,801)**	**7,651,820**	**23,266**	**31,464**	**7,706,550**
Changes for the period 1.1 - 30.6.2015									
Profit for the period, after income tax					(1,252,250)	(1,252,250)	167		(1,252,083)
Other comprehensive income recognized directly in equity, after income tax				(201,126)		(201,126)	51		(201,075)
Total comprehensive income for the period, after income tax		**-**	**-**	**(201,126)**	**(1,252,250)**	**(1,453,376)**	**218**	**-**	**(1,453,158)**
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					1,010	1,010		(1,729)	(719)
Appropriation to reserves				1,599	(1,599)	-			-
Balance 30.6.2015		**3,830,718**	**4,858,216**	**(93,840)**	**(2,395,640)**	**6,199,454**	**23,484**	**29,735**	**6,252,673**
Changes for the period 1.7 - 31.12.2015									-
Profit for the period, after income tax					(119,464)	(119,464)	93		(119,371)
Other comprehensive income recognized directly in equity, after income tax				401,839	3,045	404,884	(36)		404,848
Total comprehensive income for the period, after income tax		**-**	**-**	**401,839**	**(116,419)**	**285,420**	**57**	**-**	**285,477**
Decrease of ordinary shares nominal value		(3,754,104)	3,754,104			-			-
Share capital increase paid in cash		232,825	1,319,344			1,552,169			1,552,169
Share capital increase through capitalization of financial receivables		151,625	859,206			1,010,831			1,010,831
Share capital increase expenses, after income tax					(43,506)	(43,506)			(43,506)
Effect due to change of the income tax rate for share capital increase expenses					6,261	6,261			6,261
Purchases/sales and change of ownership interests in subsidiaries					(457)	(457)	457		-
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					3,797	3,797		(14,503)	(10,706)
Appropriation to reserves				921	(921)	-			-
Balance 31.12.2015		**461,064**	**10,790,870**	**308,920**	**(2,546,885)**	**9,013,969**	**23,998**	**15,232**	**9,053,199**

(Amounts in thousands of Euro)

	Note	Share Capital	Share Premium	Reserves	Retained earnings	Total	Non controlling interests	Hybrid securities	Total Equity
Balance 1.1.2016		**461,064**	**10,790,870**	**308,920**	**(2,546,885)**	**9,013,969**	**23,998**	**15,232**	**9,053,199**
Changes for the period 1.1 - 30.6.2016									
Profit for the period, after income tax					(19,043)	(19,043)	99		(18,944)
Other comprehensive income recognized directly in equity, after income tax				(111,801)		(111,801)	(38)		(111,839)
Total comprehensive income for the period, after income tax		**-**	**-**	**(111,801)**	**(19,043)**	**(130,844)**	**61**	**-**	**(130,783)**
Share capital increase expenses, after income tax					(689)	(689)			(689)
(Purchases)/sales and change of ownership interests in subsidiaries				(8,794)	8,794	-			-
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					60	60		(100)	(40)
Appropriation of reserves				1,315	(1,315)	-			-
Other					163	163			163
Balance 30.6.2016		**461,064**	**10,790,870**	**189,640**	**(2,558,915)**	**8,882,659**	**24,059**	**15,132**	**8,921,850**

* *The figures of the Consolidated Statement of Changes in Equity of the comparative period have been restated due the completion of the valuation of net assets of acquired subsidiary company (note 28).*

Interim Consolidated Statement of Cash Flows

(Amounts in thousands of Euro)

		From 1 January to	
	Note	30.6.2016	30.6.2015*
Cash flows from continuing operating activities			
Profit/(loss) before income tax		3,896	(1,472,233)
Adjustments for gains/(losses) before income tax for:			
Depreciation/ impairment of fixed assets	9,10	27,400	29,114
Amortization of intangible assets	11	22,095	22,423
Impairment losses from loans, provisions and staff leaving indemnity		641,523	2,140,817
(Gains)/losses from investing activities		(69,292)	34,524
(Gains)/losses from financing activities		31,017	54,269
Share of (profit)/loss of associates and joint ventures		1,967	3,987
		658,606	**812,901**
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks		(225,373)	867,113
Trading securities and derivative financial assets		(45,962)	217,710
Loans and advances to customers		298,866	(849,764)
Other assets		2,562	(90,108)
Net increase /(decrease) in liabilities relating to continuing operating activities:			
Due to banks		(1,697,694)	11,092,339
Derivative financial liabilities		(18,826)	(58,901)
Due to customers		229,900	(11,632,986)
Other liabilities		18,010	(67,689)
Net cash flows from continuing operating activities before taxes		**(779,911)**	**290,615**
Income taxes and other taxes paid		(18,076)	(30,601)
Net cash flows from continuing operating activities		**(797,987)**	**260,014**
Net cash flows from discontinued operating activities		**(21,270)**	**10,551**
Cash flows from continuing investing activities			
Investments in associates and joint ventures		(98)	(344)
Acquisitions during the period			9,151
Amounts received from disposal of subsidiary			15,392
Dividends received		1,120	560
Acquisitions of fixed and intangible assets		(97,824)	(42,692)
Disposals of fixed and intangible assets		44,176	6,318
Net (increase)/decrease in investement securities		663,048	(255,253)
Net cash flows from continuing investing activities		**610,422**	**(266,868)**
Net cash flows from discontinued investing activities		**(24,390)**	**6,933**
Cash flows from continuing financing activities			
Receipts of debt securities in issue and other borrowed funds		577	
Repayments of debt securities in issue and other borrowed funds		(82,194)	(89,451)
(Purchases)/sales of hybrid securities		(15)	(467)
Share capital increase expenses		(970)	
Net cash flows from continuing financing activities		**(82,602)**	**(89,918)**
Effect of exchange rate differences on cash and cash equivalents		(24,489)	1,843
Net increase/(decrease) in cash flows from continuing activities		**(294,656)**	**(94,929)**
Net increase/(decrease) in cash flows from discontinued activities		**(45,660)**	**17,484**
Cash and cash equivalents at the beginning of the period		**1,328,133**	**1,194,244**
Cash and cash equivalents at the end of the period		**987,817**	**1,116,799**

* *The figures of the Interim Consolidated Statement of Cash Flows of the comparative period has been restated due to the finalization of the Bulgaria Branch transfer terms and the presentation of Alpha Bank Skopje as a discontinued operation (notes 26 and 28).*

The attached notes (pages 27 - 78) form an integral part of these interim consolidated financial statements

Notes to the Interim Consolidated 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 services.

The parent company of the Group is Alpha Bank A.E. which operates under the brand name Alpha Bank. The Bank's resistered office is 40 Stadiou Street, Athens and is listed in the General Commercial Register with registration number 223701000 (ex. societe anonyme registration number 6066/06/B/86/05). The Bank's duration is until 2100 but may 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.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 27.6.2014 expires in 2018.

The Board of Directors as at 30.6.2016 consists of:

CHAIRMAN (Non Executive Member)
Vasileios T. Rapanos

VICE CHAIRMAN (Non Executive Independent Member)
Pavlos A. Apostolides **/****

EXECUTIVE MEMBERS

MANAGING DIRECTOR
Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS
Spyros N. Filaretos (COO)
Artemios Ch. Theodoridis
George C. Aronis

NON-EXECUTIVE MEMBERS
Efthimios O. Vidalis
Ioanna E. Papadopoulou ****

NON-EXECUTIVE INDEPENDENT MEMBERS
Evangelos J. Kaloussis */***
Ioannis K. Lyras */**
Ibrahim S. Dabdoub **
Shahzad A. Shahbaz ***/****
Jan A. Vanhevel */***

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3723/2008)
Marica S. Ioannou - Frangakis

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3864/2010)
Panagiota S. Iplixian */**/***/****

SECRETARY
George P. Triantafyllides

At its meeting held on 28.7.2016, the Board of Directors of Alpha Bank elected Mr. Richard R. Gildea as Member of the Board of Directors of the Bank, for the remainder of its tenure, in replacement of Mrs Ioanna E. Papadopoulou who resigned.

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*
**** *Member of Corporate Governance and Nominations Committee*

The Ordinary General Meeting of Shareholders of 30.6.2016 has appointed for the fiscal year 2016 KPMG Certified Auditors A.E. as Certified auditors of the Bank, by the following:

a. Principal Auditors: Nikolaos E. Vouniseas
John A. Achilas

b. Substitute Auditors: Michael A. Kokkinos
Anastasios E. Panayides

The Bank's shares are listed in the Athens Stock Exchange since 1925 and are ranked among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, the FTSE All World, the Stoxx Europe 600 and FTSE Med 100.

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).

Total common shares in issue as at 30 June 2016 were 1,536,881,200.

In Athens Stock Exchange are traded 1,367,706,054 common shares of the Bank, while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 169,175,146 common, registered, voting, paperless shares or percentage equal to 11.01% on the total of common shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

In addition, on the Athens Exchange there are 1,141,734,167 warrants that are traded each one incorporating the right of the holder to purchase 0,148173663047785 new shares owned by the HFSF.

During the first semester of 2016, the average daily volume per session for shares was € 20,970,465 and for warrants € 6,500.

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

- Moody's: Caa3
- Fitch Ratings: RD
- Standard & Poor's: SD (from 2.8.2016 CCC+)

According to Law 4374 published in 1 April 2016, the obligation to publish quarterly financial statements for the first and third quarter of the financial year, pursuant to the provisions of Article 6 of Law. 3556/2007 before its amendment, was abolished.

Furthermore, according to No.8/754/14.04.2016 decision of the Hellenic Capital Market Commission with subject "Special Topics Periodic Reporting according to Law. 3556/2007", the obligation to publish Data and Information arising from the quarterly and semi-annual financial statements, as previously stated by the No. 4/507/28.4.2009 decision of the Hellenic Capital Market Commission Board of Directors, was abolished.

The financial statements have been approved by the Board of Directors on 30 August 2016.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Group has prepared the condensed interim financial statements as at 30.6.2016 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union. The financial statements have been prepared on the historical cost basis. As an exception, some assets and liabilities are measured at fair value. Those assets are mainly the following:

- Securities held for trading
- Derivative financial instruments
- Available for sale securities
- The convertible bond issued by the Bank which is included in "Debt securities in issue held by institutional investors and other borrowed funds"

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

The accounting policies applied by the Group in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2015, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2016:

- **Amendment to International Financial Reporting Standard 11** "Joint Arrangements": Accounting for acquisition of interests in joint operations (Regulation 2015/2173/24.11.2015)
- **Amendment to International Accounting Standard 1** "Presentation of Financial Statements": Disclosure Initiative (Regulation 2015/2406/18.12.2015)
- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 38** "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization (Regulation 2015/2231/2.12.2015)
- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 41** "Agriculture": Bearer Plants (Regulation 2015/2113/23.11.2015)
- **Amendment to International Accounting Standard 27** "Separate Financial Statements": Equity Method in Separate Financial Statements (Regulation 2015/2441/18.12.2015)
- **Improvements to International Accounting Standards – cycle 2012-2014** (Regulation 2015/2343/15.12.2015)

The adoption of the above amendments by the Group, an analysis of which is presented in note 1.1 of the Group Financial Statements as at 31.12.2015, had no impact on its financial statements.

The adoption by the European Union, by 31.12.2016, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 1.1.2016, may affect retrospectively the periods presented in these interim financial statements.

1.2 Estimates, decision making criteria and significant sources of uncertainty

The Group, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

Fair value of assets and liabilities

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions eg. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

Impairment losses of financial assets

The Group, when performing impairment tests on loans and advances to customers, makes estimates regarding the amount and timing of future cash flows. Given that these estimates are affected by a number of factors such as the financial position of the borrower, the net realizable value of any collateral or the historical loss ratios per portfolio, actual results may differ from those estimated. Similar estimates are used in the assessment of impairment losses of securities classified as available for sale or held to maturity.

Impairment losses of non – financial assets

The Group, at each year end balance sheet date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in associates and joint ventures. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and the value in use.

Income Tax

The Group recognizes assets and liabilities for current and deferred tax, as well as the related expenses, based on estimates concerning the amounts expected to be paid to or recovered from tax authorities in the current and future periods. Estimates are affected by factors such as the practical implementation of the relevant legislation, the expectations regarding the existence of future taxable profit and the settlement of disputes that might exist with tax authorities etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Group. Any adjustments are recognized within the year that they become final.

Employee defined benefit obligations

Defined benefit obligations are estimated based on actuarial valuations that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.

Provisions and contingent liabilities

The Group recognises provisions when it estimates that it has a present legal or constructive obligation that can be estimated reliably, and it is almost certain that an outflow of economic benefits will be required to settle the obligation. In contrast, when it is probable that an outflow of resources will be required, or when the amount of liability cannot be measured reliably, the Group does not recognise a provision but it provides disclosures for contingent liabilities, taking into consideration their materiality. The estimation for the probability of the outflow as well as for the amount of the liability are affected by factors which are not controlled by the Group, such as court decisions, the practical implementation of the relevant legislation and the probability of default of the counterparty, for those cases which are related to the exposure to off-balance sheet items.

The estimates and judgments applied by the Group in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.

1.2.1 Going concern principle

The Group applied the going concern principle for the preparation of the financial statements as at 30.6.2016. For the application of this principle, the Group takes into consideration current economic developments in order to make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the adverse economic environment in Greece and abroad and to the liquidity levels of the Hellenic Republic and the banking system.

Specifically, the high degree of uncertainty that characterizes the internal economic environment in recent years, as a result of the prolonged recession of the Greek economy, led to a significant deterioration in the creditworthiness of corporate and individuals, to an increase of non performing loans and therefore to the recognition of significant impairment losses by the Bank and by the Greek banking system in general. Additionally, during the first semester of the previous year, the internal economic environment was adversely affected by the uncertainties that were created during the negotiations of the Hellenic Republic with the European Commission, the European Central Bank and the International Monetary Fund for the financing of the Hellenic Republic, a fact that led to significant outflows of deposits, to the imposition of capital controls and of a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. Capital controls remain in place until the date of approval of the financial statements, while the detailed provisions for their application are amended where appropriate by the adoption of a legislative act.

At the same time the liquidity needs of Greek banks continue to be mostly satisfied by the emergency liquidity mechanisms of the Bank of Greece.

The completion, in the third quarter of 2015, of the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy, led to an agreement for new financial support by the European Stability Mechanism. The agreement provided for the coverage of the financing needs of the Hellenic Republic for the medium-term period, under the condition that economic reforms are made, while additionally it provided for the allocation of resources to cover the recapitalization needs of the banks as a result of their assessment by the Single Supervisory Mechanism. With respect to the Bank specifically, a recapitalization of a total amount of € 2,563 million took place in the fourth quarter of 2015, exclusively from private funds, as further analyzed in note 42 of the annual financial statements as at 31.12.2015.

In June of the current year the first evaluation of the Hellenic Republic financial support program was completed and the partial disbursement of the second installment of the program, amounting to € 10.3 billion, was approved. The first disbursement of € 7.5 billion took place in June and covered the short-term public debt servicing needs as well as the clearance of part of amounts overdue by the Hellenic Republic. The remaining amount of € 2.8 billion is expected to be disbursed within the second semester of 2016, provided that a series of prerequisite actions are completed. The completion of the first evaluation and the disbursement of installments are expected to contribute to the enhancement of the real economy and the improvement of investment prospects. The above, combined with the continuation of reforms and the measures described in the Eurogroup statement for the enhancement of the sustainability of the Greek debt (note 1.2.2), are expected to contribute to the gradual improvement of the economic environment in Greece and to the return of the economy to positive growth rates.

In parallel to the above the Bank, in the context of its strategy to address the issue of non performing loans, is taking a series of actions and initiatives, as specifically mentioned in the relevant section of the Board of Director's Semi-annual Management Report, which, combined with the changes in the legislative framework, are expected to contribute to the effective management of the non performing loans portfolio.

With regards to the liquidity levels and funding costs of the Bank and the banking system in general, they have been positively affected by the reinstatement of Greek government securities in the perimeter of collaterals accepted by the European Central Bank, by the reduction of the haircut applied on eligible collaterals and by the ability to transfer part of the securities issued by the European Financial Stability Fund that the Bank holds to the European Central Bank, as mentioned in note 8 of the financial statements.

Based on the above and taking into account the Group's high capital adequacy and the ability of the Bank to access the liquidity mechanisms of the eurosystem, the Group estimates that the conditions for the application of the going concern principle for the preparation of its financial statements are met.

1.2.2 Estimation of the Group's exposure to the Hellenic Republic

The Group's total exposure to Greek Government securities and loans related to the Hellenic Republic has not changed significantly compared to what is stated in note 41.1 of the consolidated financial statements as at 31.12.2015. The main uncertainties regarding the estimations for the recoverability of the Group's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

Following the successful outcome of the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy, which were completed with the signing of a relative agreement with the European Stability Mechanism on 19.8.2015, a three-year funding (which could amount to € 86 billion) was ensured, provided that specific commitments that relate to the achievement of specific financial targets and the implementation of reforms in the Greek economy will be respected. The financing agreement with the European Stability Mechanism is expected to cover the financing needs of the Hellenic Republic and in parallel to contribute to the growth of the Greek economy. In addition, it was agreed that upon the first positive assessment of the program, which was completed in June of the current year, measures will be taken for Greek debt relief in order to enhance its sustainability.

Pursuant to the above, in the Eurogroup of 9.5.2016 the framework based on which the sustainability of the Greek debt will be assessed was set. In the Eurogroup of 24.5.2016 the measures for the enhancement of the sustainability of the Greek debt were further specified, separately for the short, the medium and the long term. Based on this framework, under the baseline scenario, gross financing needs of the Hellenic Republic should remain below 15% of GDP during the post programme period for the medium term and below 20% of GDP thereafter. By taking these measures, the finalization of which is expected in subsequent meetings of the Eurogroup, it is estimated that the service capacity of the Greek debt will be improved.

Based on the above, the Group has not recognized impairment losses on the Greek Government securities that it holds as at 30.6.2016, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

1.2.3 Recoverability of deferred tax assets

The Group recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized. The amount of deferred tax assets recognized in the consolidated financial statements as at 30.6.2016 has not changed significantly compared with the corresponding amount of 31.12.2015. Therefore, what is stated in note 1.31.3 of the annual financial statements of 31.12.2015, regarding the main categories of deferred tax assets recognized is also applicable to these financial statements. In addition, with regards to the methodology applied for the assessment of recoverability of deferred tax assets, what is stated in the above note of the annual financial statements applies, taking also into account the factors that formulated the results of the first semester of the current year.

INCOME STATEMENT

2. Gains less losses on financial transactions

	From 1 January to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Foreign exchange differences	6,000	(14,109)	2,514	4,156
Trading securities				
- Bonds	515	1,435	385	397
- Shares	(148)	159	9	7
Investment securities:				
- Bonds	14,036	(52,212)	10,231	(68,269)
- Shares	79,760	(458)	74,354	(458)
- Other securities	(1,592)	(23)	(698)	19
From sale of holdings	(1,695)	6,804	(1,705)	(25)
From sales of loans	10,876	(10)	10,876	(10)
Derivative financial instruments	(20,644)	42,834	(7,968)	23,730
Other financial instruments	(27,070)	51,542	(30,999)	50,458
Total	**60,038**	**35,962**	**56,999**	**10,005**

On June 21, 2016, Visa Inc. completed the acquisition of Visa Europe. According to the relevant contract (as amended on 10.05.2016), the date of completion of the transaction, Visa Inc. purchased from Visa Europe's members the shares they held due to their membership. The price for this acquisition consists of:

i. The payment of a total amount of € 12.25 billion upon completion of the transaction.

ii. The distribution of preferred shares.

iii. The payment of the amount of € 1 billion on the third anniversary of the closing of the transaction plus interest.

The calculation of the transaction price was based on Visa Europe's net revenue contributed by each member for a specific period of time.

In this context, during the second quarter of the current period, the Group recognized as gains less losses on financial transactions result the amount of € 55.6 million which consists of the cash received at the closing of the transaction and the recognition of the present value of the deferred payment on the third anniversary.

In addition, the Group recognized during the year the preference shares of Visa Inc. acquired under the transaction. These shares, which were classified as available for sale, were recognized at a fair value of € 16.3 million and recorded in gains less losses on finacial transactions.

"Other financial instruments" includes a loss from Ioniki Hotel Enterprises A.E. valuation of € 36.4 million (Note 26).

3. General administrative expenses

	From 1 January to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Operating leases of buildings	21,884	22,351	10,836	10,976
Rent and maintenance of EDP equipment	10,224	10,224	5,080	5,201
EDP expenses	15,601	13,768	7,933	6,184
Marketing and advertisement expenses	11,063	10,277	6,558	6,726
Telecommunications and postage	11,981	10,421	6,106	4,784
Third party fees	21,628	23,881	11,990	11,564
Consultants fees	3,376	3,331	1,503	1,833
Contribution to the Deposit guarantee fund - Investment fund and Solvency Fund	31,363	21,461	15,576	10,655
Insurance	6,743	5,142	3,016	2,137
Consumables	3,044	3,138	1,450	1,843
Electricity	5,633	7,044	2,230	3,292
Third party fees for customer acquisition	26	56	18	32
Taxes (VAT, real estate etc)	36,446	37,351	18,714	19,557
Services from collection agencies	13,266	9,418	8,667	4,343
Building and equipment maintenance	4,497	4,473	2,418	2,470
Security	6,301	6,444	3,457	3,250
Cleaning fees	2,748	2,804	1,487	1,492
Other	41,265	45,745	21,808	24,147
Total	**247,089**	**237,329**	**128,847**	**120,486**

On 23.7.2015 under Law 4335/2015, the European Directive 2014/59 was incorporated in to Greek Law to establish a framework for the recovery and resolution of credit institutions and investment entities. In particular, the Resolution Scheme of Hellenic Deposit and Investment Guarantee Fund (HDIGF) is defined as the National Resolution Fund which within ten years (until 31 December 2024) should gradually, create a reserve equal to at least 1% of the deposits guaranteed by the HDIGF. From 1.1.2016, the Single Resolution Mechanism (SRM) is responsible for the resolution of credit institutions established in country-member states of the Eurozone. It operates in cooperation with the Single Resolution Fund (SRF), which will cover the resolution costs of non-sustainable credit institutions.

According to Law 4335/2015 (Article 98), credit institutions authorized to operate in Greece, including branches operating in third countries, should make at least an annual contribution to the Resolution Fund. According to Law 4370/2016 (Article 36), in case a credit institution enters the Resolution Fund or another ceases its participation in it during the fiscal year, the credit institution is obliged for its regular contribution for the fiscal year in proportion to the time of its operation. In addition with law 4370/2016, the Directive 2014/49 / EU of the European Parliament and the Decision of the Council of 16 April 2014 was incorporated into Greek law which enacts the same rules for all Deposit Guarantee Schemes intended to provide a uniform level of protection to all EU depositors and to ensure the same level of stability as regards the DGS.

The Single Resolution Board, determined that the 2016 contribution for credit institutions may provide irrevocable payment commitments amounting up to 15% of their total obligation which for the Bank amounts to €21 million. These irrevocable payment commitments have to be fully covered by cash collateral. On 20.05.2016, the Bank signed a contract with the Single Resolution Board to provide irrevocable payment commitment and establish the necessary cash collateral for the 2016 contribution.

In the General Administrative Expenses of the first semester of 2015 there was not such contribution.

4. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Impairment losses on loans and advances to customers (note 7)	619,815	2,109,150	360,712	1,680,474
Provisions to cover credit risk relating to off balance sheet items (note 15)	494	2,701	20	(145)
Recoveries	(15,481)	(13,009)	(11,022)	(7,633)
Total	**604,828**	**2,098,842**	**349,710**	**1,672,696**

The first semester of 2016 significantly burdened from the recognition of impairment losses mainly for a large corporate Group of companies, taking into account the conditions, the ongoing developments and the proposals made for the restructuring of loans until the publication of the financial statements as at 30.6.2016.

Respectively, the a' semester of 2015 was burdened with significant impairment losses, after taking into consideration the special conditions that existed in the Greek economy and affected the recoverability estimations of the loan portfolio, in the respected period and until the date of the publication of the 30.6.2015 financial statements.

5. Income tax

In accordance with Article 1 par 4 of Law 4334/2015 "Urgent prerequisites for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)" the corporate income tax rate for legal entities increased from 26% to 29%. The increased rate will apply for profits arising in fiscal years commencing on or after 1 January 2015 on the absence of an explicit definition in the law regarding the retrospective application of income tax rate for profits of fiscal year 2014.

For the Bank's subsidiaries and branches operating in other countries, the applicable nominal tax rates for accounting periods 2015 and 2016 are as follows:

Cyprus	12.5
Bulgaria	10
Serbia	15
Romania	16
FYROM	10
Albania	15
Jersey	10
United Kingdom	20 (from 1.4.2015)

In accordance with article 65A of Law 4174/2013, from 2011, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (AE), are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within 10 days from the submission of the corporate income tax return, as well as, electronically to the Ministry of Finance, no later than 10 days following the date of the approval of the financial statements from the Ordinary Shareholders General Meeting. For fiscal years 2011 up to 2014 the Bank and its local subsidiaries have obtained the relevant tax certificate without any qualifications on the tax issues covered, whereas for year 2015 the tax audit has been completed and the Bank is expected to receive tax certificate without any qualifications. In accordance with article 56 of Law 4410/3.8.2016 for the fiscal years from 1.1.2016, the issuance of tax certificate is rendered optional.

The income tax in the income statement from continuing operations is analysed in the table below, while the income tax from discontinued operations is analysed in note 26:

	From 1 January to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Current	6,809	9,477	3,739	4,753
Deferred	17,638	(318,835)	5,801	(323,332)
Total	**24,447**	**(309,358)**	**9,540**	**(318,579)**

Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analyzed in the table below:

	From 1 January to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Debit difference of Law 4046/2012	22,277	19,973	11,139	9,987
Write-offs, depreciation and impairment of fixed assets	6,660	9,874	3,301	5,092
Valuation/impairment of loans	(60,449)	(389,149)	(47,171)	(360,316)
Valuation of loans due to hedging	(640)	(550)	(348)	(334)
Employee defined benefit obligations and insurance funds	25,199	17,075	6,161	(216)
Valuation of derivatives	(6,053)	14,012	(2,569)	7,226
Effective interest rate	(279)	(832)	(87)	(311)
Fair value change of liabilities to credit institutions and other borrowed funds due to fair value hedge	3,471	(2,433)	2,264	(1,060)
Valuation/impairment of bonds and other securities	10,561	25,537	9,857	18,745
Tax losses carried forward	23,952	(29,089)	22,929	(13,126)
Other temporary differences	(7,061)	16,747	325	10,981
Total	**17,638**	**(318,835)**	**5,801**	**(323,332)**

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

	From 1 January to			
	30.6.2016		30.6.2015	
	%		%	
Profit/(loss) before income tax		**3,896**		**(1,472,233)**
Income tax (weighted average nominal tax rate)	94.74	3,691	25.74	(378,969)
Increase/(decrease) due to:				
Non taxable income		(11,252)	0.16	(2,407)
Non deductible expenses		11,708	(2.82)	41,508
Tax losses carried forward	(13.73)	(535)	0.04	(611)
Other tax adjustments		20,835	(2.11)	31,121
Income tax (effective tax rate)		**24,447**	**21.01**	**(309,358)**

	From 1 April to			
	30.6.2016		30.6.2015	
	%		%	
Profit/(loss) before income tax		**(8.906)**		**(1,365,471)**
Income tax (weighted average nominal tax rate)	33.69	(3,000)	25.95	(354,342)
Increase/(decrease) due to:				
Non taxable income		(10,899)	0.16	(2,177)
Non deductible expenses	48.42	(4,312)	(2.04)	27,892
Tax losses carried forward	4.79	(427)		
Other tax adjustments		28,178	(0.74)	10,048
Income tax (effective tax rate)		**9,540**	**23.33**	**(318.579)**

According to article 5 of Law 4303/17.10.2014 "Ratification of the Legislative Act "Emergency legislation to replenish the General Secretary of Revenue upon early termination of office" (A 136) and other provisions", deferred tax assets of legal entities supervised by the Bank of Greece, under article 26 paragraphs 5, 6 and 7 of Law 4172/2013 that have been or will be recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, with respect to existing amounts up to 31 December 2014, are considered final and settled claims against the State, if, the accounting result for the period, after taxes is a loss based on the audited and approved financial statements by the Ordinary Shareholders' General Meeting.

The inclusion in the Law is implemented by the General Meeting of Shareholders, related to tax assets from 2016 onwards and refers to the fiscal year 2015 and onwards, whereas it is envisaged the end of inclusion in the Law with the same procedure and after obtaining relevant approval from the Regulatory Authority.

According to article 4 of Law 4340/01.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of Finance" the above were amended regarding the time of the application which is postponed for a year. In addition, the amount of deferred tax asset which is included to the same legislation, is limited to the amount related to the debit charge of PSI and the provisions for credit risk, which have been accounted until 30 June 2015.

On 30 June 2016 the amount of deferred tax assets which is estimated to be within the scope of the aforementioned Law amounts to € 3,394,799 (31.12.2015: € 3.417.055).

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	30.6.2016			30.6.2015		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Net change in available for sale securities' reserve	(20,838)	3,543	(17,295)	(328,119)	77,920	(250,199)
Net change in cash flow hedge reserve	(127,695)	37,126	(90,569)	63,745	(16,586)	47,159
Foreign exchange differences on translating and hedging the net investment in foreign operations	(1,941)	(2,034)	(3,975)	635	1,229	1,864
Change in the share of other comprehensive income of associates and joint ventures				101		101
Total	**(150,474)**	**38,635**	**(111,839)**	**(263,638)**	**62,563**	**(201,075)**

	From 1 April to					
	30.6.2016			30.6.2015		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Net change in available for sale securities' reserve	73,668	(22,090)	51,578	(127,829)	25,396	(102,433)
Net change in cash flow hedge reserve	(28,443)	7,976	(20,467)	153,944	(40,038)	113,906
Foreign exchange differences on translating and hedging the net investment in foreign operations	1,206	(1,748)	(542)	(1,759)	(653)	(2,412)
Change in the share of other comprehensive income of associates and joint ventures				101		101
Total	**46,431**	**(15,862)**	**30,569**	**24,457**	**(15,295)**	**9,162**

During the first semester of 2016, "Retained earnings" includes a credit tax amount of € 281 which derives from the share capital increase expenses which were recognized in the same account and relates to the share capital increase which took place during 2015.

In addition, during the same period, "Retained earnings" includes deferred tax asset amount of € 24 which derives from (Purchases)/(Redemptions)/ Sales of hybrid securities. The respective amount for the first semester of 2015 was € 251 (deferred tax asset).

6. Earnings / (losses) per share

a. Basic

Basic earnings/(losses) per share are calculated by dividing the profit/(losses) after income tax attributable to ordinary equity owners of the Bank, by the weighted average number of outstanding ordinary shares, after deducting the weighted average number of treasury shares held by the Bank during the period.

For the calculation of basic earnings/(losses) per share, profit or loss for the period is adjusted with the deduction of the after-tax amount of dividends of those preference shares that have been classified in equity. The after-tax amount of preference dividends that is deducted is:

i. The after-tax amount of any dividends of preference shares on non-cumulative dividend preference shares declared for distribution during the period.

ii. The after-tax amount of the dividends from preference shares for cumulative dividend preference shares required for the period, whether or not the dividends have been declared.

b. Diluted

Diluted earnings/(losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to the presumed conversion amount of all dilutive potential ordinary shares. The Bank does not have any dilutive potential ordinary shares and in addition, based on the issuance terms of the convertible bond loan with Credit Agricole S.A., basic and dilutive earnings/(losses) per share should not differ.

	From 1 Januray to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Profit/(loss) attributable to Equity owners of the Bank	(19,043)	(1,252,250)	(16,836)	(1,136,276)
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) per share (in €)	(0.0124)	(4.9035)	(0.0110)	(4.4493)

	From 1 Januray to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Profit/(loss) from continuing operations attributable to Equity owners of the Bank	(20,650)	(1,163,042)	(18,502)	(1,046,923)
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) per share from continuing operations (in €)	(0.0134)	(4.5541)	(0.0120)	(4.0995)

	From 1 Januray to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Profit/(loss) from discontinued operations attributable to Equity owners of the Bank	1,607	(89,208)	1,666	(89,353)
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) per share from discontinued operations (in €)	0.0010	(0.3493)	0.0011	(0.3499)

The weighted average number of the ordinary shares as at 30.6.2015, has been retrospectively restated from the beginning of the year, after the decrease of the total number of shares due to the merger in proportion of 50 voting common shares of old nominal value to 1 voting common share of new nominal value which took place on November 2015.

ASSETS

7. Loans and advances to customers

	30.6.2016	31.12.2015
Individuals		
Mortgages	19,934,735	20,171,970
Consumer:		
- Non-securitized	4,155,608	4,063,791
- Securitized	1,243,419	1,299,934
Credit cards:		
- Non-securitized	705,031	720,016
- Securitized	544,701	565,583
Other	2,448	2,601
Total	**26,585,942**	**26,823,895**
Companies:		
Corporate loans:		
- Non-securitized	27,627,285	27,547,074
- Securitized	1,997,083	2,126,179
Finance leases (Leasing):		
- Non-Securitized	372,291	378,398
- Securitized	313,107	315,201
Factoring	595,384	599,387
Total	**30,905,150**	**30,966,239**
Other receivables	325,320	417,737
	57,816,412	**58,207,871**
Less:		
Allowance for impairment losses [1]	(12,320,450)	(12,021,755)
Total	**45,495,962**	**46,186,116**

The Bank and Alpha Leasing A.E. have proceeded in securitization of consumer, corporate loans, 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 of guarantees or/and credit enhancement or due to the Bank owing the bonds issued by the special purpose entities), the Bank and Alpha Leasing A.E. retained in all cases the risks and rewards deriving from the securitized portfolios.

The Bank proceeded on 8.7.2015 to cancel an amount of € 3.75 billion of covered bonds which had been issued and secured with mortgage loans. As at 30.6.2016, the balance of the covered bonds amounts to € 5 million (note 13). The book value of mortgage loans provided as coverage for the above mentioned bonds amounted to € 16.7 million.

[1] *n addition to the allowance for impairment losses regarding loans and advances to customers, a provision of € 5,200 (31.12.2015: € 4,713) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to € 12,325,650 (31.12.2015: € 12,026,468).*

Allowance for impairment losses

Balance 1.1.2015	**8,830,277**
Impairment losses for the period from continuing operations (note 4)	2,109,150
Impairment losses for the period from discontinued operations	534
Transfers of accumulated provisions to assets held for sale	(110,626)
Change in present value of the impairment losses from continuing operations	257,527
Change in present value of the impairment losses from discontinued operations	1,435
Foreign exchange differences	72,139
Loans written-off during the period	(157,712)
Balance 30.6.2015	**11,002,724**
Changes for the period 1.7. - 31.12.2015	
Impairment losses for the period from continuing operations	938,157
Transfers of accumulated provisions to assets held for sale	(1,286)
Change in present value of the impairment losses from continuing operations	290,469
Foreign exchange differences	(17,358)
Loans written-off during the period	(190,951)
Balance 31.12.2015	**12,021,755**
Changes for the period 1.1. - 30.6.2016	
Impairment losses for the period (note 4)	691,815
Transfers of accumulated provisions to assets held for sale	(99,975)
Change in present value of the allowance account	261,047
Sales of impaired loans	(8,596)
Foreign exchange differences	(6,209)
Loans written-off during the period	(467,387)
Balance 30.6.2015	**12,320,450**

The finance lease receivables by duration are as follows:

	30.6.2016	31.12.2015
Up to 1 year	380,876	396,490
From 1 year to 5 years	152,361	136,893
Over 5 years	256,000	265,009
	789,237	**798,392**
Non accrued finance lease income	(103,839)	(104,793)
Total	**685,398**	**693,599**

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

	30.6.2016	31.12.2015
Up to 1 year	364,485	380,421
From 1 year to 5 years	107,716	91,614
Over 5 years	213,197	221,564
Total	**685,398**	**693,599**

8. Investment and held for trading securities

i. Held for trading securities

Securities held for trading amounted to € 2.6 million on 30.6.2016 (31.12.2015: € 2.8 million) out of which Greek government bonds € 1.2 million (31.12.2015: € 1.9 million).

ii. Investment securities

a. Available for sale

The available for sale portfolio amounted to € 5.6 billion as at 30.6.2016 (31.12.2015: € 5.8 billion). These amounts include securities issued by the Greek State that amounted to € 3.7 billion as at 30.6.2016 (31.12.2015: € 3.9 billion) of which € 1.9 billion (31.12.2015: € 2.1 billion) related to Greek Government treasury bills. The Group during the first semester of 2016 has recognized impairment losses for shares amounting to € 1,479 and for mutual funds amounting to € 1,596 which are included in "Gains less losses on financial transactions".

b. Held to maturity

The held to maturity portfolio amounts to € 44.7 million as at 30.6.2016 (31.12.2015: € 79.7 million).

c. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (E.F.S.F.) at a nominal value of € 3,960,544 received by the Bank as a result of the share capital increase which was completed on 6.6.2013 and of nominal value of € 284,628 which were transferred to the Bank from the Hellenic Financial Stability Fund for the undertaking of customer deposits from the former Cooperative Banks of West Macedonia, Evia and Dodecanese in December 2013.

These bonds under the original contract could only be used as collateral to obtain liquidity from the Eurosystem or from interbank counterparties in repos.

In April 2016 the subscription agreement between the European Financial Stability Fund (EFSF), the Hellenic Financial Stability Fund (HFSF) and the Bank was revised. The revision refers to the terms of use of the above bonds. The revision states that the Bank may participate with the EFSF bonds in the purchase programme for the bonds issued by central governments, special bodies-securities issuers and European supranational institutions of the Eurozone (Public Sector Purchase Programme - PSPP) conducted by ECB. According to the ECB's decision, a total up to 50% of each EFSF issue can be purchased until the completion of the program in March 2017. During the first semester of 2016, the Bank conducted sale transactions of EFSF securities at a nominal value of € 595 million, under the PSPP program.

The total book value of these bonds on 30.6.2016 was € 3.7 billion. (31.12.2015: € 4.3 billion.)

9. Investment property

	Land - Buildings
Balance 1.1.2015	
Cost	693,486
Accumulated depreciation and impairment losses	(126,274)
1.1.2015 - 30.6.2015	
Net book value 1.1.2015	567,212
Additions	4,583
Additions from companies consolidated for the first time in the first semester of 2015	43,306
Reclassifications to "Other Assets"	(109)
Reclassification from "Property, plant and equipment"	3,800
Reclassification to "Assets held for sale"	(939)
Reclassification of investment assets from discontinued operations to "Asset held for sale"	(1,268)
Foreign exchange differences	489
Disposals/Write-offs	(5,502)
Depreciation charge for the period from continuing operations	(5,392)
Depreciation charge for the period from discontinued operations	(9)
Net book value 30.6.2015	**606,171**
Balance 30.6.2015	
Cost	750,342
Accumulated depreciation and impairment losses	(144,171)
1.7.2015 - 31.12.2015	
Net book value 1.7.2015	606,171
Additions	16,960
Additions from companies consolidated for the first time in the second semester of 2015	47,635
Reclassification from "Property, plant and equipment"	345
Foreign exchange differences	(1,259)
Disposals/Write-offs	(8,334)
Depreciation charge for the period from continuing operations	(5,572)
Impairment losses	(32,284)
Net book value 31.12.2015	**623,662**
Balance 31.12.2015	
Cost	800,910
Accumulated depreciation and impairment losses	(177,248)
1.1.2016 - 30.6.2016	
Net book value 1.1.2016	623,662
Additions	40,481
Reclassification to "Assets held for sale"	(40,233)
Reclassification from "Property, plant and equipment"	25,314
Foreign exchange differences	(101)
Disposals/Write-offs	(14,368)
Depreciation charge for the period from continuing operations	(6,465)
Net book value 30.6.2016	**628,290**
Balance 30.6.2016	
Cost	802,219
Accumulated depreciation and impairment losses	(173,929)

In the first semester of 2016 transfers to "Assets held for sale" related mainly to fixed assets of APE Fixed Assets AE.

In 2015, an impairment loss amounting to € 32.3 million was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2015, as estimated by certified valuators.

The additions from companies consolidated for the first time in 2015 and the additions of the first semester of 2016 mainly relate to investment property which were obtained as collateral for loans and acquired by the Group in the context of its credit risk methodology.

10. Property, plant and equipment

	Land and Buildings	Leased Equipment	Equipment	Total
Balance 1.1.2015				
Cost	1,417,632	4,302	518,133	1,940,067
Accumulated depreciation and impairment losses	(411,831)	(3,152)	(441,736)	(856,719)
1.1.2015 - 30.6.2015				
Net book value 1.1.2015	1,005,801	1,150	76,397	1,083,348
Foreign exchange differences	211		55	266
Additions	3,941		9,970	13,911
Additions from companies consolidated for the first time in the first semester of 2015			7	7
Additions from discontinued operations	127		70	197
Disposals/Write-offs	(902)		(58)	(960)
Disposals/Write-offs from discontinued operations	(120)		(25)	(145)
Reclassification to "Investment property"	(3,800)			(3,800)
Reclassification of investment assets from discontinued operations to "Asset held for sale"	(3,582)		(2,349)	(5,931)
Reclassification to "Property, plant and equipment"	49		(49)	
Reclassification from/to "Other assets"	(5,778)	(18)	41	(5,755)
Depreciation charge for the period from continuing operations	(13,727)	(294)	(9,701)	(23,722)
Depreciation charge for the period from discontinued operations	(410)		(302)	(712)
Net book value 30.6.2015	**981,810**	**838**	**74,056**	**1,056,704**
Balance 30.6.2015				
Cost	1,394,992	4,080	514,877	1,913,949
Accumulated depreciation and impairment losses	(413,182)	(3,242)	(440,821)	(857,245)
1.7.2015 - 31.12.2015				
Net book value 1.7.2015	981,810	838	74,056	1,056,704
Foreign exchange differences	(230)	(1)	83	(148)
Additions	3,718	102	7,490	11,310
Additions from companies consolidated for the first time in the second semester of 2015			942	942
Disposals/Write-offs	(2,809)	(7)	(69)	(2,885)
Reclassification to "Investment property"	(345)			(345)
Reclassification of assets from discontinued operations to "Assets held for sale"	(1,360)		(525)	(1,885)
Reclassification to "Assets held for sale"	(164,166)		(3,088)	(167,254)
Reclassification to "Property, plant and equipment"		615	(615)	
Reclassification from/to "Other assets"	(8,324)		(581)	(8,905)
Depreciation charge for the period from continuing operations	(13,738)	(106)	(10,536)	(24,380)
Depreciation charge for the period from discontinued operations Depreciation charge for the period	(1,929)		(324)	(2,253)
Net book value 31.12.2015	**792,627**	**1,441**	**66,833**	**860,901**
Balance 31.12.2015				
Cost	1,169,294	4,090	472,059	1,645,443
Accumulated depreciation and impairment losses	(376,667)	(2,649)	(405,226)	(784,542)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	792,627	1,441	66,833	860,901
Foreign exchange differences	(450)		(48)	(498)
Additions	3,428		10,710	14,138
Disposals/Write-offs	(1,199)	(3)	(57)	(1,259)
Reclassification to "Investment property"	(25,314)			(25,314)
Reclassification from/to "Other assets"	(3,379)	(467)	544	(3,302)
Depreciation charge from continuing operations	(10,918)	(179)	(9,838)	(20,935)
Net book value 30.6.2016	**754,795**	**792**	**68,144**	**823,731**
Balance 30.6.2016				
Cost	1,135,677	3,334	475,766	1,614,777
Accumulated depreciation and impairment losses	(380,882)	(2,542)	(407,622)	(791,046)

During the current period there was no significant variation in property, plant and equipment.

In 2015, an impairment loss of €2.3 million was recognized for property, plant and equipment and was recorded in "Other Expenses".

11. Goodwill and other intangible assets

	Goodwill	Software	Other	Total
Balance 1.1.2015				
Cost		488,347	155,103	643,450
Accumulated amortization and impairment loss		(278,559)	(33,467)	(312,026)
1.1.2015 - 30.6.2015				
Net book value 1.1.2015		209,788	121,636	331,424
Additions		24,244		24,244
Additions from companies consolidated for the first time in the first semester of 2015	2,900			2,900
Additions from discontinued operations		74		74
Reclassification of assets of discontinued operations to "Assets held for sale"		(3,353)	1	(3,352)
Foreign exchange differences		13		13
Amortization for the period from continuing operations		(11,003)	(11,420)	(22,423)
Amortization for the period from discontinued opearations		(240)		(240)
Net book value 30.6.2015	**2,900**	**219,523**	**110,217**	**332,640**
Balance 30.6.2015				
Cost	2,900	506,086	153,827	662,813
Accumulated amortization and impairment loss		(286,563)	(43,610)	(330,173)
1.7.2015 - 31.12.2015				
Net book value 1.7.2015	2,900	219,523	110,217	332,640
Additions		36,611	72	36,683
Reclassification of assets of discontinued operations to "Assets held for sale"		(865)	(2)	(867)
Reclassification to "Assets held for sale"		22		22
Foreign exchange differences		185		185
Amortization charge for the period from continued operations		(12,022)	(11,490)	(23,512)
Net book value 31.12.2015	**2,900**	**243,454**	**98,797**	**345,151**
Balance 31.12.2015				
Cost	2,900	544,009	152,363	699,272
Accumulated amortization and impairment loss		(300,555)	(53,566)	(354,121)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	2,900	243,454	98,797	345,151
Additions		43,205		43,205
Foreign exchange differences		(38)	1	(37)
Amortization charge for the period from continuing operations		(12,949)	(9,146)	(22,095)
Net book value 30.6.2016	**2,900**	**273,672**	**89,652**	**366,224**
Balance 30.6.2016				
Cost	2,900	586,672	152,192	741,764
Accumulated amortization and impairment loss		(313,000)	(62,540)	(375,540)

The additions of the first semester of 2016 mainly concern acquisitions of user rights for computer applications.

In 2015 the goodwill amounting to € 2.9 million relates to the acquired company Asmita Gardens SLR during the first semester of 2015 after the restatement, following the completion of valuation of its assets (note 28).

LIABILITIES

12. Due to Banks

	30.6.2016	31.12.2015
Deposits:		
- Current accounts	36,079	112,482
- Term deposits:		
Central Banks	22,671,359	24,404,828
Other credit institutions	25,945	17,408
Cash collateral for derivative margin account	28,703	56,960
Sale of repurchase agreements (Repos)	400,540	269,292
Borrowing funds	252,162	252,123
Deposits redeemable at notice:		
- Other credit institutions	2,881	2,270
Total	**23,417,669**	**25,115,363**

Eurosystem funding decreased by € 1.7 billion during the first semester of 2016 mainly due to the sale of EFSF bonds through the PSPP programme (note 8), new repurchase agreements (Repos). In June 2016, European Central Bank carried out a new program of targeted long term refinancing operations (TLTRO-II) with a four year duration. The Bank participates in the above program with an amount of € 1 billion.

13. Debt securities in issue and other borrowed funds

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

Under the programme for the enhancement of the Greek's economy's liquidity, according to Law 3723/2008, the first semester of 2016 the Bank proceeded to the issuance of senior debt securities guaranteed by the Greek State amounting to € 5.15 billion while the maturities/redemptions for the same period amounted to € 9.22 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 30.6.2016 amounts to € 5.15 billion (31.12.2015: € 9.22 billion).

These securities are not included in the "Debt securities in issue and other borrowed funds", as they are held by the Group.

ii. Covered bonds [1]

Covered bonds are not included in caption "Debt securities in issue and other borrowed funds" as these securities are held by the Group.

The total balance of covered bonds as at 30.6.2016 amounts to € 5 million.

iii. Senior debt securities

Balance 1.1.2016	**29,742**
Changes for the period 1.1 - 30.6.2016	
Maturities/Repayments	(2,873)
Fair value change	38
Accrued interest	(7)
Foreign exchange differences	(81)
Balance 30.6.2016	**26,819**

On 23.5.2016 an early redemption of senior debt security with a nominal value of USD 3 million took place.

[1] *Financial disclosures regarding covered bond issues, as determined by the 2620/28.08.2009 Act of the Bank of Greece have been published on the Bank's website.*

iv. Liabilities from the securitization of shipping loans

Balance 1.1.2016	**340,272**
Changes for the period 1.1 - 30.6.2016	
Maturities/Repayments	(62,560)
Accrued interest	4,411
Foreign exchange differences	(6,839)
Balance 30.6.2016	**275,284**

The Bank proceeded to a shipping loan securitization transaction, transferring them to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd, which raised funding from third parties. The liability of the Group to third parties on 30.6.2016 amounts to €275.3 million.

v. Liabilities from the securitization of other loans

Liabilities arising from the securitisation of consumer loans, corporate loans, credit cards and leasing are not included in "Debt securities in issue and other borrowed funds" since these securities of nominal value €4.2 billion have been issued by special purpose entities and are held by the Bank.

vi. Subordinated debt

1. Subordinated debt (Lower Tier II, Upper Tier II)

Balance 1.1.2016	**100,270**
Changes for the period 1.1 - 30.6.2016	
(Repurchases)/sales	(17,753)
Accrued interest	(16)
Balance 30.6.2016	**82,501**

2. Convertible bond loan

Balance 1.1.2016	**24,600**
Changes for the period 1.1 - 30.6.2016	
Fair value change	(9,300)
Balance 30.6.2016	**15,300**

The convertible bond concerns to bond issuance with nominal value €150 million issued by the Bank on 1.2.2013 under an agreement with Credit Agricole SA for the acquisition of former Emporiki Bank. The valuation of the liability from the convertible bond was recognized in Gains less losses on financial transactions and amounted to €9.3 million gain.

Total of debt securities in issue and other borrowed funds as at 30.6.2016	**399,904**

Of the above debt securities in issue amounting to €399,904 an amount of €79,460 (31.12.2015: €94,155) held by Group customers has been reclassified to "Due to customer". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 30.6.2016, amounts to €320,444 (31.12.2015: €400,729).

14. Employee defined benefit obligations

The decrease of defined benefit obligations by € 20.9 million compared to 31.12.2015 relates mainly to the partial payment of a recognized liability to the Employees Supplementary Funds (TAP) of former Alpha Credit Bank. More specifically, on 20.5.2016 the General Meeting of the representatives of TAP's members decided the liquidation of TAP under the terms of the agreement signed on 21.4.2016 between the Bank, the Staff Association and TAP. Within this context the Bank paid in the second quarter of 2016 an amount of € 24 million to TAP and the relevant liability amounts to € 4.8 million against € 27.4 million as at 31.12.2015. The final settlement of the liability is estimated that will take place during the current year.

15. Provisions

	30.6.2016	31.12.2015
Insurance	197,682	168,818
Provisions to cover credit risk and other provisions	138,286	129,640
Total	**335,968**	**298,458**

a. Insurance

	30.6.2016	31.12.2015
Life insurance		
Mathematical reserves	197,682	168,629
Outstanding claim reserves		189
Total	**197,682**	**168,818**

b. Provisions to cover credit risk and other provisions

Balance 1.1.2015	**80,501**
Changes for the period 1.1 - 30.6.2015	
Reclassification of provisions from Bulgaria branch to "Liabilities related to assets held for sale"	(780)
Provisions to cover credit risk relating to off-balance sheet items (note 4)	2,701
Other provisions for the period	1,249
Other provisions for companies consolidated for the first time	2,444
Other provisions used during the period	(4,560)
Write-offs	(612)
Foreign exchange differences	6
Balance 30.6.2015	**80,949**
Changes for the period 1.7 - 31.12.2015	
Reclassification of provisions from Ionian Hotel Enterpises to "Liabilities related to assets held for sale"	(54)
Provisions to cover credit risk relating to off-balance sheet items	(13,409)
Other provisions for the period	851
Other provisions used during the period	(3,503)
Provision for voluntary separation scheme	64,300
Write-offs	612
Foreign exchange differences	(106)
Balance 31.12.2015	**129,640**
Changes for the period 1.1. - 30.6.2016	
Provisions to cover credit risk relating to off-balance sheet items (note 4)	494
Provision for voluntary separation scheme	30,993
Used provision for voluntary separation scheme	(30,993)
Other provisions for the period	11,212
Other provisions used during the period	(3,094)
Foreign exchange differences	34
Balance 30.6.2016	**138,286**

The amounts of other provisions charged to the profit and loss account are included in "Other Expenses" of the income statement.

On 30.6.2016 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 5.2 million and other provisions to € 132.9 million out of which:

- An amount of € 34.8 million relates to pending legal cases.
- An amount of € 64.3 million relates to provision of voluntary separation scheme of Alpha Bank A.E. As analyzed in the 31.12.2015 Annual Financial Report (note 7) Alpha Bank A.E. has recorded within 2015 that provision within the context of the implementation of the updated restructuring plan and its relevant commitments.

During the first quarter, Alpha Bank Cyprus prepared a voluntary separation scheme, aiming to achieve substantial benefit in operational costs. The Group recognized during the first quarter a provision of amount € 31 million for the expected cost, which has been used during the second quarter for the compensations. The final cost amounted to € 31,5 million.

EQUITY

16. Share capital and Retained earnings

a. Share capital

On 30.6.2016 the Bank's share capital amounts to €461,064,360, divided to 1,536,881,200 shares, out of which:

a) 1,367,706,054 common, registered, voting, non-paper shares of nominal value €0.30 each.

b) 169,175,146 common, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non paper shares owned by the Hellenic Financial Stability Fund of nominal value €0.30 each.

b) Retained earnings

Since 2015 there were no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 30.6.2016 decided the non-distribution of dividends to ordinary shareholders of the Bank.

17. Hybrid securities

	30.6.2016	31.12.2015
Perpetual with 1st call option on 18.2.2015 and annually	15,232	15,232
Securities held by Group companies	(100)	-
Total	**15,132**	**15,232**

ADDITIONAL INFORMATION

18. Contingent liabilities and commitments

a. Legal cases

The Group, in the ordinary course of business, is defendant in claims from customers and other legal proceedings. According to the estimations of the Legal Department, the ultimate settlement of these matters is not expected to have a material effect on the financial position or the operations of the Group.

The Group on 30.6.2016 has recorded a provision for pending legal cases amounting to € 34.8 million which is included in "Provisions" in Balance Sheet.

b. Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009. For the years 2011 up to 2014 it has obtained a tax certificate with no qualifications. Former Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. For the years 2011 up to 2013 it has obtained a tax certificate with no qualifications.

The Bank's branches in London and Bulgaria have been audited by the tax authorities up to and including the years 2013 and 2015 respectively. Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations (year 2011), until its deletion from Department of Registrar of Companies of Cyprus (August 2015), meanwhile it has ceased its operations since September 2014.

On 2.6.2015, the merger via absorption of Diners Club of Greece A.E.P.P was completed. Diners Club of Greece A.E.P.P. has been audited by the tax authorities for the years up to and including 2010. For the years 2011 up to 2013 it has obtained a tax certificate with no qualifications.

Additional taxes and penalties may be imposed for the unaudited years due to the fact that some expenses may not be recognized as deductible by the tax authorities.

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)	2013
2. Alpha Bank Cyprus Ltd (tax audit is in progress for years from 2008 – 2011)	2007
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank AD Skopje (the company was transfered on 10.5.2016)	2009
5. Alpha Bank Srbija A.D.	2004
6. Alpha Bank Albania SH.A.	2011
Leasing companies	
1. Alpha Leasing A.E. ** (tax audit is in progress for years from 2008 – 2010)	2007
2. Alpha Leasing Romania IFN S.A.	2007
3. ABC Factors A.E. ** (tax audit is in progress for the year 2010)	2009
Investment Banking	
1. Alpha Finance A.EP.E.Y. **/***	2009
2. SSIF Alpha Finance Romania S.A.	2002
3. Alpha A.E. Investment Holdings **/***	2009
4. Alpha A.E. Ventures Capital Management - AKES **/***	2009
5. Emporiki Ventures Capital Developed Markets Ltd	2007
6. Emporiki Ventures Capital Emerging Markets Ltd	2008
Asset Management	
1. Alpha Asset Management A.E.D.A.K. **/***	2009
2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)	2013
Insurance	
1. Alpha Insurance Brokers A.E. **/***	2009
2. Alpha Insurance Brokers S.R.L.	2005
3. Alphalife A.A.E.Z. **/***	2009

** *These companies received tax certificate for the years 2011, 2012 and 2013 without any qualification (note 5).*

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

Name	Year
Real estate and hotel	
1. Alpha Astika Akinita A.E.**	2009
2. Ioniki Hotel Enterprises ** (tax audit is in progress for the year 2011)	2010
3. Oceanos A.T.O.E.E. **/***	2009
4. Emporiki Development and Real Estate Management A.E.	2008
5. Alpha Real Estate D.O.O. Beograd	2008
6. Alpha Astika Akinita D.O.O.E.L. Skopje	2005
7. Alpha Real Estate Bulgaria E.O.O.D. (commencement of operation 2007)	*
8. Chardash Trading E.O.O.D. (commencement of operation 2006)	*
9. Alpha Real Estate Services S.R.L. (commencement of operation 1998)	*
10. Alpha Investment Property Chalandriou A.E. (commencement of operation 2012)	**
11. Alpha Investment Property Attikis A.E (commencement of operation 2012)	**
12. Alpha Investment Property Attikis II A.E. (commencement of operation 2012)	**
13. Alpha Investment Property Amarousion I A.E. (commencement of operation 2012)	**
14. Alpha Investment Property Amarousion II A.E. (commencement of operation 2012)	**
15. AGI-RRE Participations 1 S.R.L. (commencement of operation 2010)	*
16. AGI-BRE Participations 1 E.O.O.D. (commencement of operation 2012)	*
17. Stockfort Ltd (commencement of operation 2010)	*
18. Romfelt Real Estate SA (commencement of operation 1991)	*
19. AGI-RRE Zeus S.R.L. (commencement of operation 2012)	*
20. AGI-RRE Athena S.R.L. (commencement of operation 2012)	*
21. AGI-RRE Poseidon S.R.L. (commencement of operation 2012)	*
22. AGI-RRE Hera S.R.L. (commencement of operation 2012)	*
23. AGI-BRE Participations 2 E.O.O.D. (commencement of operation 2012)	*
24. AGI-BRE Participations 2BG E.O.O.D. (commencement of operation 2012)	*
25. AGI-BRE Participations 3 E.O.O.D. (commencement of operation 2012)	*
26. AGI-BRE Participations 4 E.O.O.D. (commencement of operation 2012)	*
27. APE Fixed Assets A.E.**/***	2009
28. SC Cordia Residence S.R.L.	2011
29. HT-1 E.O.O.D (commencement of operation 2013)	*
30. AGI-RRE Venus S.R.L. (commencement of operation 2014)	*
31. AGI-RRE Cleopatra S.R.L. (commencement of operation 2014)	*
32. AGI-RRE Hermes S.R.L. (commencement of operation 2014)	*
33. SC Carmel Residential S.R.L. (commencement of operation 2013)	*
34. Alpha Investment Property Neas Kifissias A.E. (commencement of operation 2014)	*
35. Alpha Investment Property Kallirois A.E. (commencement of operation 2014)	*
36. Alpha Investment Property Livadias A.E. (commencement of operation 2014)	*
37. AGI-SRE Ariadni DOO (commencement of operation 2015)	*
38. Alpha Investment Property Kefalariou A.E. (commencement of operation 2015)	*
39. Alpha Investment Property Neas Erythreas A.E. (commencement of operation 2015)	*
40. Anaplasis Plagias A.E. (commencement of operation 2011)	*
41. Asmita Gardens S.R.L.	2010
42. Ashtrom Residents S.R.L. (commencement of operation 2006)	*
43. Cubic Center Development S.A. (commencement of operation 2010)	*
44. AGI-BRE Participations 5 EOOD (commencement of operation 2015)	*
45. AGI-SRE Participations 1 DOO (commencement of operation 2016)	*
Special purpose and holding entities	
1. Alpha Credit Group Plc (voluntary settlement of tax obligation)	2013
2. Alpha Group Jersey Ltd	****
3. Alpha Group Investments Ltd (commencement of operation 2006)	*
4. Ionian Holdings A.E.**/***	2009
5. Ionian Equity Participations Ltd (commencement of operation 2006)	*
6. Emporiki Group Finance Plc (voluntary settlement of tax obligation)	2013
7. AGI-BRE Participations 1 Ltd (commencement of operation 2009)	*
8. AGI-RRE Participations 1 Ltd (commencement of operation 2009)	*
9. Alpha Group Ltd (commencement of operation 2012)	*
10. Katanalotika Plc (voluntary settlement of tax obligation)	2013
11. Epihiro Plc (voluntary settlement of tax obligation)	2013

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

** *These companies received tax certificate for the years 2011, 2012 and 2013 without any qualification (note 5).*

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

**** *These companies are not subject to a tax audit*

Name	Year
12. Irida Plc (voluntary settlement of tax obligation)	2013
13. Pisti 2010-1 Plc (voluntary settlement of tax obligation)	2013
14. Alpha Shipping Finance Ltd (commencement of operation 2014)	*
15. AGI-RRE Athena Ltd (commencement of operation 2011)	*
16. AGI-RRE Poseidon Ltd (commencement of operation 2012)	*
17. AGI-RRE Hera Ltd (commencement of operation 2012)	*
18. Umera Ltd (commencement of operation 2012)	*
19. AGI-BRE Participations 2 Ltd (commencement of operation 2011)	*
20. AGI-BRE Participations 3 Ltd (commencement of operation 2011)	*
21. AGI-BRE Participations 4 Ltd (commencement of operation 2010)	*
22. Alpha Real Estate Services Ltd (commencement of operation 2010)	*
23. AGI-RRE Ares Ltd (commencement of operation 2010)	*
24. AGI-RRE Venus Ltd (commencement of operation 2012)	*
25. AGI-RRE Artemis Ltd (commencement of operation 2012)	*
26. AGI-BRE Participations 5 Ltd (commencement of operation 2012)	*
27. AGI-RRE Cleopatra Ltd (commencement of operation 2013)	*
28. AGI-RRE Hermes Ltd (commencement of operation 2013)	*
29. AGI-Cypre Arsinoe Ltd (commencement of operation 2013)	*
30. AGI-SRE Ariadni Ltd (commencement of operation 2014)	*
31. Zerelda Ltd (commencement of operation 2012)	*
32. AGI-Cypre Alaminos Ltd (commencement of operation 2014)	*
33. AGI-Cypre Tochni Ltd (commencement of operation 2014)	*
34. AGI-Cypre Evagoras Ltd (commencement of operation 2014)	*
35. AGI-Cypre Tersefanou Ltd (commencement of operation 2014)	*
36. AGI-Cypre Mazotos Ltd (commencement of operation 2014)	*
37. AGI-Cypre Ermis Ltd (commencement of operation 2014)	*
38. AGI-SRE Participations 1 Ltd (commencement of operation 2016)	*
Other companies	
1. Alpha Bank London Nominees Ltd	****
2. Alpha Trustees Ltd (commencement of operation 2002)	*
3. Flagbright Ltd	****
4. Kafe Alpha A.E.**/***	2009
5. Alpha Supporting Services A.E.**/*** (tax audit is in progress for the year 2012)	2009
6. Real Car Rental A.E.**/***	2009
7. Evisak A.E.**/***	2009
8. Emporiki Management A.E.***	2009
9. Alpha Bank Notification Services A.E. (commencement of operation 2015)	*

c. Operating leases

The Group's minimum future lease payments are:

	30.6.2016	31.12.2015
- less than one year	42,702	43,930
- between one and five years	108,697	112,402
- over five years	158,184	164,421
Total	**309,583**	**320,753**

The minimum future lease fees are:

	30.6.2016	31.12.2015
- less than one year	11,386	10,423
- between one and five years	42,015	41,694
- over five years	44,094	46,474
Total	**97,495**	**98,591**

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

** *These companies received tax certificate for the years 2011, 2012 and 2013 without any qualification (note 5).*

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

**** *These companies are not subject to a tax audit*

d. Off balance sheet liabilities

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

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 on behalf of the third party bound 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.

The outstanding balances are as follows:

	30.6.2016	31.12.2015
Letters of credit	33,888	35,159
Letters of guarantee and other guarantees	3,642,314	3,940,146

In addition, contingent liabilities for the Group arise from undrawn loan agreements and credit limits that may not be fulfilled immediately or may be partly fulfilled as long as the agreed upon requirements are fulfilled by counterparties.

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 30.6.2016 amounts to € 415.5 million (31.12.2015: € 278.9 million) and are included in the calculation of risk weighted assets.

e. Assets pledged

Assets pledged, as at 30.6.2016 are analyzed as follows:

- Deposits pledged amounting to € 1 billion concerning the Group's obligation to maintain deposits in Central Banks according to ratios determined in the respective country.
- Deposits pledged amounting to € 0.2 billion concerning guarantees provided on behalf of the Greek State.
- Deposits pledged to credit institutions amounting to € 1.3 billion which have been provided as guarantee for derivative transactions.
- Deposits pledged to credit institutions amounting to € 0.06 billion which have been provided for Letter of Credit or Guarantee Letters issued by the Bank in order to facilitate clients' imports.
- Deposits of € 3 million were pledged to the Resolution Fund as irrevocable payment commitment for a part of 2016 contribution. The commitment has to be fully secured by cash as decided by the Single Resolution Board.
- Loans and advances to customers:
  i. amount of nominal value of € 22.1 billion pledged to Central Banks for liquidity purposes.
  ii. a carrying amount of € 3.3 billion, which relates to corporate, consumer loans and credit cards, has been securitized for the issuance of Special Purpose Entities' bonds of a nominal value of € 4.2 billion, which are held by the Bank and pledged to Central Banks for liquidity purposes.
  iii. a carrying amount of € 0.6 billion, which relates to shipping loans, has been securitized for the purpose of financing the Bank through a Special Purpose Entitiy, which amounts to € 0.3 billion at 30.6.2016.
  iv. an amount of nominal value of € 0.1 billion has been pledged for other loan facilities.
- Securities held for trading and investment securities portfolio:
  i. An amount of nominal value of € 3.54 billion of Greek Government securities, of which a nominal amount of € 3.5 billion has been pledged to Central Banks for liquidity purposes, while Greek State securities of a nominal amount of € 0.04 billion has been pledged for other loan facilities.
  ii. An amount of nominal value of € 3.65 billion relates to securities issued by the European Financial Stability Facility (EFSF), received from the Bank by the HFSF in the context of: a) its participation to the share capital increase that was completed on 6.6.2013, and, b) due to the coverage of the difference between the values of assets and liabilities transferred from Cooperative Banks, out of

which an amount of €3.39 billion is pledged as collateral to Central Banks for participation in main refinancing operations and an amount of €0.26 billion has been given as collateral for other loan facilities.

iii. An amount of €0.4 billion of other corporate securities has been given as a collateral of repo agreements.

In addition an amount of nominal value of €5.2 billion that relates to securities issued under the guarantee of the Greek State in accordance with Law 3723/2008 and are held by the Bank, a) out of which an amount of €5 billion has been pledged as collateral to Central Banks for raising liquidity purposes and b) an amount of €0.2 billion has been given as collateral for other loan facilities.

19. Group Consolidated Companies

The consolidated financial statements, apart from the parent company Alpha Bank include the following entities:

A. SUBSIDIARIES

		Group's ownership interest %	
Name	Country	30.6.2016	31.12.2015
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A.	Romania	99.92	99.92
4. Alpha Bank AD Skopje [27h]	FYROM		100.00
5. Alpha Bank Srbija A.D.	Serbia	100.00	100.00
6. Alpha Bank Albania SH.A.	Albania	100.00	100.00
Leasing Companies			
1. Alpha Leasing A.E.	Greece	100.00	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	100.00	100.00
3. ABC Factors A.E.	Greece	100.00	100.00
Investment Banking			
1. Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2. SSIF Alpha Finance Romania S.A.	Romania	100.00	100.00
3. Alpha A.E. Investment Holdings	Greece	100.00	100.00
4. Alpha A.E. Ventures Capital Management – AKES	Greece	100.00	100.00
5. Emporiki Ventures Capital Developed Markets Ltd	Cyprus	100.00	100.00
6. Emporiki Ventures Capital Emerging Markets Ltd	Cyprus	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 Brokers S.R.L.	Romania	100.00	100.00
3. Alphalife A.A.E.Z.	Greece	100.00	100.00
Real estate and hotel			
1. Alpha Astika Akinita A.E.	Greece	93.17	93.17
2. Ionian Hotel Enterprises A.E.	Greece	97.27	97.27
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Emporiki Development and Real Estate Management A.E	Greece	100.00	100.00
5. Alpha Real Estate D.O.O. Beograd	Serbia	93.17	93.17
6. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	93.17	93.17
7. Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	93.17	93.17
8. Chardash Trading E.O.O.D.	Bulgaria	93.17	93.17
9. Alpha Real Estate Services S.R.L.	Romania	93.17	93.17
10. Alpha Investment Property Chalandriou A.E. [27d]	Greece	100.00	100.00
11. Alpha Investment Property Attikis A.E.	Greece	100.00	100.00
12. Alpha Investment Property Attikis II A.E.	Greece	100.00	100.00
13. Alpha Investment Property Amarousion I A.E. [27d]	Greece	100.00	100.00
14. Alpha Investment Property Amarousion II A.E. [27d]	Greece	100.00	100.00
15. AGI-RRE Participations 1 S.R.L.	Romania	100.00	100.00
16. AGI-BRE Participations 1 E.O.O.D.	Bulgaria	100.00	100.00

Name	Country	Group's ownership interest % 30.6.2016	Group's ownership interest % 31.12.2015
17. Stockfort Ltd	Cyprus	100.00	100.00
18. Romfelt Real Estate S.A.	Romania	98.86	98.86
19. AGI-RRE Zeus S.R.L.	Romania	100.00	100.00
20. AGI-RRE Athena S.R.L.	Romania	100.00	100.00
21. AGI-RRE Poseidon S.R.L.	Romania	100.00	100.00
22. AGI-RRE Hera S.R.L.	Romania	100.00	100.00
23. AGI-BRE Participations 2 E.O.O.D.	Bulgaria	100.00	100.00
24. AGI-BRE Participations 2BG E.O.O.D.	Bulgaria	100.00	100.00
25. AGI-BRE Participations 3 E.O.O.D.	Bulgaria	100.00	100.00
26. AGI-BRE Participations 4 E.O.O.D.	Bulgaria	100.00	100.00
27. APE Fixed Assets A.E.	Greece	72.20	72.20
28. SC Cordia Residence S.R.L.	Romania	100.00	100.00
29. HT-1 E.O.O.D.	Bulgaria	100.00	100.00
30. AGI-RRE Venus S.R.L. *	Romania	100.00	100.00
31. AGI-RRE Cleopatra S.R.L. *	Romania	100.00	100.00
32. AGI-RRE Hermes S.R.L. *	Romania	100.00	100.00
33. SC Carmel Residential S.R.L.	Romania	100.00	100.00
34. Alpha Investment Property Neas Kifisias A.E. (27d)	Greece	100.00	100.00
35. Alpha Investment Property Kallirois A.E. (27d)	Greece	100.00	100.00
36. Alpha Investment Property Livadias A.E.	Greece	100.00	100.00
37. AGI-SRE Ariadni DOO	Serbia	100.00	100.00
38. Asmita Gardens SRL (27k)	Romania	100.00	100.00
39. Alpha Investment Property Kefalariou A.E.	Greece	100.00	100.00
40. Ashtrom Residents S.R.L.	Romania	100.00	100.00
41. AGI-BRE Participations 5 E.O.O.D. *	Bulgaria	100.00	100.00
42. Cubic Center Development S.A.	Romania	100.00	100.00
43. Alpha Investment Property Neas Erythreas A.E.	Greece	100.00	100.00
44. Anaplasis Plagias A.E.	Greece	100.00	100.00
45. AGI-SRE Participations 1 DOO (27l)	Serbia	100.00	
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 (27c, 27d, 27g, 27i)	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Ionian Equity Participations Ltd	Cyprus	100.00	100.00
6. Emporiki Group Finance Plc	United Kingdom	100.00	100.00
7. AGI-BRE Participations 1 Ltd	Cyprus	100.00	100.00
8. AGI-RRE Participations 1 Ltd (27k)	Cyprus	100.00	100.00
9. Alpha Group Ltd	Cyprus	100.00	100.00
10. Katanalotika Plc	United Kingdom		
11. Epihiro Plc	United Kingdom		
12. Irida Plc	United Kingdom		
13. Pisti 2010-1 Plc	United Kingdom		
14. Alpha Shipping Finance Ltd	United Kingdom		
15. AGI – RRE Athena Ltd	Cyprus	100.00	100.00
16. AGI – RRE Poseidon Ltd	Cyprus	100.00	100.00
17. AGI – RRE Hera Ltd	Cyprus	100.00	100.00
18. Umera Ltd	Cyprus	100.00	100.00
19. AGI-BRE Participations 2 Ltd	Cyprus	100.00	100.00
20. AGI-BRE Participations 3 Ltd	Cyprus	100.00	100.00
21. AGI-BRE Participations 4 Ltd	Cyprus	100.00	100.00
22. Alpha Real Estate Services Ltd	Cyprus	100.00	100.00
23. AGI-RRE Ares Ltd	Cyprus	100.00	100.00
24. AGI-RRE Venus Ltd	Cyprus	100.00	100.00
25. AGI-RRE Artemis Ltd	Cyprus	100.00	100.00
26. AGI-BRE Participations 5 Ltd	Cyprus	100.00	100.00
27. AGI-RRE Cleopatra Ltd	Cyprus	100.00	100.00

* *The companies do not have economic activity.*

Name	Country	Group's ownership interest % 30.6.2016	31.12.2015
28. AGI-RRE Hermes Ltd	Cyprus	100.00	100.00
29. AGI-RRE Arsinoe Ltd	Cyprus	100.00	100.00
30. AGI-SRE Ariadni Ltd	Cyprus	100.00	100.00
31. Zerelda Ltd	Cyprus	100.00	100.00
32. AGI-Cypre Alaminos Ltd	Cyprus	100.00	100.00
33. AGI-Cypre Tochni Ltd	Cyprus	100.00	100.00
34. AGI-Cypre Evagoras Ltd	Cyprus	100.00	100.00
35. AGI-Cypre Tersefanou Ltd	Cyprus	100.00	100.00
36. AGI-Cypre Mazotos Ltd	Cyprus	100.00	100.00
37. AGI-Cypre Ermis Ltd	Cyprus	100.00	100.00
38. AGI-SRE Participations 1 Ltd [27g, 27l]	Cyprus	100.00	
Other companies			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Kafe Alpha A.E.	Greece	100.00	100.00
4. Alpha Supporting Services A.E.	Greece	100.00	100.00
5. Real Car Rental A.E.	Greece	100.00	100.00
6. Evisak A.E.	Greece	85.71	85.71
7. Emporiki Management A.E.	Greece	100.00	100.00
8. Alpha Bank Notification Services A.E.	Greece	100.00	100.00

b. Joint ventures

Name	Country	Group's ownership interest % 30.6.2016	31.12.2015
1. APE Commercial Property A.E.	Greece	72.20	72.20
2. APE Investment Property A.E.	Greece	72.80	72.80
3. Alpha TANEO A.K.E.S. [27b]	Greece	51.00	51.00
4. Rosequeens Properties Ltd.	Cyprus	33.33	33.33
5. Aktua Hellas Holdings A.E. [27a, 27e, 27f]	Greece	45.00	

APE Investment Property prepares consolidated financial statements, in which the subsidiaries SYMET SA, Astakos Terminal SA, Akaport SA and NA.VI.PE SA are included. Furthemore, Rosequeens Properties Ltd and Aktua Hellas Holdings A.E are group of companies with subsidiaries the companies Rosequeens SRL and Aktua Greece Financial Solutions AE respectively. The aforementioned subsidiaries are not included in this note.

c. Associates

Name	Country	Group's ownership interest % 30.6.2016	31.12.2015
1. AEDEP Thessalias and Stereas Ellados	Greece	50.00	50.00
2. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
3. Banking Information Systems A.E.	Greece	23.77	23.77
4. Propindex A.E.D.A.	Greece	35.58	35.58
5. Olganos A.E.	Greece	30.44	30.44

It is noted that since 2015, the Bank following the related loans restructuring agreements with the companies, SELONDA A.E.G.E. and NIREUS A.E.G.E., owns 23.01% and 20.72% of their shares, respectively. The Bank intends to transfer these companies in the near future and as a result these companies were classified in assets held for sale at their fair value, which was determined in the amount of € 1.

Subsidiaries are fully consolidated, while joint ventures and associates are accounted under the equity method, in accordance with IAS 28 "Investments in associates and joint ventures" and IFRS 11 "Joint Arrangements".

Consolidated financial statements do not include the Commercial Bank of London Ltd which is a dormant company and Smelter Medical Systems AE, Aris-Diomidis Emporiki SA, Metek SA, Flagbright Ltd 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 subsidiaries through the use of derivatives in their functional currency.

20. Disclosures of Law 4261/5.5.2014

Article 81 of Law 4261/5.5.2014 incorporated into Greek legislation the Article 89 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, according to which, it is adopted for the first time the obligation to disclose information on a consolidated basis by Member State and third country in which the Group has headquarters and specified as follows: name or names, nature of business, geographic location, turnover, results before tax, taxes on results, public subsidies received and number of full time employees.

The required information is listed below.

Greece

Turnover in Greece on 31.12.2015 amounted to € 3,160,041, results before tax amounted to losses € (1,806,082) taxes on results amounted to € 796,415 and the number of employees was 10,395 for the following companies that included:

Banks
1. Alpha Bank A.E.
   (Bank's branches in Bulgaria and United Kingdom are included)

Investment Banking
1. Alpha Finance A.E.P.E.Y.
2. Alpha A.E. Investment Holdings
3. Alpha A.E. Ventures Capital Management -AKES
4. Emporiki Management A.E.

Financing Companies
1. Alpha Leasing A.E.
2. ABC Factors A.E.
3. Diners Club Greece A.E.P.P.

Asset Management
1. Alpha Asset Management A.E.D.A.K.

Insurance
1. Alpha Insurance Agents A.E.
2. Alphalife A.A.E.Z.

Real estate and hotels
1. Alpha Astika Akinita A.E.
2. Ioniki Hotel Enterprises A.E.
3. Oceanos A.T.O.E.E.
4. Emporiki Development and Real Estate Management A.E.
5. Alpha Investment Property Chalandriou A.E.
6. Alpha Investment Property Attikis A.E.
7. Alpha Investment Property Attikis II A.E.
8. Alpha Investment Property Amarousion I A.E.
9. Alpha Investment Property Amarousion II A.E.
10. Alpha Investment Property Eleonas A.E.
11. APE Fixed Assets A.E.
12. Alpha Investment Property Neas Kifisias A.E.
13. Alpha Investment Property Kalirois A.E.
14. Alpha Investment Property Levadias A.E..
15. Alpha Investment Property Kefalariou A.E.
16. Alpha Investment Property Neas Erythraias A.E.
17. Anaplasi Plagias A.E.

Special purpose and holding entities
1. Ionian Holdings A.E.

Other companies
1. Kafe Alpha A.E.
2. Alpha Supporting Services A.E.
3. Real Car Rental A.E.
4. Evisak A.E.
5. Alpha Bank Notification Services A.E.

Cyprus

Turnover in Cyprus on 31.12.2015 amounted to € 279,640, results before tax amounted to losses € (391,152), taxes on results amounted to € (3,291), the number of employees was 874 and the following companies were included:

Banks
1. Alpha Bank Cyprus Ltd
2. Emporiki Bank Cyprus Ltd

Investment Banking
1. Emporiki Ventures Capital Developed Markets Ltd
2. Emporiki Ventures Capital Emerging Markets Ltd

Insurance
1. Alpha Insurance Ltd

Real estate and hotels
1. Stockfort Ltd

Special purpose and holding entities
1. Alpha Group Investments Ltd
2. Ionian Equity Participations Ltd
3. AGI-BRE Participations 1 Ltd
4. AGI-RRE Participations 1 Ltd
5. Alpha Group Ltd
6. AGI-RRE Athena Ltd
7. AGI-RRE Poseidon Ltd
8. AGI-RRE Hera Ltd
9. Umera Ltd

10. AGI-BRE Participations 2 Ltd
11. AGI-BRE Participations 3 Ltd
12. AGI-BRE Participations 4 Ltd
13. AGI-RRE Apollo Ltd
14. AGI-RRE Ares Ltd
15. AGI-RRE Venus Ltd
16. AGI-RRE Artemis Ltd
17. AGI-BRE Participations 5 Ltd
18. AGI-RRE Cleopatra Ltd
19. AGI-RRE Hermes Ltd
20. AGI-Cypre Arsinoe Ltd
21. AGI-SRE Ariadni Ltd
22. AGI-Cypre Alaminos Ltd
23. AGI-Cypre Tochni Ltd
24. AGI-Cypre Evagoras Ltd
25. AGI-Cypre Tersefanou Ltd
26. AGI-Cypre Mazotos Ltd
27. AGI-Cypre Ermis Ltd

Other companies

1. Alpha Trustees Ltd
2. Zerelda Ltd

United Kingdom

Turnover in United Kingdom on 31.12.2015 amounted to € 106,336, results before tax amounted to gains € 10,717, taxes on results amounted to € (1,044), the number of employees was 44 and the following companies included were:

Banks

1. Alpha Bank London Ltd

Asset Management

1. ABL Independent Financial Advisers Ltd

Special purpose and holding entities

1. Alpha Credit Group Plc
2. Emporiki Group Finance Plc
3. Katanalotika Plc
4. Epihiro Plc
5. Irida Plc
6. Pisti 2010-1 Plc
7. Alpha Finance Shipping LTD

Other companies

1. Alpha Bank London Nominees Ltd
2. Flagbright Ltd

Bulgaria

Turnover in Bulgaria on 31.12.2015 amounted to € 3,725, results before tax amounted to losses € (4,327), taxes on results amounted to € 51 and the following companies included:

Real estate and hotels

1. Alpha Real Estate Bulgaria E.O.O.D.
2. Chardash Trading E.O.O.D.
3. AGI-BRE Participations 1 E.O.O.D.
4. AGI-BRE Participations 2 E.O.O.D.
5. AGI-BRE Participations 2BG E.O.O.D.
6. AGI-BRE Participations 3 E.O.O.D.
7. AGI-BRE Participations 4 E.O.O.D.
8. HT-1 E.O.O.D
9. AGI-BRE Participations 5 E.O.O.D..

Jersey

Turnover in Jersey on 31.12.2015 amounted to € 971 and the results before tax amounted to losses € (63).

Special purpose and holding entities

1. Alpha Group Jersey Ltd

Serbia

Turnover in Serbia on 31.12.2015 amounted to € 53,555, results before tax amounted to losses € (7,647), tax on results amounted to € (31), the number of employees was 921 and the following companies included were:

Banks

1. Alpha Bank Srbija A.D.

Real estate and hotels

1. Alpha Real Estate D.O.O. Beograd

Romania

Turnover in Romania on 31.12.2015 amounted to € 146,005, results before tax amounted to losses €(23,247), taxes on results amounted to €(123), the number of employees was 1,882 and the following companies included were:

Banks

1. Alpha Bank Romania S.A.

Leasing companies

1. Alpha Leasing Romania IFN S.A.

Investment Banking

1. SSIF Alpha Finance Romania S.A.

Insurance

1. Alpha Insurance Brokers S.R.L.

Real estate and hotels

1. Alpha Astika Akinita Romania S.R.L.
2. AGI-RRE Participations 1 S.R.L.
3. Romfelt Real Estate S.A.
4. AGI-RRE Zeus S.R.L.
5. AGI-RRE Athena S.R.L.
6. AGI-RRE Poseidon S.R.L.
7. AGI-RRE Hera S.R.L.
8. AGI-RRE Venus S.R.L.
9. AGI-RRE Cleopatra S.R.L.
10. AGI-RRE Hermes S.R.L.
11. SC Cordia Residence S.R.L.
12. SC Carmel Residential S.R.L.
13. Asmita Gardens S.R.L.
14. Ashtrom Residents S.R.L.
15. Cubic Center Development S.A.

Albania

Turnover in Albania on 31.12.2015 amounted to €25,198, results before tax amounted to losses €(1,831), tax on results amounted to €5 the number of employees was 425 and the following companies included were:

Banks

1. Alpha Bank Albania SH.A.

FYROM

Turnover in FYROM on 31.12.2015 amounted to €6,690, results before tax amounted to losses €(3,101), tax on results amounted to € 199, the number of employees was 238 and the following companies included were:

Banks

1. Alpha Bank AD Skopje

Real estate and hotels

1. Alpha Astika Akinita D.O.O.E.L. Skopje

Neither the Bank nor the Group companies have received any public subsidies. According to article 82 of Law 4261/5.5.2014 with which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 is established the requirement to disclose the total return on assets.

The overall performance of the assets of the Group for the year of 2015 amounted to (1.9)% (31.12.2014: (0.5)%).

21. Operating segments

(Amounts in million of Euro)

	1.1 - 30.6.2016						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Total
Net interest income	506.0	346.7	7.6	(40.5)	144.9	1.6	966.3
Net fee and commission income	54.1	67.0	16.6	4.6	15.8	0.7	158.8
Other income	3.3	5.8	(0.7)	18.6	27.1	32.3	86.4
Total income	**563.4**	**419.5**	**23.5**	**(17.3)**	**187.8**	**34.6**	**1,211.5**
Total expenses	**(326.1)**	**(75.3)**	**(13.3)**	**(14.5)**	**(108.1)**	**(34.0)**	**(571.3)**
Impairment losses	(166.0)	(356.8)			(82.0)		(604.8)
Provision for Voluntary Separation Scheme					(31.5)		(31.5)
Profit/(loss) before income tax	**71.3**	**(12.6)**	**10.2**	**(31.8)**	**(33.8)**	**0.6**	**3.9**
Income tax							(24.4)
Profit/(loss) after income tax from continuing operations							**(20.5)**
Profit/(loss) from discontinued operations					1.6		1.6
Profit/(loss) after income tax							**(18.9)**
Assets	25,209.5	15,594.2	484.5	11,910.6	9,377.8	4,795.3	67,371.9
Liabilities	22,218.1	4,971.7	1,408.7	23,727.0	5,969.9	154.7	58,450.1

(Amounts in million of Euro)

	1.1 - 30.6.2015						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South-Eastern Europe	Other	Total
Net interest income	486.7	352.4	9.2	(48.4)	157.8	(0.8)	956.9
Net fee and commission income	54.5	65.3	27.4	(2.5)	15.9	0.6	161.2
Other income	2.8	6.9	0.1	42.4	(12.8)	23.6	63.0
Total income	**544.0**	**424.6**	**36.7**	**(8.5)**	**160.9**	**23.4**	**1,181.1**
Total expenses	**(323.2)**	**(70.8)**	**(16.3)**	**(14.7)**	**(104.6)**	**(24.9)**	**(554.5)**
Impairment losses	(1,067.5)	(897.1)			(134.2)		(2,098.8)
Profit/(loss) before income tax	**(846.7)**	**(543.3)**	**20.4**	**(23.2)**	**(77.9)**	**(1.5)**	**(1,472.2)**
Income tax							309.3
Profit/(loss) after income tax from continuing operations							**(1,162.9)**
Profit/(loss) from discontinued operations					(89.2)		(89.2)
Profit/(loss) after income tax							**(1,252.1)**
Assets 31.12.2015	25,189.1	16,711.1	483.5	11,943.3	9,808.8	5,161.8	69,297.5
Liabilities 31.12.2015	22,417.8	4,827.8	1,359.0	25,038.3	6,309.0	292.3	60,244.3

i. Retail Banking

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

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 of the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, corporations with international business activities, corporations managed by the Corporate Banking Division and shipping companies operating in Greece and abroad except from South Eastern European countries. The Group offers working capital facilities, corporate loans, and letters of guarantee for the abovementioned corporations. This sector also includes leasing products which are provided by the subsidiary company Alpha Leasing A.E. as well as factoring services which are provided by 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 its subsidiary, Alpha Asset Management A.E.D.A.K. In addition, it includes income 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 former subsidiary Alpha Insurance A.E. or through the subsidiary Alphalife A.A.E.Z.

iv. Investment Banking/Treasury

Includes stock exchange, advisory and brokerage services related to capital markets, and also investment banking facilities, which are offered either by the Bank or specialized subsidiaries (Alpha Finance A.E.P.E.Y., Alpha Ventures S.A.). 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 and the Group's subsidiaries, which operate in South-Eastern Europe. It is noted that Bulgaria's Branch and Alpha Bank's subsidiary Alpha Bank AD Skopje, are not included anymore in the results of the continuing activities in this sector anymore. Their financial result is included in the category "Profit/Loss from discontinued operations".

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 activity.

22. Exposure in credit risk from debt issued by the peripheral Eurozone countries

Due to the prolonged turmoil in the Eurozone countries, and the issues which the Greek economy faces, concerning the service of public debt, the Group monitors the credit risk from its exposure to the Greek State as well as the remaining peripheral Eurozone countries.

i. Exposure to the Greek State

The table below presents the Group's total exposure in Greek Government securities:

	30.6.2016		31.12.2015	
Portofolio	Nominal value	Carrying amount	Nominal value	Carrying amount
Available for sale	4,442,677	3,725,281	4,659,672	3,930,081
Trading	1,790	1,234	2,783	1,888
Total	**4,444,467**	**3,726,515**	**4,662,455**	**3,931,969**

All Greek Government securities are classified in Level 1 based on the quality of inputs used for the estimation of their fair value.

In addition the securities issued by the public entities on 30.6.2016 amounted to € 162.7 million (31.12.2015: € 162.1 million.).

The Group's exposure to Greek State credit risk from other financial instruments, excluding securities and loans and advances is depicted in the table below:

On balance sheet exposure

	30.6.2016	31.12.2015
	Carrying amount	Carrying amount
Derivative financial instruments – assets	420,151	362,700
Derivative financial instruments – liabilities	(164,984)	(271,711)

Derivative financial assets from public sector entities amounted to € 6.5 million on 30.6.2016 (31.12.2015: € 16.6 million liabilities).

ii. Exposure to other peripheral Eurozone countries debt

The Group holds in its available for sale portfolio, bonds and treasury bills of the Republic of Cyprus with a book value of € 143.8 million (31.12.2015: € 96.9 million)

Additionally, the Group holds in its available for sale portfolio, bonds issued by the Italian Republic with a book value of € 10.1 million (31.12.2015: € 6.9 million) and bonds issued by the Spanish Republic with a book value of € 8.5 million (31.12.2015: € 8 million).

As at 30.6.2016 the Group had no exposure to bonds issued by Portugal and Ireland.

23. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	30.6.2016		31.12.2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets				
Loans and advances to customers	45,381,923	45,495,962	46,107,498	46,186,116
Investments securities				
- Held to maturity	40,433	44,746	78,934	79,709
- Loans and receivables	3,761,683	3,683,411	4,364,715	4,289,482
Financial Liabilities				
Due to customers	31,642,427	31,667,039	31,422,161	31,434,266
Debt securities in issue [1]	296,341	305,144	365,018	376,129

The table above presents the fair value and the carrying amount of financial instruments which are measured at amortized cost.

The fair value of loans is estimated based on the interbank market yield curves by adding a liquidity premium and spread per loan category and business unit for the expected loss. The fair value of deposits is estimated based on the interbank market yield curves by deducting customer's spread depending on the type of deposit. In both of these cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

The fair value of held to maturity securities and debt securities in issue is calculated using market prices, as long as the market is active. In all other cases as well as for the loans and receivables portfolio the discounted cash flows method is used and all significant variables are based either on observable market data or on a combination of observable and unobservable market data.

The fair value of other financial assets and liabilities which are valued at amortized cost does not differ materially from the respective carrying amount.

Hierarchy of financial instruments measured at fair value

	30.6.2016			
	Level 1	Level 2	Level 3	Total Fair value
Derivative Financial Assets	4,620	827,635	6,911	839,166
Securities held for trading				
- Bonds and Treasury bills	1,234			1,234
- Shares	1,356			1,356
Available for sale securities				
- Bonds and treasury bills	4,776,664	701,015	17,003	5,494,682
- Shares	47,698	16,292	51,027	115,017
- Other variable yield securities	34,429			34,429
Derivative financial liabilities	5	1,657,823	1,570	1,659,398
Convertible bond			15,300	15,300

[1] Debt securities in issue do not include the convertible bond loan issued by the Bank in the context of the agreement with Credit Agricole S.A. regarding the acquisition of Emporiki Bank since this security is measured at fair value.

	31.12.2015			
	Level 1	Level 2	Level 3	Total Fair value
Derivative Financial Assets	6,665	782,820	3,530	793,015
Securities held for trading				
- Bonds and Treasury bills	1,888			1,888
- Shares	891			891
Available for sale securities				
- Bonds and treasury bills	4,927,352	625,704	19,460	5,572,516
- Shares	143,815		43,337	187,152
Other variable yield securities	34,816			34,816
Derivative financial liabilities	21	1,550,508		1,550,529
Convertible bond loan			24,600	24,600

The tables above present the fair value of financial instruments which are measured at fair value in hierarchy levels based on inputs used for the fair value measurement.

Securities traded in an active market and exchange-traded derivatives are classified as Level 1.

The available for sale securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2. Level 3 classifications include securities whose fair value is estimated using significant unobservable inputs.

The fair value of non listed shares, as well as shares not traded in an active market is determined based on the estimations made by the Group which relate to the future profitability of the issuer after taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as a discount rate. Given that the above parameters are mainly non observable, the valuation of these shares is classified as Level 3. On 30.6.2016 the Group classified in the available for sale securities portfolio the preference shares of Visa Inc. which the Group received through the acquisition of Visa Europe by Visa Inc. (note 2). In order to determine their fair value the Group used the conversion rate into ordinary shares and the current stock price of the ordinary share by taking into consideration the sale restrictions. The abovementioned shares were classified as level 2 securities, as the non-observable inputs used are insignificant in the calculation of the final fair value.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. Valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non-observable inputs are significant, the fair value that arises is classified into Level 3 or otherwise in Level 2.

Finally, the valuation of the convertible bond loan was based on the estimated share price at the maturity date of the bond, as reflected in the Group's business plan, which is unobservable market parameter.

The Group recognizes the transfer between fair value hierarchy Levels at the end of each quarter.

Within the period, corporate bonds of €241.5 million were transferred from Level 2 to Level 1 due to the satisfaction of the criteria of active market. In addition, within the period, €237.4 million of Greek corporate bonds were transferred from Level 1 to Level 2, as the liquidity margin (bid-ask spread) moved above the limit set for the characterization of market as active.

The table below presents the valuation methods used for the measurement of Level 3 fair value:

	30.6.2016			
	Total Fair Value	Fair Value	Valuation Method	Significant non-observable inputs
Derivative Financial Assets	6,911	6,689	Discounted cash flows with interest rates, taking into account the credit risk of the counterparty	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model
		222	Discounted cash flows with interest rates	Assessment of the adequacy of reserves for the payment of hybrid securities dividends
Available for sale bonds	17,003	17,003	Based on issuer price / Discounted cash flows estimating credit risk	Issuer's price / Credit spread
Available for sale shares	51,027	51,027	Discounted cash flows / Multiples valuation method / Net assets method / Cost of acquisition	Future profitability of the issuer
Derivative Financial Liabilities	1,570	1,570	Discounted cash flows with interest rates taking into account the credit risk	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model
Convertible bond	15,300	15,300	Discounted cash flows / Multiples valuation method	Future profitability of the issuer

	31.12.2015			
	Total Fair Value	Fair Value	Valuation Method	Significant non-observable inputs
Derivative Financial Assets	3,530	3,185	Discounted cash flows with interest rates, taking into account the credit risk of the counterparty	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model
		345	Discounted cash flows with interest rates	Assessment of the adequacy of reserves for the payment of hybrid securities dividends
Available for sale bonds	19,460	19,460	Based on issuer price	Price
Available for sale shares	43,337	43,337	Discounted cash flows / Multiples valuation method / Cost of acquisition	Future profitability of the issuer
Convertible bond	24,600	24,600	Discounted cash flows / Multiples valuation method	Future profitability of the issuer

A reconciliation of the movement of financial instruments measured at fair value in Level 3 is depicted below.

	30.6.2016			
	Assets		Liabilities	
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities	Convertible Bond Loan
Opening balance 1.1.2016	**62,797**	**3,530**		**(24,600)**
Total gain or loss recognized in the income statement	(706)	(113)		9,300
Total gain or loss recognized directly in equity	1,962			
Purchases/issues	420			
Sales/repayments/settlements	(1,281)	(177)		
Transfers to Level 3 from Level 1	4,838			
Transfers to Level 3 from Level 2		3,671	(1,570)	
Balance 30.6.2016	**63,080**	**6,911**	**(1,570)**	**(15,300)**
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period	(579)	(113)		9,300

Within the period €4.8 million of shares were transferred from Level 1 to Level 3 as for their value non observable data is used. Also €3.7 million of derivative financial Assets and € 1.6 million of derivative financial Liabilities were transferred from Level 2 to Level 3, since the use of non-observable inputs was significant.

	31.12.2015			
	Assets		Liabilities	
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities	Convertible Bond Loan
Opening balance 1.1.2015	**76,453**		**(5,393)**	
Changes for the period 1.1 - 30.6.2015				
Total gain or loss recognized in the income statement	(756)	798	5,373	
Total gain or loss recognized directly in equity	(1,215)			
Purchases/Issues	7,754			
Sales/Repayments/Settlements	(6,838)		20	
Transfers to Level 3 from Level 2		3,034		
Balance 30.6.2015	**75,398**	**3,832**	**-**	
Changes for the period 1.7 - 31.12.2015				
Total gain or loss recognized in the income statement	(9,010)	2,566		
Total gain or loss recognized directly in equity	(1,468)	(798)		
Purchases/Issues	6,601			
Sales/Repayments/Settlements	(8,735)			
Transfers to Level 3 from Level 2	11	(2,070)		(24,600)
Balance 31.12.2015	**62,797**	**3,530**	**-**	**(24,600)**
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 – 30.6.2015.	(1,364)	(1,221)		

During 2015, corporate bonds amounting to €11.3 million as well as other securities amounting to €3 million that were classified in Level 3 were purchased, since non observable parameters were used for valuation purposes. In addition, sales-repayments of foreign corporate bonds amounting to €6.4 million and other securities amounting €9.2 million took place.

Regarding derivative financial assets, a transfer from Level 2 to Level 3 occurred since the use of non-observable inputs was significant. Finally within 2015 the convertible bond loan was transferred from Level 2 to Level 3 as a different valuation method was applied.

Sensitivity analysis for Level 3 financial instruments that its valuation was based on non observable data is presented in the following table:

	Significant non-observable inputs	Significant non-observable inputs Change	Total effect in income statement		Total effect in Equity	
			Favourable Variation	Unfavourable Variation	Favourable Variation	Unfavourable Variation
Derivative Financial Assets	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model	Increase the probability of default through reduction of internal ratings by 2 grades / Increase the loss given default by 10%		(752)		(752)
	Assessment of the adequacy of reserves for the payment of hybrid securities dividends	Increase the probability of dividend payments to 100%		(222)		(222)
Available for sale bonds	Issuer Price / Credit spread	Variation +/- 10%			857	(834)
Available for sale shares	Future profitability of the Issuer	Variation +/- 10% in P/B and EV/Sales ratios (multiples valuation method)		(163)	1,456	(1,456)
Derivative Financial Liabilities	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model	The BCVA adjustment is calculated on the net exposure per counterparty and is allocated to derivative financial assets				
Convertible bond Loan	Future profitability of the Issuer	Alpha Bank share price in the range of €1.5-2.5	5,073	(1,745)	5,073	(1,745)
Total			**5,073**	**(2,882)**	**7,386**	**(5,009)**

24. Capital adequacy

The Group's policy is to maintain a robust capital base to safeguard the Bank's development and retain the trust of depositors, shareholders, markets and business partners.

Share capital increases are performed after Shareholders' General Meeting or Board of Directors' decisions in accordance with the articles of association or the relevant laws.

Treasury shares are allowed to be purchased based on the terms and conditions of law.

The capital adequacy is supervised by Single Supervising Mechanism of ECB, to which reports are submitted on quarterly basis. The minimum requirements regarding Tier I ratio and the capital adequacy ratio of the Bank are stipulated by Bank of Greece Governor's Acts.

The capital adequacy ratio compares regulatory capital with the risks assumed by the Bank (risk-weighted assets). Regulatory capital includes Tier I capital (share capital, reserves and non-controlling interests), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt). Risk-weighted assets include the credit risk of the investment portfolio, the market risk of the trading portfolio and operational risk.

Since January 1, 2014 EU Directive 2013/36/EU dated 26 June 2013 incorporated in Greek Law through the Law 4261/2014 along with the EU Regulation 575/2013/EU, dated 26 June 2013 "CRD IV" came into force, along which gradually introduce the new capital adequacy framework (Basel III) for credit institutions.

According to the above regulatory framework, for the calculation of capital adequacy ratio the effective transitional arrangements are followed.

Moreover:

- besides the 8% Capital Adequacy limit, there are limits of 4.5% for Common Equity ratio and 6% for Tier I ratio, and
- is required the maintenance of capital buffers additional to the Common Equity Capital, from 1.1.2016 and gradually until 31.12.2019.

In particular:

- from 1.1.2016 a capital buffer of 0.625% exists which will gradually rise to 2.5% on 31.12.2019.
- The Bank of Greece through the acts issued by the Executive Committee settled the following capital buffers:
  - Countercyclical capital buffer rate for the first nine months of 2016, "zero percent" (Act 55/18.12.2015, 83/18.3.2016 & 97/16.6.2016)
  - Other systemically important institutions (O-SII) buffer for 2016 "zero percent" (Act 56/18.12.2015)

These limits should be met both on a standalone and on a consolidated basis.

	30.6.2016 (estimated)	31.12.2015* (restated)	31.12.2015 (published)
Common Equity Tier I	16.7%	16.6%	16.7%
Tier I	16.7%	16.6%	16.7%
Capital adequacy ratio	**16.7%**	**16.8%**	**16.8%**

* *The change of 10 basis points in 31.12.2015 capital adequacy ratio is due to the final calculation of the credit risk weighted assets which became final after the publication of the 2015 Annual Financial Report.*

25. 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 Bank's committees.

a. The outstanding balances of the Group's transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

	30.6.2016	31.12.2015
Assets		
Loans and advances to customers	10,001	11,460
LIabilities		
Due to customers	26,780	26,200
Employee defined benefit obligations	221	453
Total	**27,001**	**26,653**
Letters of guarantee and approved limits	**10,931**	**11,689**

	From 1 January	
	30.6.2016	30.6.2015
Income		
Interest and similar income	50	171
Fee and commission income	68	69
Total	**118**	**240**
Expenses		
Interest expense and similar charges	31	137
Fees paid to key management and close family members	1,753	1,691
Total	**1,784**	**1,828**

b. The outstanding balances with the Bank's subsidiaries, joint ventures and associates as well as the results related to these transactions are as follows:

	30.6.2016	31.12.2015
Assets		
Loans and advances to customers	157,886	161,890
Derivative financial assets	303	527
Total	**158,189**	**162,417**
Liabilities		
Due to customers	21,511	21,494

	From 1 January to	
	30.6.2016	30.6.2015
Income		
Interest and similar income	2,856	2,851
Fee and commission income	1	2
Other income	111	409
Total	**2,968**	**3,262**
Expenses		
Interest expense and similar charges	86	152
Other expenses	1,047	1,106
Total	**1,133**	**1,258**

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 2,345 (31.12.2015: € 4,590). Periods' interest expenses relating to deposits amount to € 16. Also the Supplementary Fund's assets include Alpha Bank's shares of € 114 (31.12.2015: € 114).

d. The Hellenic Financial Stability Fund (HFSF) exercises significant influence on the Bank. In particular, according to Law 3864/2010 and the Relationship Framework Agreement("RFA") as of 23.11.2015, which replaced the previous of 2013, HFSF has representation in the Board of Directors and in other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

The outstanding balances and the results related to these transactions are presented as follows:

	From 1 January to	
	30.6.2016	30.6.2015
Income		
Fee and commission income	5	34

26. Assets held for sale and discontinued operations

The Bank, under the approved by the European Committee Restructuring Plan (note 42 of the consolidated financial statements as of 31.12.2015) and the fulfillment of the relevant commitment relating to the deleveraging of part of the assets of its international activities, proceeded to the sale of the operations of the Bulgaria Branch and Alpha Bank AD Skopje as well as it began the process for the sale of APE Fixed Assets AE, APE Commercial Property AE and APE Investment Property AE.

Bank's branch in Bulgaria

On 17.7.2015, the Bank and Eurobank, issued a joint statement announcing their agreement, in main terms, for the transfer of operations of the Bulgaria branch to Eurobank's subsidiary in Bulgaria (PostBank). On 6.11.2015 the Bank and Postbank signed the relevant contract, finalizing the terms of the transfer which include a transfer price of 1 Euro and a partial undertaking of Branch's debt obligations by the buyer. The transfer was completed on 1.3.2016.

From 30.6.2015 the assets of Bulgaria Branch, and its directly related liabilities, met the qualification requirements as "Held for sale" in accordance with IFRS 5, as at that date the management had decided to sell the unit and was already in the process of negotiations with the prospective buyer. In addition, Bulgaria Branch is considered a separate geographical area of operations for the Group which is included in the Southeast Europe for information purposes per operating segment. After the classification of the Bulgaria Branch, which is the only company in the banking sector whereby the Group operates in Bulgaria, as asset held for sale, its activities are classified as "discontinued operations" by the Group.

Therefore, during 2015, for the purpose of preparation of the Group's interim financial statements, the Group valued the assets and liabilities of Bulgaria Branch at the lowest price between the book value and fair value less selling costs recognizing the difference which was amounted to € 89,007 as a loss in "Profit/(loss) after tax income from discontinued operations" in the Income Statement. After the above valuation, the assets of the Branch as at 31.12.2015 amount to € 387,947 and the liabilities of Bulgaria Branch amount to € 277,675.

Income Statement and Statement of Comprehensive Income

The results and cash flows arising from Bulgaria Branch are presented as "discontinued operations" in the Income Statement with a corresponding restatement of comparative period 1.1.2015 to 30.6.2015 and 1.4.2015 to 30.6.2015 and the Statement of Cash Flows, with a corresponding restatement of the comparative period 1.1.2015 to 30.06.2015.

(Amounts in thousands of Euro)

	From 1 January to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Interest and similar income	3,123	13,003		6,383
Interest expense and similar charges	(556)	(2,770)		(1,746)
Net interest income	2,567	10,233		4,637
Fee and commission income	842	3,276		1,597
Commission expense	(74)	(200)		(103)
Net fee and commission income	768	3,076		1,494
Dividend income				
Gains less losses on financial transactions	64	277		116
Other income	79	188		55
Total income	**3,478**	**13,774**	-	**6,302**
Staff costs	(1,575)	(5,055)		(2,596)
General administrative expenses	(2,042)	(7,958)		(4,149)
Depreciation	(397)	(1,474)		(723)
Other expenses	(30)	(18)		8
Total expenses	**(4,044)**	**(14,505)**	-	**(7,460)**
Impairment losses and provisions to cover credit risk	1,563	(2,464)		(2,361)
Profit/(loss) before income tax	**997**	**(3,195)**	-	**(3,519)**
Income tax				
Profit/(loss), after income tax	**997**	**(3,195)**	-	**(3,519)**
Difference due to valuation at fair value		(85,500)		(85,500)
Loss from the disposal after income tax	(188)		102	
Net profit/(loss) after income tax from discontinued operations	**809**	**(88,695)**	**102**	**(89,019)**

The amount of cash and cash equivalent of the Bulgaria Branch, which was transferred at the disposal, amounted to €9,942.

Alpha Bank AD Skopje

The Bank, during the fourth quarter of 2015, began the process of selling its subsidiary Alpha Bank Skopje (ABS). ABS is the smallest subsidiary of the Group in the Balkans and it has a small presence in the local market in Skopje (market share <2%). As part of this process, investors, which were shortlisted from a broader investor list, were invited to submit their bids for the acquisition of the 100% of the ABS shares and of the 100% of the hybrid instrument (subordinated loan) granted to the ABS by the parent company (both of them consist the "Perimeter Transaction"). The disposal was completed on 10.5.2016 for a total amount of €3.2 million.

On 31.12.2015 the Bank's participation in the subsidiary and the hybrid instrument satisfy the conditions for classification as "held for sale" in accordance with IFRS 5, while its operations, which represent a distinct geographical area of operations for the Group that is part of the South-Eastern Europe sector for reporting purposes per operational segment, have been characterized as "Discontinued operations".

Therefore, for the preparation of 31.12.2015 consolidated financial statements the participation in the subsidiary company and the hybrid instrument was valued at the lower of book and fair value less cost of sale, recognizing the difference amounted to €14,414 as a loss in the income statement in caption "Net profit/(loss) after income tax from discontinued operations". The fair value was determined based on the financial bids which were received from the potential investors for the Perimeter of the Transaction and the assessment of the Bank. After the above valuation, the assets of the Alpha Bank AD Skopje on 31.12.2015 amounted to €84,470 and its liabilities to €80,714.

Income Statement and Statement of Comprehensive Income

The results and cash flows arising from Alpha Bank AD Skopje are presented as "discontinued operations" in the Income Statement and the Statement of Comprehensive Income with a corresponding restatement of comparative period 1.1.2015 to 30.6.2015 and 1.4.2015 to 30.6.2015 and the Statement of Cash Flows, with a corresponding restatement of the comparative period 1.1.2015 to 30.6.2015.

The following table analyzes the amounts presented in the Statement of Comprehensive Income.

(Amounts in thousands of Euro)

	From 1 January to		From 1 April to	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015
Interest and similar income	1,525	2,384	429	1,128
Interest expense and similar charges	(382)	(530)	(86)	(241)
Net interest income	1,143	1,854	343	887
Fee and commission income	404	557	121	291
Commission expense	(183)	(270)	(55)	(141)
Net fee and commission income	221	287	66	150
Dividend income		15		15
Gains less losses on financial transactions	132	291	68	172
Other income	40	48	16	25
Total income	**1,536**	**2,495**	**493**	**1,249**
Staff costs	(907)	(1,370)	(226)	(690)
General administrative expenses	(691)	(1,157)	(216)	(651)
Depreciation	(134)	(209)	(33)	(103)
Other expenses	(80)	(160)	(28)	(13)
Total expenses	**(1,812)**	**(2,896)**	**(503)**	**(1,457)**
Impairment losses and provisions to cover credit risk	(482)	(183)	39	(168)
Profit/(Loss) before income tax	**(758)**	**(584)**	**29**	**(376)**
Income tax	21	71		42
Profit/(loss), after income tax	**(737)**	**(513)**	**29**	**(334)**
Gain from the disposal after income tax	1,535		1,535	
Profit /(losses) after income tax, from discontinued operations	**798**	**(513)**	**1,564**	**(334)**
Exchange differences on translating and hedging the net investment in foreign operations	(40)	39	7	(10)
Amounts that may be reclassified in the Income Statement from discontinued operations	(40)	39	7	(10)
Total comprehensive income for the period after income tax	**758**	**(474)**	**1,571**	**(344)**

The amount of cash and cash equivalent of Alpha Bank Skopje, which was transferred at the disposal, amounted to € 10,973.

Ioniki Hotel Enterprises AE

The Group, on 17.2.2016, announced its intention to sell Ioniki Hotel Enterprises AE through an Invitation for Expressions of Interest. As a result, from 31.12.2015 the assets of the company and the related liabilities meet the criteria to be classified as 'held for sale' in accordance with IFRS 5. Under IFRS 5, the Group proceeded with an estimation of the fair value of the assets and liabilities of Ioniki Hotel Enterprises AE. Assets of Ioniki Hotel Enterprises AE as at 30.6.2016 amount to € 187,191 (31.12.2015: € 185,701) while its liabilities amount to € 8,984 (31.12.2015: € 8,392).

Taking into account that the company is not a separate major line of business for the Group, the criteria to be characterized as 'discontinued operations' are not met. The company is included in "Other" in operating segment analysis.

The table below analyzes the assets and the liabilities of Ioniki Hotel Enterprises AE, after intercompany eliminations.

(Amounts in thousands of Euro)

	30.6.2016	31.12.2015
ASSETS		
Cash and balances with Central Banks	74	85
Due from banks	5	112
Loans and advances to customers	2,000	1,122
Property, plant and equipment	169,555	168,777
Goodwill and other intangible assets	288	302
Deferred tax assets	13,877	13,692
Other assets	1,392	1,611
	187,191	185,701
Valuation at fair value	(36,389)	
Assets held for sale	**150,802**	**185,701**
LIABILITIES		
Liabilities of current income tax and other taxes	483	314
Defined benefit obligations	2,348	2,294
Other liabilities	6,099	5,730
Provisions	54	54
Total liabilities related to assets held for sale	**8,984**	**8,392**

APE Fixed Assets AE, APE Commercial Property AE, APE Investment Property AE

Sale consultants were engaged in June of the current year and the liquidation procedure of the Bank's participations in APE Fixed Assets AE, APE Commercial Property AE and APE Investment Property AE began. APE Fixed Assets AE is a Bank's subsidiary, while APE Commercial Property AE and APE Investment Property AE are joint ventures, where the control is exercised jointly by the Bank and the other shareholder.

From 30.6.2016 the abovementioned investments meet the requirements to be classified as "Held for sale" in accordance with IFRS 5, as well as on that date the Management had decided their sale, had initiated an active programme to find buyer and the sale is expected to be completed within one year.

According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of book and fair value less cost of sale and they are presented in the Balance Sheet separately from other assets and liabilities. As regards the subsidiary APE Fixed Assets AE the Group proceeded to the measurement of the fair value of the assets and liabilities which consolidates, while as regards the joint ventures APE Commercial Property AE and APE Investment Property AE which are consolidated with the equity method the Group measured the fair value of its participation and of loans and receivables which constitute part of the net investment in them. From the abovementioned measurement on 30.6.2016 losses amounting to € 1.7 million arose which were recognized in caption "Gains less losses on financial transactions" in the Income Statement.

Taking into account that the companies are not a separate major line of business for the Group, the criteria to be characterized as 'discontinued operations' are not met. The company is included in "Other" in operating segment analysis.

In the table below an analysis of the specific assets regarding APE Fixed Assets AE, APE Commercial Property AE and APE Investment Property AE which are presented in the Balance Sheet as assets held for sale is depicted.

(Amounts in thousands of Euro)

	30.6.2016
ASSETS	
Investment property	39,872
Loans and advances to customers	47,570
Investments in associates and joint ventures	39,244
Other assets	2
Other assets held for sale	**126,688**
LIABILITIES	
Liabilities of current income tax and other taxes	30
Defined benefit obligations	301
Other liabilities	7
Total liabilities related to assets held for sale	**338**
Amounts recognized directly in equity for held for sale items	**(122)**
Non-controlling interests for held for sale items	**10,992**

Other asset held for sale

Assets held for sale include also other fixed assets held for sale of the Group of an amount of € 4.9 million (31.12.2015: € 4.9 million) thereby total amount of Assets held for sale of the Group as at 30.6.2016 amounts to € 282,429 (31.12.2015: € 663,063). In addition, the Bank's participations to the companies "SELONDA A.E.G.E." and "NIREUS A.E.G.E." have been classified to Assets held for sale, since it intends to transfer these companies in the near future at their fair value, which was determined in the amount of € 1.

The Group, at each reporting date, assesses the actions taken within the context of the implementation of the restructuring plan in order assets and liabilities that are directly associated with them to be classified as held for sale when the criteria of IFRS 5 (which are presented in note 1.17 of the 31.12.2015 consolidated financial statements) are met.

27. Corporate events

a. On 26.1.2016 the Bank participated in the establishment of Aktua Hellas Holding SA, which is based in Greece with a participation of 45% and share capital of € 25 thousand.

b. On 2.2.2016 the Bank participated in the share capital increase of the joint venture Alpha TANEO AKES with an amount of € 51 thousand.

c. On 18.2.2016 the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd with the amount of € 57.82 million.

d. On 19.2.2016 the subsidiary of the Bank, Alpha Group Investments Ltd, participated in the share capital increase of Group subsidiaries, AEP Amarousioun I, AEP Amarousion II, AEP Chalandriou, AEP Neas Kifisias and AEP Kallirois for € 19.99 million, € 13.19 million, € 22.64 million, € 1 million and € 1 million, respectively.

e. On 24.2.2016 the joint venture Aktua Hellas Holding S.A., established the company Aktua Greece Financial Solutions S.A with a share capital of € 100 thousand.

f. On 1.3.2016 the transfer of Alpha Bank Bulgaria Branch operations in Eurobank Bulgaria AD, a subsidiary of Eurobank Ergasias AE was completed.

g. On 22.4.2016 the Bank participated in the share capital increase of the joint venture Aktua Hellas Holding S.A., with the amount of € 45 thousand.

h. On 4.5.2016 the subsidiary of the Group., Alpha Group Investments Ltd, founded the company AGI SRE Participations 1 Ltd, based in Cyprus for an amount of € 1 thousand.

i. On 10.5.2016 the sale of all shares of the Bank's subsidiary, Alpha Bank A.D. Skopje was completed.

j. On 13.5.2016 the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd with the amount of € 11.9 million.

k. On 17.5.2016 Alpha Bank, Eurobank and KKR Credit reached an agreement to assign the management of credit and equity exposures to a selected number of Greek companies into a platform managed by Pillarstone.

l. On 23.5.2016 the subsidiary of the Group AGI-RRE Participations 1 Ltd participated in the share capital increase of Group subsidiary Asmita Gardens Srl by contributing € 2 million.

m. On 8.6.2016 the subsidiary of the Group AGI-SRE Participations 1 Ltd, founded the company AGI-SRE Participations 1 DOO, based in Serbia, for an amount of € 1.

28. Restatement of financial statements

During the current period the Group modified the way of presentation of figures related to the loyalty Bonus card program. These figures, which up to now were included in other expenses, other income and commissions are now included as a net amount in commission income. This modification is performed in order to reflect better the substance of the reward program. As a result of this change, some figures of the income statement of the comparative period reformed without changing the result, as presented in the following table:

	From 1 January to			
	31.12.2015	30.9.2015	30.6.2015	31.3.2015
Net fee and commission income	(535)	(1,046)	(1,421)	(856)
Other income	(3,523)	(1,838)	(873)	(490)
General administrative expenses	4,058	2,884	2,294	1,346
Total effect	-	-	-	-

	1.10 - 31.12.2015	1.7 - 30.9.2015	1.4 - 30.6.2015	1.1 - 31.3.2015
Net fee and commission income	511	375	(565)	(856)
Other income	(1,685)	(965)	(383)	(490)
General administrative expenses	1,174	590	948	1,346
Total effect	-	-	-	-

Moreover the figures of the comparative periods have been restated due to the finalization of the Bulgaria Branch transfer terms and the presentation of Alpha Bank Skopje as a discontinued operation (note 26).

Below are restated statements of income and cash flows for the period 1.1 - 30.6.2015 based on these modifications.

Consolidated Income Statement

(Amounts in thousands of Euro)

	From 1 January to 30.6.2015				
	Published amounts	Restatements due to changes in the presentation of figures relating to the loyalty Bonus card program	Restatements due to finalization of the Bulgaria Branch transfer terms	Restatements due to presentation of Alpha Bank Skopje as discontinued operation	Restated amounts
Interest and similar income	1,525,180		1,643	(2,384)	1,524,439
Interest expense and similar charges	(568,075)			530	(567,545)
Net interest income	957,105		1,643	(1,854)	956,894
Fee and commission income	195,868	(800)		(557)	194,511
Commission expense	(32,996)	(621)		270	(33,347)
Net fee and commission income	162,872	(1,421)		(287)	161,164
Dividend income	560			(15)	545
Gains less losses on financial transactions	36,253			(291)	35,962
Other income	31,497	(873)		(48)	30,576
	68,310	(873)		(354)	67,083
Total income	**1,188,287**	**(2,294)**	**1,643**	**(2,495)**	**1,185,141**
Staff costs	(264,841)			1,370	(263,471)
General administrative expenses	(240,780)	2,294		1,157	(237,329)
Depreciation and amortization	(51,746)			209	(51,537)
Other expenses	(2,368)			160	(2,208)
Total expenses	**(559,735)**	**2,294**		**2,896**	**(554,545)**
Impairment losses and provisions to cover credit risk	(2,097,187)		(1,838)	183	(2,098,842)
Share of profit/(loss) of associates and joint ventures	(3,987)				(3,987)
Profit/(loss) before income tax	**(1,472,622)**	**-**	**(195)**	**584**	**(1,472,233)**
Income tax	309,429			(71)	309,358
Net profit/(loss) after income tax	**(1,163,193)**	**-**	**(195)**	**513**	**(1,162,875)**
Net profit/(loss) after income tax from discontinued operations	(88,890)		195	(513)	(89,208)
Net profit/(loss) after income tax	**(1,252,083)**	**-**	**-**	**-**	**(1,252,083)**
Profit/(loss) attributable to:					
Equity owners of the Bank					
- from continuing operations	(1,163,360)		(195)	513	(1,163,042)
- from discontinued operations	(88,890)		195	(513)	(89,208)
	(1,252,250)	**-**	**-**	**-**	**(1,252,250)**
Non-controlling interests	167				167
Earnings/(losses) per share:					
Basic and diluted (€ per share)	(0.10)				(4.90)

(Amounts in thousands of Euro)

	From 1 April to 30.6.2015				
	Published amounts	Restatements due to changes in the presentation of figures relating to the loyalty Bonus card program	Restatements due to finalization of the Bulgaria Branch transfer terms	Restatements due to presentation of Alpha Bank Skopje as discontinued operation	Restated amounts
Interest and similar income	763,610		905	(1,128)	763,387
Interest expense and similar charges	(281,700)			241	(281,459)
Net interest income	481,910		905	(887)	481,928
Fee and commission income	96,941	(270)		(291)	96,380
Commission expense	(18,830)	(295)		141	(18,984)
Net fee and commission income	78,111	(565)		(150)	77,396
Dividend income	535			(15)	520
Gains less losses on financial transactions	10,177			(172)	10,005
Other income	17,364	(383)	23	(25)	16,979
	28,076	(383)	23	(212)	27,504
Total income	**588,097**	**(948)**	**928**	**(1,249)**	**586,828**
Staff costs	(130,578)			690	(129,888)
General administrative expenses	(122,085)	948		651	(120,486)
Depreciation	(26,024)			103	(25,921)
Other expenses	(1,302)		(22)	13	(1,311)
Total expenses	**(279,989)**	**948**	**(22)**	**1,457**	**(277,606)**
Impairment losses and provisions to cover credit risk	(1,672,282)		(582)	168	(1,672,696)
Share of profit/(loss) of associates and joint ventures	(1,997)				(1,997)
Profit/(loss) before income tax	**(1,366,171)**	**-**	**324**	**376**	**(1,365,471)**
Income tax	318,621			(42)	318,579
Net profit/(loss) after income tax	**(1,047,550)**	**-**	**324**	**334**	**(1,046,892)**
Net profit/(loss) after income tax from discontinued operations	(88,695)		(324)	(334)	(89,353)
Net profit/(loss) after income tax	**(1,136,245)**	**-**	**-**	**-**	**(1,136,245)**
Profit/(loss) attributable to:					
Equity owners of the Bank					
- from continuing operations	(1,047,581)		324	334	(1,046,923)
- from discontinued operations	(88,695)		(324)	(334)	(89,353)
	(1,136,276)	**-**	**-**	**-**	**(1,136,276)**
Non-controlling interests	31				31
Earnings/(losses) per share:					
Basic and diluted (€ per share)	(0.09)				(4.45)

Consolidated Statement of Cash Flows

(Amounts in thousands of Euro)

	From 1 January to 30.6.2015			
	Published amounts	Finalization of Alpha Bank Bulgaria transfer terms	Restatements due to presentation of Alpha Bank Skopje as discontinued operation	Restated amounts from discontinued operations
Cash flows from continuing operating activities				
Profit / (loss) before income tax	**(1,472,622)**	**(195)**	**584**	**(1,472,233)**
Adjustments for gain/(losses) before income tax for:				
Depreciation/Impairment of fixed assets	29,236		(122)	29,114
Amortization/Impairment of intangible assets	22,510		(87)	22,423
Impairment losses from loans, provisions and staff leaving indemnity	2,141,155		(338)	2,140,817
(Gains)/losses from investing activities	34,524			34,524
(Gains)/losses from financing activities	54,269			54,269
(Gains)/losses ratio from associates and joint ventures	3,987			3,987
	813,059	**(195)**	**37**	**812,901**
Net (increase)/decrease in assets relating to continuing operating activities:				
Due from banks	870,781		(3,668)	867,113
Trading securities and derivative financial assets	217,710			217,710
Loans and advances to customers	(848,257)	195	(1,702)	(849,764)
Other assets	(90,138)		30	(90,108)
Net increase/(decrease) in liabilities relating to continuing operating activities:				
Due to banks	11,092,319		20	11,092,339
Derivative financial liabilities	(58,901)			(58,901)
Due to customers	(11,644,659)		11,673	(11,632,986)
Other liabilities	(67,871)		182	(67,689)
Net cash flows from continuing operating activities before taxes	**284,043**	-	**6,572**	**290,615**
Income taxes and other taxes paid	(30,601)			(30,601)
Net cash flows from continuing operating activities	**253,442**	-	**6,572**	**260,014**
Net cash flows from discontinued operating activities	**17,123**		**(6,572)**	**10,551**
Cash flows from continuing investing activities				
Investments in subsidiaries and associates	(344)			(344)
Acquisitions during the period	9,151			9,151
Income from subsidiary disposal	15,392			15,392
Dividends received	560			560
Purchases of fixed and intangible assets	(42,738)		46	(42,692)
Disposals of fixed and intangible assets	6,318			6,318
Net (increase)/decrease in investement securities	(248,452)		(6,801)	(255,253)
Net cash flows from continuing investing activities	**(260,113)**	**-**	**(6,755)**	**(266,868)**
Net cash flows from discontinued investing activities	**178**		**6,755**	**6,933**
Cash flows from continuing financing activities				-
Repayments of debt securities in issue and other borrowed funds	(89,451)			(89,451)
(Purchases)/sales of hybrid securities	(467)			(467)
Net cash flows from continuing financing activities	**(89,918)**	**-**	-	**(89,918)**
Effect of exchange rate differences on cash and cash equivalents	1,843			1,843
Net increase/(decrease) in cash flows – continuing activities	**(94,746)**	**-**	**(183)**	**(94,929)**
Net increase/(decrease) in cash flows – discontinued activities	**17,301**		**183**	**17,484**
Cash and cash equivalents at the beginning of the period	**1,194,244**			**1,194,244**
Cash and cash equivalents at the end of the period	**1,116,799**			**1,116,799**

During the current period the Group completed the valuation of the net assets of Asmita Gardens SRL, which the Group acquired in the second quarter of 2015. The adjustments to the temporary fair values were recognized retrospectively as if the accounting treatment of the acquisition had been completed at the acquisition date. Therefore on 31.12.2015 the figures of the Balance Sheet were modified as depicted below:

Interim Consolidated Balance Sheet

(Amounts in thousands of Euro)

	31.12.2015		
	Published amounts	Finalization of the accounting treatment of Asmita Gardens SLR	Restated amounts
ASSETS			
Cash and balances with Central Banks	1,730,327		1,730,327
Due from banks	1,976,273		1,976,273
Trading securities	2,779		2,779
Derivative financial assets	793,015		793,015
Loans and advances to customers	46,186,116		46,186,116
Investment securities			
- Available for sale	5,794,484		5,794,484
- Held to maturity	79,709		79,709
- Loans and receivables	4,289,482		4,289,482
Investments in associates and joint ventures	45,771		45,771
Investment property	623,662		623,662
Property, plant and equipment	860,901		860,901
Goodwill and other intangible assets	342,251	2,900	345,151
Deferred tax assets	4,398,176		4,398,176
Other assets	1,510,225	(1,592)	1,508,633
	68,633,171	1,308	68,634,479
Assets held for sale	663,063		663,063
Total Assets	**69,296,234**	**1,308**	**69,297,542**
LIABILITIES			
Due to banks	25,115,363		25,115,363
Derivative financial liabilities	1,550,529		1,550,529
Due to customers (including debt securities in issue)	31,434,266		31,434,266
Debt securities in issue and other borrowed funds	400,729		400,729
Liabilities of current income tax and other taxes	38,192		38,192
Deferred tax liabilities	20,852		20,852
Employee defined benefit obligations	108,550		108,550
Other liabilities	910,622	1	910,623
Provisions	296,014	2,444	298,458
	59,875,117	2,445	59,877,562
Liabilities related to assets held for sale	366,781		366,781
Total Liabilities	**60,241,898**	**2,445**	**60,244,343**
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	461,064		461,064
Share premium	10,790,870		10,790,870
Reserves	301,223	(1,137)	300,086
Amounts recognized directly in equity for held for sale items	8,834		8,834
Retained earnings	(2,546,885)		(2,546,885)
	9,015,106	**(1,137)**	**9,013,969**
Non-controlling interests	**23,998**		**23,998**
Hybrid securities	**15,232**		**15,232**
Total Equity	**9,054,336**	**(1,137)**	**9,053,199**
Total Liabilities and Equity	**69,296,234**	**1,308**	**69,297,542**

29. Events after the balance sheet date

a. On 14.7.2016 the Bank, as a result of relative restructuring agreement of the company Dias Aquaculture ABEE, acquired additional shares of Selonda Aquacultures AEGE, from the share capital increase, conducted by contribution in kind of all the assets and part of the liabilities of company Dias Aquaculture SA to the company Selonda Aquacultures AEGE. Therefore, the Bank's share in the latter changed from 23.01% to 21.97%. The Bank, which identified at zero the fair value of the shares acquired, intends to dispose all of its shares of Selonda Aquacultures AEGE in the near future.

b. On 22.7.2016 the Bank covered, proportionally to its share, the increase in the share capital of the joint venture Aktua Hellas Holding SA, by paying the amount of € 570 thousand.

c. On 29.7.2016 the Bank's subsidiary, Alpha Group Investments Ltd, acquired the 50% of shares of the company AEP Elaiona, for an amount of € 11.9 million.

d. On 2.8.2016, the Bank covered, proportionally to its share, the increase in the share capital of the joint venture Alpha TANEO AKES by paying the amount of € 90 thousand.

e. Following the evaluation of the Binding Offers, submitted by investors in the context of a process to acquire the majority stake in the share capital of Ioniki Hotel Enterprises AE, on 5.8.2016 it was announced by the Group that a consortium comprised of Tourism Enterprises of Messinia S.A. and D-Marine Investments Holding B.V. was selected as the preferred bidder. Alpha Bank has entered into exclusive discussions with the preferred bidder for the completion of the Process.

f. On 22.8.2016 the Bank proceeded to the acquisition of 97.27% of shares of Ioniki Hotel Enterprises A.E. from the related companies Alpha Group Investments Ltd, Ionian Equity Participations Ltd, Ionian Holding A.E., Oceanos A.T.O.E.E. and Alpha Supporting Services A.E. by 89.77%, 1.87%, 1.87%, 1.87% and 1.87% respectively in the context of the internal restructuring plan of the portfolio of Group Alpha Bank in order to service the business initiatives and under the agreed with the best practices terms which are followed in similar transactions.

Athens, 30 August 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER	THE ACCOUNTING AND TAX MANAGER
VASILEIOS T. RAPANOS **ID. No. AI 666242**	**DEMETRIOS P. MANTZOUNIS** **ID. No. I 166670**	**VASSILIOS E. PSALTIS** **ID. No. AI 666591**	**MARIANNA D. ANTONIOU** **ID. No. X 694507**

Independent Auditors’ Report on Review of Interim Financial Information

(Translated from the original in Greek)

To the Shareholders of
ALPHA BANK A.E.

Introduction

We have reviewed the accompanying balance sheet of ALPHA BANK A.E. (the “Bank”) as of 30 June 2016 and the related statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, which comprise the condensed interim financial information and which forms an integral part of the six-month financial report of article 5 of Law 3556/2007. The Bank’s management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34 “Interim Financial Reporting”.

Athens, 30 August 2016

KPMG Certified Auditors AE
AM SOEL 114

Nikolaos Vouniseas	Ioannis Achilas
Certified Auditor Accountant	Certified Auditor Accountant
AM SOEL 18701	AM SOEL 12831

Interim Financial Statements as at 30.6.2016

Interim Income Statement

(Amounts in thousands of Euro)

	Note	From 1 January to 30.6.2016	30.6.2015*
Interest and similar income		1,217,793	1,323,095
Interest expense and similar charges		(394,512)	(538,633)
Net interest income		823,281	784,462
Fee and commission income		152,019	158,797
Commission expense		(20,210)	(27,886)
Net fee and commission income		131,809	130,911
Dividend income	2	75,756	1,123
Gains less losses on financial transactions	3	48,850	(29,780)
Other income		5,111	8,728
		129,717	(19,929)
Total income		**1,084,807**	**895,444**
Staff costs		(197,364)	(200,018)
General administrative expenses	4	(194,496)	(185,532)
Depreciation and amortization		(35,276)	(34,144)
Other expenses		(7,677)	(1,685)
Total expenses		**(434,813)**	**(421,379)**
Impairment losses and provisions to cover credit risk	5	(520,732)	(1,966,693)
Negative goodwill from the acquisition of Diners	26		48,237
Profit/(Loss) before income tax		**129,262**	**(1,444,391)**
Income tax	6	(4,720)	335,829
Profit/(Loss) after income tax from continuing operations		**124,542**	**(1,108,562)**
Profit/(Loss) after income tax from discontinued operations	25	233	(89,319)
Profit/(loss), after income tax		**124,775**	**(1,197,881)**
Earnings/(losses) per share:			
Basic and diluted (€ per share)	7	0.08	(4.69)
Basic and diluted from continuing operations (€ per share)	7	0.08	(4.34)
Basic and diluted from discontinued operations (€ per share)	7	0.0002	(0.3497)

* *The figures for the comparative period for the Interim Income Statement have been restated due to modification of the presentation of figures related to the loyalty Bonus card program and the finalization of the Bank's Branch in Bulgaria transfer terms (note 28).*

The attached notes (pages 86-123) form an integral part of these interim financial statements

Interim Balance Sheet

(Amounts in thousands of Euro)

	Note	30.6.2016	31.12.2015
ASSETS			
Cash and balances with Central Banks		707,286	698,730
Due from banks		3,371,308	3,406,859
Trading securities	9	1,234	1,888
Derivative financial assets		841,878	794,471
Loans and advances to customers	8	40,988,044	41,558,014
Investment securities			
- Available for sale	9	4,612,746	4,890,891
- Held to maturity	9	9,379	2,823
- Loans and receivables	9	3,683,411	4,289,482
Investments in subsidiaries, associates and joint ventures	10	2,061,023	2,087,386
Investment property	11	28,301	28,813
Property, plant and equipment	12	684,299	691,847
Goodwill and other intangible assets	13	322,063	299,821
Deferred tax assets		4,401,490	4,372,486
Other assets		1,501,852	1,421,770
		63,214,314	64,545,281
Assets held for sale	25	117,100	447,601
Total Assets		**63,331,414**	**64,992,882**
LIABILITIES			
Due to banks	14	23,824,225	25,170,637
Derivative financial liabilities		1,673,975	1,556,555
Due to customers		27,689,554	27,733,679
Debt securities in issue and other borrowed funds	15	338,954	406,231
Liabilities of current income tax and other taxes		11,621	21,108
Employee defined benefit obligations	16	84,939	105,816
Other liabilities		834,722	831,557
Provisions	17	413,182	410,446
		54,871,172	56,236,029
Liabilities related to assets held for sale	25		338,820
Total Liabilities		**54,871,172**	**56,574,849**
EQUITY			
Share capital	18	461,064	461,064
Share premium		10,790,870	10,790,870
Reserves		71,754	153,631
Retained earnings	18	(2,863,446)	(2,987,532)
Total Equity		**8,460,242**	**8,418,033**
Total Liabilities and Equity		**63,331,414**	**64,992,882**

The attached notes (pages 86-123) form an integral part of these interim financial statements

Interim Statement of Comprehensive Income

(Amounts in thousands of Euro)

		From 1 January to	
	Note	30.6.2016	30.6.2015
Profit/(Loss), after income tax, recognized in the Income Statement		**124,775**	**(1,197,881)**
Other comprehensive income recognized directly in Equity:			
Amounts that may be reclassified to the Income Statement			
Net change in available for sale securities' reserve	6	13,470	(412,125)
Net change in cash flow hedge reserve	6	(128,790)	63,792
Income tax	6	33,443	90,560
Amounts that may be reclassified to the Income Statement	6	**(81,877)**	**(257,773)**
Total comprehensive income recognized directly in Equity, after income tax		**(81,877)**	**(257,773)**
Total comprehensive income for the period, after income tax		**42,898**	**(1,455,654)**
Total comprehensive income for the period after income tax attributable to:			
Equity owners of the Bank			
- from continuing operations		42,665	(1,366,335)
- from dicontinued operations		233	(89,319)

The attached notes (pages 86-123) form an integral part of these interim financial statements

Interim Statement of Changes in Equity

(Amounts in thousands of Euro)

	Note	Share Capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2015		**3,830,718**	**4,858,216**	**53,351**	**(1,921,112)**	**6,821,173**
Changes for the period 1.1 - 30.6.2015						
Profit for the period, after income tax					(1,197,881)	(1,197,881)
Other comprehensive income recognized directly in Equity, after income tax	6			(257,773)		(257,773)
Total comprehensive income for the period, after income tax		-	-	**(257,773)**	**(1,197,881)**	**(1,455,654)**
Balance 30.6.2015		**3,830,718**	**4,858,216**	**(204,422)**	**(3,118,993)**	**5,365,519**
Changes for the period 1.7 - 31.12.2015						
Profit for the period, after income tax					165,605	165,605
Other comprehensive income recognized directly in Equity, after income tax				358,053	3,101	361,154
Total comprehensive income for the period, after income tax		**-**	**-**	**358,053**	**168,706**	**526,759**
Decrease of common shares nominal value		(3,754,104)	3,754,104			-
Share capital increase paid in cash		232,825	1,319,344			1,552,169
Share capital increase through capitalization of financial receivables		151,625	859,206			1,010,831
Share capital increase expenses, after income tax					(43,506)	(43,506)
Effect due to change of the income tax rate for share capital increase expenses					6,261	6,261
Balance 31.12.2015		**461,064**	**10,790,870**	**153,631**	**(2,987,532)**	**8,418,033**

(Amounts in thousands of Euro)

	Note	Share Capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2016		**461,064**	**10,790,870**	**153,631**	**(2,987,532)**	**8,418,033**
Changes for the period 1.1 - 30.6.2016						
Profit for the period, after income tax					124,775	124,775
Other comprehensive income recognized directly in Equity, after income tax	6			(81,877)		(81,877)
Total comprehensive income for the period, after income tax		-	-	**(81,877)**	**124,775**	**42,898**
Share capital increase expenses, after income tax					(689)	(689)
Balance 30.6.2016		**461,064**	**10,790,870**	**71,754**	**(2,863,446)**	**8,460,242**

The attached notes (pages 86-123) form an integral part of these interim financial statements

Interim Statement of Cash Flows

(Amounts in thousands of Euro)

	Note	From 1 January to 30.6.2016	30.6.2015
Cash flows from continuing operating activities			
Profit/(Loss) before income tax		129,262	(1,444,391)
Adjustments for gains/(losses) before income tax for:			
Depreciation/ impairment of fixed assets	11.12	16,034	16,232
Amortization of intangible assets	13	19,242	17,912
Impairment losses from loans, provisions and staff leaving indemnity		500,914	1,979,720
Impairment of investments		29,363	(48,237)
(Gains)/losses from investing activities		(109,402)	61,824
(Gains)/losses from financing activities		29,913	52,422
		615,326	**635,482**
Net (increase)/decrease in Assets relating to continuing operating activities:			
Due from banks		123,361	937,465
Trading securities and derivative financial assets		(46,753)	221,853
Loans and advances to customers		63,078	(1,716,218)
Other assets		(7,883)	(78,676)
Net increase/(decrease) in Liabilities relating to continuing operating activities:			
Due to banks		(1,349,563)	10,925,398
Derivative financial liabilities		(11,370)	(59,018)
Due to customers		(47,253)	(10,530,923)
Other liabilities		836	(75,678)
Net cash flows from continuing operating activities before taxes		**(660,221)**	**259,685**
Income taxes and other taxes paid		(9,486)	(24,940)
Net cash flows from continuing operating activities		**(669,707)**	**234,745**
Net cash flows from discontinued operating activities		**(17,434)**	**17,496**
Cash flows from continuing investing activities			
Investments in subsidiaries, associates and joint ventures		(69,771)	6,741
Acquisitions of the Retail Banking operations of Citibank			10,046
Dividends received		5,116	1,409
Acquisitions of fixed and intangible assets		(53,883)	(33,866)
Disposals of fixed and intangible assets		892	1,102
Net (increase)/decrease in investment securities		865,799	(605,182)
Net cash flows from continuing investing activities		**748,153**	**(619,750)**
Net cash flows from discontinued investing activities		**(9,906)**	**(195)**
Cash flows from continuing financing activities			
Share capital increase expenses		(970)	
Repayments of debt securities in issue and other borrowed funds		(87,622)	(72,427)
Net cash flows from continuing financing activities		**(88,592)**	**(72,427)**
Effect of exchange rate differences on cash and cash equivalents		(418)	1,153
Net increase/(decrease) in cash flows from continuing operating activities		**(10,564)**	**(456,279)**
Net increase/(decrease) in cash flows from discontinued operating activities		**(27,340)**	**17,301**
Cash and cash equivalents at the beginning of the period		**765,248**	**1,223,029**
Cash and cash equivalents at the end of the period		**727,344**	**784,051**

The attached notes (pages 86-123) form an integral part of these interim financial statements

Notes to the Interim Financial Statements

GENERAL INFORMATION

The Bank A.E. operates under the brand name of Alpha Bank A.E. using the sign of ALPHA BANK.The Bank's registered office is 40 Stadiou Street, Athens and is listed in the General Commercial Register with registration number 223701000 (ex societe anonyme registration number 6066/06/B/86/05). The Bank's duration is until 2100 but may 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.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 27.6.2014 expires in 2018.

The Board of Directors as at 30.6.2016 consists of:

CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

VICE CHAIRMAN (Non Executive Independent Member)

Pavlos A. Apostolides **/****

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO)
Artemios Ch. Theodoridis
George C. Aronis

NON-EXECUTIVE MEMBERS

Efthimios O. Vidalis
Ioanna E. Papadopoulou ****

NON-EXECUTIVE INDEPENDENT MEMBERS

Evangelos J. Kaloussis */***
Ioannis K. Lyras */**
Ibrahim S. Dabdoub **
Shahzad A. Shahbaz ***/****
Jan A. Vanhevel */***

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

Marica S. Ioannou - Frangakis

NON-EXECUTIVE MEMBER
(in accordance with the requirements of Law 3864/2010)

Panagiota S. Iplixian */**/***/****

SECRETARY

George P. Triantafyllides

At its meeting held on 28.7.2016, the Board of Directors of Alpha Bank elected Mr. Richard R. Gildea as Member of the Board of Directors of the Bank, for the remainder of its tenure, in replacement of Mrs Ioanna E. Papadopoulou who resigned.

* *Member of the Audit Committee*
** *Member of the Remuneration Committee*
*** *Member of the Risk Management Committee*
**** *Member of Corporate Governance and Nominations Committee*

The Ordinary General Meeting of Shareholders of 30.6.2016 has appointed for the fiscal year 2016 KPMG Certified Auditors A.E. as Certified auditors of the Bank, by the following:

a. Principal Auditors: Nikolaos E. Vouniseas
John A. Achilas

b. Substitute Auditors: Michael A. Kokkinos
Anastasios E. Panayides

The Bank's shares are listed in the Athens Stock Exchange since 1925 and are ranked among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, the FTSE All World, the Stoxx Europe 600 and FTSE Med 100.

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).

Total common shares in issue as at 30 June 2016 were 1,536,881,200.

In Athens Stock Exchange are traded 1,367,706,054 common shares of the Bank, while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 169,175,146 common, registered, voting, paperless shares or percentage equal to 11.01% on the total of common shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

In addition, on the Athens Exchange there are 1,141,734,167 warrants that are traded each one incorporating the right of the holder to purchase 0,148173663047785 new shares owned by the HFSF.

During the first semester of 2016, the average daily volume per session for shares was €20,970,465 and for warrants €6,500.

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

- Moody's: Caa3
- Fitch Ratings: RD
- Standard & Poor's: SD (from 2.8.2016 CCC+)

According to Law 4374 published in 1 April 2016, the obligation to publish quarterly financial statements for the first and third quarter of the financial year, pursuant to the provisions of Article 6 of Law 3556/2007 before its amendment, was abolished.

Furthermore, according to No. 8/754/14.04.2016 decision of the Hellenic Capital Market Commission with subject "Special Topics Periodic Reporting according to Law. 3556/2007", the obligation to publish Data and Information arising from the quarterly and semi-annual financial statements, as previously stated by the No. 4/507/28.4.2009 decision of the Hellenic Capital Market Commission Board of Directors, was abolished.

The financial statements have been approved by the Board of Directors on 30 August 2016.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Bank has prepared the condensed interim financial statements as at 30.6.2016 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union. The financial statements have been prepared on the historical cost basis. As an exception, some assets and liabilities are measured at fair value. Those assets are mainly the following:

- Securities held for trading
- Derivative financial instruments
- Available for sale securities
- The convertible bond issued by the Bank which is included in "Debt securities in issue and other borrowed funds"

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

The accounting policies applied by the Bank in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2015, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2016:

- **Amendment to International Financial Reporting Standard 11** "Joint Arrangements": Accounting for acquisition of interests in joint operations (Regulation 2015/2173/24.11.2015)
- **Amendment to International Accounting Standard 1** "Presentation of Financial Statements": Disclosure Initiative (Regulation 2015/2406/18.12.2015)
- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 38** "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization (Regulation 2015/2231/2.12.2015)
- **Amendment to International Accounting Standard 16** "Property, Plant and Equipment" and **to International Accounting Standard 41** "Agriculture": Bearer Plants (Regulation 2015/2113/23.11.2015)
- **Amendment to International Accounting Standard 27** "Separate Financial Statements": Equity Method in Separate Financial Statements (Regulation 2015/2441/18.12.2015)
- **Improvements to International Accounting Standards – cycle 2012-2014** (Regulation 2015/2343/15.12.2015)

The adoption of the above amendments by the Bank, an analysis of which is presented in note 1.1 of the Financial Statements as at 31.12.2015, had no impact on its financial statements.

The adoption by the European Union, by 31.12.2016, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 1.1.2016, may affect retrospectively the periods presented in these interim financial statements.

1.2 Estimates, decision making criteria and significant sources of uncertainty

The Bank, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

Fair value of assets and liabilities

For assets and liabilities traded in active markets, the determination of their fair value is based on quoted, market prices. In all other cases the determination of fair value is based on valuation techniques that use observable market data to the greatest extent possible. In cases where there is no observable market data, the fair value is determined using data that are based on internal estimates and assumptions eg. determination of expected cash flows, discount rates, prepayment probabilities or potential counterparty default.

Impairment losses of financial assets

The Bank, when performing impairment tests on loans and advances to customers, makes estimates regarding the amount and timing of future cash flows. Given that these estimates are affected by a number of factors such as the financial position of the borrower, the net realizable value of any collateral or the historical loss ratios per portfolio, actual results may differ from those estimated. Similar estimates are used in the assessment of impairment losses of securities classified as available for sale or held to maturity.

Impairment losses of non – financial assets

The Bank, at each year end balance sheet date, assesses for impairment non – financial assets, and in particular property, plant and equipment, investment property, goodwill and other intangible assets, as well as its investments in subsidiaries, associates and joint ventures. Internal estimates are used to a significant degree to determine the recoverable amount of the assets, i.e. the higher between the fair value less costs to sell and the value in use.

Income Tax

The Bank recognizes assets and liabilities for current and deferred tax, as well as the related expenses, based on estimates concerning the amounts expected to be paid to or recovered from tax authorities in the current and future periods. Estimates are affected by factors such as the practical implementation of the relevant legislation, the expectations regarding the existence of future taxable profit and the settlement of disputes that might exist with tax authorities etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised may result in the adjustment of the amount of assets and liabilities for current and deferred tax and in tax payments other than those recognized in the financial statements of the Bank. Any adjustments are recognized within the year that they become final.

Employee defined benefit obligations

Defined benefit obligations are estimated based on actuarial valuations that incorporate assumptions regarding discount rates, future changes in salaries and pensions, as well as the return on any plan assets. Any change in these assumptions will affect the amount of obligations recognized.

Provisions and contingent liabilities

The Bank recognises provisions when it estimates that it has a present legal or constructive obligation that can be estimated reliably and it is almost certain that an outflow of economic benefits will be required to settle the obligation. In contrast, when it is probable that an outflow of resources will be required, or when the amount of liability cannot be measured reliably, the Bank does not recognise a provision but it provides disclosures for contingent liabilities, taking into consideration their materiality. The estimation for the probability of the outflow as well as for the amount of the liability are affected by factors which are not controlled by the Bank, such as court decisions, the practical implementation of the relevant legislation and the probability of default of the counterparty, for those cases which are related to the exposure to off-balance sheet items.

The estimates and judgments applied by the Bank in making decisions and in preparing the financial statements are based on historical information and assumptions which at present are considered appropriate. The estimates and judgments are reviewed on an ongoing basis in order to take into account current conditions, and the effect of any changes is recognized in the period in which the estimates are revised.

1.2.1 Going concern principle

The Bank applied the going concern principle for the preparation of the financial statements as at 30.6.2016. For the application of this principle, the Bank takes into consideration current economic developments in order to make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the adverse economic environment in Greece and abroad and to the liquidity levels of the Hellenic Republic and the banking system.

Specifically, the high degree of uncertainty that characterizes the internal economic environment in recent years, as a result of the prolonged recession of the Greek economy, led to a significant deterioration in the creditworthiness of corporate and individuals, to an increase of non performing loans and therefore to the recognition of significant impairment losses by the Bank and by the Greek banking system in general. Additionally, during the first semester of the previous year, the internal economic environment was adversely affected by the uncertainties that were created during the negotiations of the Hellenic Republic with the European Commission, the European Central Bank and the International Monetary Fund for the financing of the Hellenic Republic, a fact that led to significant outflows of deposits, to the imposition of capital controls and of a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. Capital controls remain in place until the date of approval of the financial statements, while the detailed provisions for their application are amended where appropriate by the adoption of a legislative act.

At the same time the liquidity needs of Greek banks continue to be mostly satisfied by the emergency liquidity mechanisms of the Bank of Greece.

The completion, in the third quarter of 2015, of the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy, led to an agreement for new financial support by the European Stability Mechanism. The agreement provided for the coverage of the financing needs of the Hellenic Republic for the medium-term period, under the condition that economic reforms are made, while additionally it provided for the allocation of resources to cover the recapitalization needs of the banks as a result of their assessment by the Single Supervisory Mechanism. With respect to the Bank specifically, a recapitalization of a total amount of € 2,563 million took place in the fourth quarter of 2015, exclusively from private funds, as further analyzed in note 39 of the annual financial statements as at 31.12.2015.

In June of the current year the first evaluation of the Hellenic Republic financial support program was completed and the partial disbursement of the second installment of the program, amounting to € 10.3 billion, was approved. The first disbursement of € 7.5 billion took place in June and covered the short-term public debt servicing needs as well as the clearance of part of amounts overdue by the Hellenic Republic. The remaining amount of € 2.8 billion is expected to be disbursed within the second semester of 2016, provided that a series of prerequisite actions are completed. The completion of the first evaluation and the disbursement of installments are expected to contribute to the enhancement of the real economy and the improvement of investment prospects. The above, combined with the continuation of reforms and the measures described in the Eurogroup statement for the enhancement of the sustainability of the Greek debt (note 1.2.2), are expected to contribute to the gradual improvement of the economic environment in Greece and to the return of the economy to positive growth rates.

In parallel to the above, the Bank, in the context of its strategy to address the issue of non performing loans, is taking a series of actions and initiatives, as specifically mentioned in the relevant section of the Board of Director's Semi-annual Management Report, which, combined with the changes in the legislative framework, are expected to contribute to the effective management of the non performing loans portfolio.

With regards to the liquidity levels and funding costs of the Bank and the banking system in general, they have been positively affected by the reinstatement of Greek government securities in the perimeter of collaterals accepted by the European Central Bank, by the reduction of the haircut applied on eligible collaterals and by the ability to transfer part of the securities issued by the European Financial Stability Fund that the Bank holds to the European Central Bank, as mentioned in note 9 of the financial statements.

Based on the above and taking into account the Group's high capital adequacy and the ability of the Bank to access the liquidity mechanisms of the eurosystem, the Bank estimates that the conditions for the application of the going concern principle for the preparation of its financial statements are met.

1.2.2 Estimation of the Bank's exposure to the Hellenic Republic

The Bank's total exposure to Greek Government securities and loans related to the Hellenic Republic has not changed significantly compared to what is stated in note 38.1 of the financial statements as at 31.12.2015. The main uncertainties regarding the estimations for the recoverability of the Bank's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

Following the successful outcome of the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy, which were completed with the signing of a relative agreement with the European Stability Mechanism on 19.8.2015, a three-year funding (which could amount to € 86 billion) was ensured, provided that specific commitments that relate to the achievement of specific financial targets and the implementation of reforms in the Greek economy will be respected. The financing agreement with the European Stability Mechanism is expected to cover the financing needs of the Hellenic Republic and in parallel to contribute to the growth of the Greek economy. In addition, it was agreed that upon the first positive assessment of the program, which was completed in June of the current year, measures will be taken for Greek debt relief in order to enhance its sustainability.

Pursuant to the above, in the Eurogroup of 9.5.2016 the framework based on which the sustainability of the Greek debt will be assessed was set. In the Eurogroup of 24.5.2016 the measures for the enhancement of the sustainability of the Greek debt were further specified, separately for the short, the medium and the long term. Based on this framework, under the baseline scenario, gross financing needs of the Hellenic Republic should remain below 15% of GDP during the post programme period for the medium term and below 20% of GDP thereafter. By taking these measures, the finalization of which is expected in subsequent meetings of the Eurogroup, it is estimated that the service capacity of the Greek debt will be improved.

Based on the above, the Bank has not recognized impairment losses on the Greek Government securities it holds as at 30.6.2016, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

1.2.3 Recoverability of deferred tax assets

The Bank recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized. The amount of deferred tax assets recognized in the financial statements as at 30.6.2016 has not changed significantly compared with the corresponding amount of 31.12.2015. Therefore, what is stated in note 1.29.3 of the annual financial statements of 31.12.2015, regarding the main categories of deferred tax assets recognized is also applicable to these financial statements. In addition, with regards to the methodology applied for the assessment of recoverability of deferred tax assets, what is stated in the above note of the annual financial statements applies, taking also into account the factors that formulated the results of the first semester of the current year.

INCOME STATEMENT

2. Dividend income

	From 1 January to	
	30.6.2016	30.6.2015
Available for sale securities	449	405
Subsidiaries and associates	75,307	718
Total	**75,756**	**1,123**

On 30.6.2016 the Bank proceeded to the accounting of dividends whose distribution has been approved by the Ordinary General Meetings of its subsidiaries.

3. Gains less losses on financial transactions

	From 1 January to	
	30.6.2016	30.6.2015
Foreign exchange differences	10,613	(3,360)
Trading securities:		
- Bonds	515	1,435
Investment securities		
- Bonds	12,412	(123,531)
- Shares	61,273	(458)
- Other securities	(1,143)	
Loans and receivables	10,876	
Investments	(34,279)	4,851
Derivative financial instruments	(19,586)	41,996
Other financial instruments	8,169	49,287
Total	**48,850**	**(29,780)**

On June 21, 2016, Visa Inc. completed the acquisition of Visa Europe. According to the relevant contract (as amended on 10.05.2016), at the date of completion of the transaction, Visa Inc. purchased from Visa Europe's members the shares they held due to their membership. The price for this acquisition consists of:

i. The payment of a total amount of € 12.25 billion upon completion of the transaction.

ii. The distribution of preferred shares.

iii. The payment of the amount of € 1 billion on the third anniversary of the closing of the transaction plus interest.

The calculation of the transaction price was based on Visa Europe's net revenue contributed by each member for a specific period of time.

In this context, during the second quarter of the current period the Bank recognized as gains less losses on financial transactions the amount of € 44.9 million. This amount consists of the cash received at the closing of the transaction and the recognition of the present value of the deferred payment on the third anniversary.

In addition, the Bank recognized during the year the preference shares of Visa Inc. acquired iunder with the transaction. These shares, which were classified as available for sale portfolio, were recognized at a fair value of € 13.2 million and recorded in caption "Gains less losses on financial transactions".

4. General administrative expenses

	From 1 January to	
	30.6.2016	30.6.2015
Operating leases for buildings	15,875	16,734
Rent and maintenance of EDP equipment	9,569	9,068
EDP expenses	12,391	11,419
Marketing and advertisement expenses	9,084	8,143
Telecommunications and postage	10,094	8,295
Third party fees	13,560	15,244
Consultants fees	2,701	2,648
Contribution to the Deposit Guarantee Fund / Investments Fund and Solvency Fund	25,679	16,325
Insurance	4,949	3,368
Consumables	2,133	2,049
Electricity	3,635	4,665
Taxes (VAT, real estate etc)	27,668	29,078
Services from collection agencies	12,760	9,129
Building and equipment maintenance	2,648	2,742
Security	4,071	4,332
Cleaning fees	1,568	1,610
Other	36,111	40,683
Total	**194,496**	**185,532**

On 23.7.2015 Law 4335/2015, incorporated the European Directive 2014/59 into Greek law to establish a framework for the recovery and resolution of credit institutions and investment entities. In particular, the Resolution Scheme of Hellenic Deposit and Investment Guarantee Fund (HDIGF) is defined as the National Resolution Fund which within ten years (until 31 December 2024) should gradually, create a reserve equal to at least 1% of the deposits guaranteed by the HDIGF. From 1.1.2016, the Single Resolution Mechanism (SRM) is responsible for the resolution of credit institutions established in country-member states of the Eurozone. It operates in cooperation with the Single Resolution Fund (SRF), which will cover the resolution costs of non-sustainable credit institutions.

According to Law 4335/2015 (Article 98), credit institutions authorized to operate in Greece, including branches operating in third countries, should make at least an annual contribution to the Resolution Fund. According to Law 4370/2016 (Article 36), in case a credit institution enters the Resolution Fund or another ceases its participation in it during the fiscal year, the credit institution is still for its regular contribution for the fiscal year in proportion to the time of its operation. In addition with law 4370/2016, the Directive 2014/49 / EU of the European Parliament and the Decision of the Council of 16 April 2014 was incorporated into Greek law which enacts the same rules for all Deposit Guarantee Schemes intended to provide a uniform level of protection to all EU depositors and to ensure the same level of stability as regards the DGS.

The Single Resolution Board, determined that the 2016 contribution for credit institutions may provide irrevocable payment commitments amounting up to 15% of their total obligation which for the Bank amounts to €21 million. These irrevocable payment commitments have to be fully covered by cash collateral. On 20.05.2016, the Bank signed a contract with the Single Resolution Board to provide irrevocable payment commitment and establish the necessary cash collateral for the 2016 contribution.

General Administrative Expenses of the first semester of 2015 did not have such contribution.

5. Impairment losses and provisions to cover credit risk

	From 1 January to	
	30.6.2016	30.6.2015
Impairment losses on loans and advances to customers (note 8)	526,803	1,972,610
Provisions to cover credit risk relating to off balance sheet items (note 17)	3,210	4,725
Recoveries	(9,281)	(10,642)
Total	**520,732**	**1,966,693**

The first semester of 2016 significantly burdened from the recognition of impairment losses for Group of companies, taking into account the conditions, the ongoing developments and the proposals made for the restructuring of loans until the publication of the financial statements as at 30 June 2016.

Respectively, the a' semester of 2015 was burdened with significant impairment losses, after taking into consideration the special conditions that existed in the Greek economy and affected the recoverability estimations of the loan portfolio, in the respected period and until the date of the publication of the 30.6.2015 financial statements.

6. Income tax

In accordance with Article 1 par 4 of Law 4334/2015 "Urgent prerequisites for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)" the corporate income tax rate for legal entities increased from 26% to 29%. The increased rate will apply for profits arising in fiscal years commencing on or after 1 January 2015 without on the absence of an explicit definition in the law regarding the retrospective application of income tax rate for profits of fiscal year 2014.

In accordance with article 65A of Law 4174/2013, from 2011 the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme, are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within 10 days from the submission of the corporate income tax return, as well as electronically to the Ministry of Finance, no later than 10 days following the date of the approval of the financial statements from the Ordinary Shareholders General Meeting. In accordance with article 56 of Law 4410/3.8.2016 for the fiscal years from 1.1.2016, the issuance of tax certificate is rendered optional.

For fiscal years 2011 up to 2014 the tax audit of the Bank has been completed and the Bank has received tax certificate without any qualifications, whereas for year 2015 the tax audit has been completed and the Bank is expected to receive tax certificate without any qualifications.

Income tax expense is analyzed as follows:

	From 1 January to	
	30.6.2016	30.6.2015
Deferred tax	4,720	(335,829)
Total	**4,720**	**(335,829)**

Deferred tax recognized in the income statement is attributable to temporary differences, the effect of which is analyzed in the table below:

	From 1 January to	
	30.6.2016	**30.6.2015**
Debit difference of Law 4046/2012	22,277	19,973
Depreciation and write-offs of fixed assets	6,610	4,453
Valuation/impairment of loans	(57,910)	(386,024)
Valuation of loans due to hedging	(640)	(550)
Employee defined benefit obligations and insurance funds	25,185	17,095
Valuation of derivatives	(6,054)	14,012
Effective interest rate	(279)	(832)
Fair value change of liabilities to credit institutions and other borrowed funds due to fair value hedge	3,471	(2,433)
Valuation of investments	(20,243)	(4,947)
Valuation/impairment of bonds and other securities	13,506	18,281
Tax losses carried forward	23,965	(29,577)
Other temporary differences	(5,168)	14,720
Total	**4,720**	**(335,829)**

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

	From 1 January to			
	30.6.2016		30.6.2015	
	%		%	
Profit/(loss) before income tax		**129,262**		**(1,444,391)**
Income tax (nominal tax rate)	29	37,486	26	(375,542)
Increase/(decrease) due to:				
Non taxable income	(25.51)	(32,974)	0.08	(1,153)
Non deductible expenses	0.72	932	(2.76)	39,848
Other tax adjustments	(0.56)	(724)	(0.07)	1,018
Income tax	**3.65**	**4,720**	**23.25**	**(335,829)**

According to article 5 of Law 4303/17.10.2014 "Ratification of the Legislative Act "Emergency legislation to replenish the General Secretary of Revenue upon early termination of office" (A 136) and other provisions", deferred tax assets of legal entities supervised by the Bank of Greece, under article 26 paragraphs 5, 6 and 7 of Law 4172/2013 that have been or will be recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other general losses due to credit risk, with respect to existing amounts up to 31 December 2014, are converted into final and settled claims against the State, if, the accounting result for the period, after taxes is a loss according to the audited and approved financial statements by the Ordinary Shareholders' General Meeting.

The inclusion in the Law is implemented by the General Meeting of Shareholders, related to tax assets from 2016 onwards, whereas it is envisaged the end of inclusion in the law with the same procedure and after obtaining relevant approval from the Regulatory Authority.

According to article 4 of Law 4340/01.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of Finance" the above were amended regarding the time of the application which is postponed for a year. In addition, the amount of deferred tax asset which is included to the same legislation is limited to the amount related to the debit charge of PSI and provisions for credit risk, which were accounted until 30 June 2015. Furthermore, it is clarified that in cases of conversion of deferred tax assets into a final and a settled claim against the Greek State the “resolution process” of credit institutions is not included.

Dated June 30, 2016 the amount of deferred tax assets which is estimated to be within the scope of the aforementioned Law is €3,364,080 (31.12.2015: €3,386,356).

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	30.6.2016			30.6.2015		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Net change in available for sale securities' reserve	13,470	(3,906)	9,564	(412,125)	107,146	(304,979)
Net change in cash flow hedge reserve	(128,790)	37,349	(91,441)	63,792	(16,586)	47,206
Total	**(115,320)**	**33,443**	**(81,877)**	**(348,333)**	**90,560**	**(257,773)**

During the first semester of 2016, "Retained earnings" includes tax amounting to € 281 arising from the share capital increase expenses which were recognized in the same account and relates to the share capital increase which took place during 2015.

7. Earnings/(losses) per share

a. Basic

Basic earnings/(losses) per share are calculated by dividing the profit/(losses) after income tax attributable to ordinary equity owners of the Bank, by the weighted average number of outstanding ordinary shares of the period, after deducting the weighted average number of treasury shares held by the Bank during the same period.

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to the presumed conversion amount of all dilutive potential ordinary shares. The Bank does not have any dilutive potential ordinary shares and in addition, based on the issuance terms of the convertible bond loan with Credit Agricole S.A., basic and dilutive earnings/(losses) per share should not differ.

	From 1 January to	
	30.6.2016	30.6.2015
Profit/(loss) attributable to Equity owners of the Bank	**124,775**	**(1,197,881)**
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) per share (in €)	0.08	(4.69)

	From 1 January to	
	30.6.2016	30.6.2015
Profit/(loss) from continuing operations attributable to Equity owners of the Bank	**124,542**	**(1,108,562)**
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) per share (in €)	0.08	(4.34)

	From 1 January to	
	30.6.2016	30.6.2015
Profit/(loss) from discontinued operations attributable to Equity owners of the Bank	**233**	**(89,319)**
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) per share (in €)	0.0002	(0.3497)

The weighted average number of the ordinary shares as at 30.6.2015, has been retrospectively restated from the beginning of the year, after the decrease of the total number of shares due to the merger in proportion of 50 voting common shares of old nominal value to 1 voting common share of new nominal value which took place on November 2015.

ASSETS

8. Loans and advances to customers

	30.6.2016	31.12.2015
Individuals		
Mortgages		
- Non-securitized	16,335,508	16,589,955
Consumer:		
- Non-securitized	3,552,262	3,448,236
- Securitized	1,243,419	1,299,934
Credit cards:		
- Non-securitized	655,297	653,766
- Securitized	544,701	565,583
Total	**22,331,187**	**22,557,474**
Companies:		
Corporate loans:		
- Non-securitized	26,373,308	26,275,219
- Securitized	1,997,082	2,126,179
Other receivables	292,534	376,383
	50,994,111	**51,335,255**
Less:		
Allowance for impairment losses [1]	(10,006,067)	(9,777,241)
Total	**40,988,044**	**41,558,014**

The Bank has proceeded in securitization of consumer, corporate loans and credit cards through special purpose entities controlled by them.

Additionally, in 2014, the Bank proceeded in securitizing shipping loans by transferring the loans to the special purpose entity, Alpha Shipping Finance Ltd.

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 owing the bonds issued by the special purpose entities), the Bank retained in all cases the risks and rewards deriving from the securitized portfolios.

The Bank has proceeded on 8.7.2015 in the cancelation of an amount of € 3.75 billion of covered bonds that had issued, secured by mortgage loans. As at 30.6.2016, the balance of the covered bonds amounts to € 5 million (note 15). The value of mortgage loans provided as coverage for these bonds amounts to € 16.7 million.

[1] *In addition to the allowance of impairment losses regarding loans and advances to customers, a provision of € 298,203 (31.12.2015: € 294,993) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to € 10,304,270 (31.12.2015: € 10,072,234).*

Allowance for impairment losses

Balance 1.1.2015	**6,944,450**
Changes for the period 1.1 - 30.6.2015	
Impairment losses for the period from continuing operations (note 5)	1,972,610
Impairment losses for the period from discontinued operations	174
Transfer of accumulated provisions to assets held for sale	(110,626)
Change in present value of impairment losses from continuing operations	215,326
Change in present value of impairment losses from discontinued operations	1,435
Foreign exchange differences	8,678
Loans written-off during the period	(101,198)
Balance 30.6.2015	**8,930,849**
Changes for the period 1.7 - 31.12.2015	
Impairment losses for the period from continuing operations	721,391
Transfer of accumulated provisions from assets held for sale	6,936
Change in present value of impairment losses from continuing operations	259,607
Foreign exchange differences	219
Loans written-off during the period	(141,761)
Balance 31.12.2015	**9,777,241**
Changes for the period 1.1 - 30.6.2016	
Impairment losses for the period (note 5)	526,803
Transfer of accumulated provisions to assets held for sale	(100,000)
Change in present value of impairment losses	217,243
Foreign exchange differences	(893)
Loans written-off during the period	(414,327)
Balance 30.6.2016	**10,006,067**

9. Trading and investment securities

a. Trading securities

Securities held for trading amounted to € 1.2 million on 30.6.2016 (31.12.2015: € 1.9 million) out of which Greek government bonds € 1.2 million (31.12.2015: € 1.9 million).

b. Available for sale

The available for sale portfolio amounted to € 4.6 billion as at 30.6.2016 (31.12.2015: € 4.9 billion). These amounts include securities issued by the Greek State amounted to € 3.6. billion as at 30.6.2016 (31.12.2015: € 3.8 billion) out of which € 1.8 billion (31.12.2015: € 2.1 billion) related to Greek Government treasury bills.

The Bank during the first semester of 2016 has recognized impairment losses for shares amounting to € 1,314 and for mutual funds amounting to € 1,143 which are included in caption "Gains less losses on financial transactions".

c. Held to maturity

The held to maturity portfolio amounts to € 9.4 million as at 30.6.2016 (31.12.2015: € 2.8 million).

d. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (E.F.S.F.) at a nominal value of € 3,960,544 received by the Bank as a result of the share capital increase which was completed on 6.6.2013 and of nominal value of € 284,628 which were transferred to the Bank from the Hellenic Financial Stability Fund for the undertaking of customer deposits from the former Cooperative Banks of West Macedonia, Evia and Dodecanese in December 2013.

These bonds under the original contract could only be used as collateral to obtain liquidity from the Eurosystem or from interbank counterparties in repo agreements. In April 2016 the subscription agreement between the European Financial Stability Fund (EFSF), the Hellenic Financial Stability Fund (HFSF) and the Bank was revised. The revision refers to the terms of use of the above bonds. The revision states that the Bank may participate with the EFSF bonds in the purchase programme, conducted by ECB, for the bonds issued by central governments, special bodies-securities issuers and European supranational institutions of the Eurozone (Public Sector Purchase Programme - PSPP). According to the ECB's decision, a total up to 50% of each EFSF issue can be purchased until the completion of the program in March 2017. During the first semester of 2016, the Bank conducted sale transactions of EFSF securities at a nominal value of € 595 million, under the PSPP program.

The total book value of these bonds on 30.6.2016 was € 3.7 billion. (31.12.2015: € 4.3 billion.).

10. Investments in subsidiaries, associates and joint ventures

	1.1-30.6.2016	1.7-31.12.2015	1.1-30.6.2015
SUBSIDIARIES			
Opening balance	**2,017,859**	**2,011,693**	**2,015,422**
Additions	69,720	35,000	33,955
Disposals			(41,113)
Transfer due to reclassification to assets held for sale	(35,245)	(26,753)	
Valuation of investments due to fair value hedge [(1)]	(4,916)	(2,081)	3,429
Closing balance	**2,047,418**	**2,017,859**	**2,011,693**
ASSOCIATES			
Opening balance	**631**	**631**	**631**
Closing balance	**631**	**631**	**631**
JOINT VENTURES			
Opening balance	**68,896**	**56,930**	**56,636**
Additions	6,022	11,966	344
Disposals			(50)
Transfer due to reclassification to assets held for sale	(61,944)		
Closing balance	**12,974**	**68,896**	**56,930**
Total	**2,061,023**	**2,087,386**	**2,069,254**

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.

The additions in subsidiaries amounting to € 69,720 relate to the participation of the Bank to the share capital increase of its subsidiary company Alpha Group Investments Ltd. (note 27).

The transfer of subsidiary due to reclassification to assets held for sale amounting to € 35,245 relates to the subsidiary APE Fixed Assets A.E. which on 30.6.2016 met the conditions required by IFRS 5, as presented in detail in note 25.

The additions in joint ventures amounting to € 6,022 relate to:

a. € 5,926 to the joint venture Aktua Hellas Holdings AE with costs related with its establishment.
b. € 45 to the participation of the Bank to the share capital increase of the same joint venture (note 27) and
c. € 51 to the participation of the Bank to the share capital increase of ALPHA-TANEO AKES (note 27).

The transfer of joint ventures to assets held for sale amounting to € 61,944 relates to the joint ventures APE Commercial Property and APE Investment Property amounting to € 50,150 and € 11,794 respectively, which on 30.6.2016 met the conditions required by IFRS 5, as presented in detail in note 25.

[(1)] *The Bank uses FX swaps and money market loans to hedge the foreign exchange risk of its investments in subsidiaries abroad.*

11. Investment property

	Land - Buildings
Balance 1.1.2015	
Cost	46,149
Accumulated depreciation and impairment losses	(14,210)
1.1.2015 - 30.6.2015	
Net book value 1.1.2015	31,939
Reclassification of investment assets from discontinued operations to "Asset held for sale"	(1,268)
Additions from continuing operations	5
Reclassification to "Other Assets"	(939)
Depreciation charge for the period from continuing operations	(186)
Depreciation charge for the period from discontinued operations	(9)
Net book value 30.6.2015	**29,542**
Balance 30.6.2015	
Cost	43,845
Accumulated depreciation and impairment losses	(14,303)
1.7.2015 - 31.12.2015	
Net book value 1.7.2015	29,542
Additions	2
Impairments	(546)
Depreciation charge for the period from continuing operations	(185)
Net book value 31.12.2015	**28,813**
Balance 31.12.2015	
Cost	43,847
Accumulated depreciation and impairment losses	(15,034)
1.1.2016 - 30.6.2016	
Net book value 1.1.2016	28,813
Additions	32
Reclassification to "Other Assets"	(361)
Depreciation charge for the period	(183)
Net book value 30.6.2016	**28,301**
Balance 30.6.2016	
Cost	43,470
Accumulated depreciation and impairment losses	(15,169)

During the current period there was no significant variation in investment property.

In 2015, an impairment loss amounting to €546 was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2015, as estimated by certified valuators. The impairment amount was recorded in "Other Expenses".

12. Property, plant and equipment

	Land and Buildings	Leased Equipment	Equipment	Total
Balance 1.1.2015				
Cost	984,065	784	383,690	1,368,539
Accumulated depreciation and impairment losses	(306,185)	(144)	(332,625)	(638,954)
1.1.2015 - 30.6.2015				
Net book value 1.1.2015	677,880	640	51,065	729,585
Reclassification of assets from discontinued operations to "Assets held for sale"	(3,583)		(2,349)	(5,932)
Additions	2,905		8,371	11,276
Additions from discontinued operations	127		70	197
Disposals/write-offs	(633)		(13)	(646)
Disposals/write-offs from discontinued operations	(120)		(25)	(145)
Reclassification to "Other Assets"	(5,778)	(18)		(5,796)
Reclassification from "Other Assets"			18	18
Depreciation charge for the period from continuing operations	(9,030)	(54)	(6,962)	(16,046)
Depreciation charge for the period from discontinued operations	(349)		(241)	(590)
Net book value 30.6.2015	**661,420**	**568**	**49,934**	**711,922**
Balance 30.6.2015				
Cost	965,235	753	378,082	1,344,070
Accumulated depreciation and impairment losses	(303,815)	(185)	(328,148)	(632,148)
1.7.2015 - 31.12.2015				
Net book value 1.7.2015	661,420	568	49,934	711,922
Additions	3,079		5,219	8,298
Impairments	(1,061)			(1,061)
Disposals/write-offs	(1,796)		(11)	(1,807)
Reclassification to "Other Assets"	(8,328)		(450)	(8,778)
Reclassification from "Other Assets"			1	1
Reclassification from "Equipment" to "Land and buildings"	5		(5)	
Depreciation charge for the period from continuing operations	(9,084)	(53)	(7,591)	(16,728)
Net book value 31.12.2015	**644,235**	**515**	**47,097**	**691,847**
Balance 31.12.2015				
Cost	954,445	752	361,921	1,317,118
Accumulated depreciation and impairment losses	(310,210)	(237)	(314,824)	(625,271)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	644,235	515	47,097	691,847
Additions	2,907		9,460	12,367
Disposals/write-offs	(753)		(9)	(762)
Reclassification to "Other Assets"	(3,302)			(3,302)
Reclassification from "Leased equipment" to "Equipment"		(467)	467	
Depreciation charge for the period	(8,496)	(44)	(7,311)	(15,851)
Net book value 30.6.2016	**634,591**	**4**	**49,704**	**684,299**
Balance 30.6.2016				
Cost	951,003	8	367,818	1,318,829
Accumulated depreciation and impairment losses	(316,413)	(4)	(318,114)	(634,531)

During the current period there was no significant variation in property, plant and equipment.

The carrying amount of owned land and buildings included in the above balances amounts to €608,027 as at 30.6.2016 (31.12.2015: €614,844).

In 2015, an impairment loss of €1,061 was recognized in caption "Other Expenses".

13. Goodwill and other intangible assets

	Software	Banking rights	Other	Total
Balance 1.1.2015				
Cost	385,793	1,785	115,342	502,920
Accumulated amortization and impairment losses	(221,775)	(1,785)	(18,009)	(241,569)
1.1.2015 - 30.6.2015				
Net book value 1.1.2015	164,018		97,333	261,351
Reclassification of assets of discontinued operations to "Assets held for sale"	(3,352)			(3,352)
Additions	22,586			22,586
Additions from discontinued operations	74			74
Additions from the acquisition of Diners			22,995	22,995
Amortization for the period from discontinued operations	(153)			(153)
Amortization for the period from continuing operations	(7,799)		(10,113)	(17,912)
Net book value 30.6.2015	**175,374**	**-**	**110,215**	**285,589**
Balance 30.6.2015				
Cost	401,708	1,785	138,267	541,760
Accumulated amortization and impairment losses	(226,334)	(1,785)	(28,052)	(256,171)
1.7.2015 - 31.12.2015				
Net book value 1.1.2015	175,374		110,215	285,589
Additions	34,439		72	34,511
Amortization for the period from continuing operations	(8,790)		(11,489)	(20,279)
Net book value 31.12.2015	**201,023**	**-**	**98,798**	**299,821**
Balance 31.12.2015				
Cost	441,920	1,785	138,339	582,044
Accumulated amortization and impairment losses	(240,897)	(1,785)	(39,541)	(282,223)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	201,023		98,798	299,821
Additions	41,484			41,484
Amortization for the period	(10,096)		(9,146)	(19,242)
Net book value 30.6.2016	**232,411**	**-**	**89,652**	**322,063**
Balance 30.6.2016				
Cost	483,404	1,785	138,339	623,528
Accumulated amortization and impairment losses	(250,993)	(1,785)	(48,687)	(301,465)

The additions of the first semester of 2016 mainly concern acquisitions of user rights for computer applications.

The amount reported as "Additions from the acquisition of Diners" in the first semester of 2015 relates to the recognition of an intangible asset regarding the customer relationships from the acquired operation of credit cards, whose useful life was estimated at 7 years.

LIABILITIES

14. Due to Banks

	30.6.2016	31.12.2015
Deposits:		
- Current accounts	74,597	126,267
- Term deposits:		
Central Banks	22,671,358	24,404,828
Other credit institutions	134,207	62,821
Cash collateral for derivative margin account	28,703	56,960
Sale of repurchase agreements (Repos)	665,802	269,292
Borrowing funds	249,558	250,469
Total	**23,824,225**	**25,170,637**

Eurosystem funding decreased by € 1.7 billion during the first semester of 2016 mainly due to the sale of EFSF bonds through the PSPP programme (note 9) and new repurchase agreements (Repos).

In June 2016, the European Central Bank carried out a new program of targeted long term refinancing operations (TLTRO-II) with a four year duration. The Bank participates in the above program with an amount of € 1 billion.

15. Debt securities in issue and other borrowed funds

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

Under the programme for the enhancement of the Greek's economy's liquidity, according to Law 3723/2008, the first semester of 2016 the Bank proceeded to the issuance of senior debt securities guaranteed by the Greek State amounted to € 5.15 billion while the maturities/redemptions for the same period amounted to € 9.22 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 30.6.2016 amounts to € 5.15 billion (31.12.2015: € 9.22 billion).

These securities are not included in the "Debt securities in issue and other borrowed funds", as they are held by the Bank.

ii. Covered bonds (1)

Covered bonds are not included in caption "Debt securities in issue and other borrowed funds" as these securities are held by the Bank.

The total balance of covered bonds as at 30.6.2016 amounts to € 5 million.

iii. Senior debt securities

Balance 1.1.2016	**29,742**
Changes for the period 1.1 - 30.6.2016	
Maturities/Repayments	(2,873)
Fair value change	38
Accrued interest	(7)
Foreign exchange differences	(81)
Balance 30.6.2016	**26,819**

On 23.5.2016 an early redemption of senior debt security with a nominal value of USD 3 million took place.

(1) *Financial disclosures regarding covered bond issues, as determined by the 2620/28.08.2009 Act of the Bank of Greece have been published on the Bank's website.*

iv. Liabilities from the securitization of shipping loans

Balance 1.1.2016	**310,268**
Changes for the period 1.1 - 30.6.2016	
Maturities/Repayments	(44,438)
Accrued interest	4,441
Foreign exchange differences	(15,083)
Balance 30.6.2016	**255,188**

The Bank proceeded to a shipping loan securitization transaction, transferring them to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd, which in turn raised funding from third parties. The liability to the special purpose entity on 30.6.2016 which relates with the securitized shipping loans amounts to € 255.2 million.

v. Liabilities from the securitization of other loans

Additional liabilities arising from the securitisation of consumer loans, corporate loans and credit cards are not included in "Debt securities in issue and other borrowed funds" since these securities of nominal value € 3.7 billion have been issued by special purpose entities and are held by the Bank.

vi. Subordinated debt

Balance 1.1.2016	**26,382**
Changes for the period 1.1 - 30.6.2016	
Accrued interest	(8)
Balance 30.6.2016	**26,374**

vii. Hybrid securities

Balance 1.1.2016	**15,239**
Changes for the period 1.1 - 30.6.2016	
Accrued interest	34
Balance 30.6.2016	**15,273**

viii. Convertible bond loan

Balance 1.1.2016	**24,600**
Changes for the period 1.1 - 30.6.2016	
Fair value change	(9,300)
Balance 30.6.2016	**15,300**

The convertible bond concerns to bond issuance with nominal value € 150 million issued by the Bank on 1.2.2013 under an agreement with Credit Agricole SA for the acquisition of former Emporiki Bank. The valuation of the liability from the convertible bond was recognized in "Gains less losses on financial transactions" and amounted to € 9.3 million gain.

Total of debt securities in issue and other borrowed funds, not held by the Bank, as at 30.6.2015	**338,954**

16. Employee defined benefit obligations

The decrease of defined benefit obligations by € 20.9 million compared to 31.12.2015 relates mainly to the partial payment of a recognized liability to the Employees Supplementary Funds (TAP) of former Alpha Credit Bank. More specifically, on 20.5.2016 the General Meeting of the representatives of TAP's members decided the liquidation of TAP under the terms of the agreement signed on 21.4.2016 between the Bank, the Staff Association and TAP. Within this context the Bank paid in the second quarter of 2016 an amount of € 24 million to TAP and the relevant liability amounts to € 4.8 million against € 27.4 million as at 31.12.2015. The final settlement of the liability is estimated that will take place during the current year.

17. Provisions

Balance 1.1.2015	**333,520**
Changes for the period 1.1 - 30.6.2015	
Other provisions from continuing operations	1,016
Other provisions from discontinued operations	26
Other provisions used from continuing operations	(4,624)
Other provisions used from discontinued operations	(186)
Provisions to cover credit risk relating to off-balance sheet items from continuing operations (note 5)	4,725
Provisions to cover credit risk relating to off-balance sheet items from discontinued operations	3
Reclassification of provisions from Bulgaria Branch to "Liabilities related to assets held for sale"	(623)
Balance 30.6.2015	**333,857**
Changes for the period 1.7 - 31.12.2015	
Other provisions from continuing operations	6,209
Reversal of other provisions	(6,048)
Other provisions used from continuing operations	(2,033)
Provision for Voluntary Separation Scheme	64,300
Provisions to cover credit risk relating to off-balance sheet items from continuing operations	14,161
Balance 31.12.2015	**410,446**
Changes for the period 1.1 - 30.6.2016	
Other provisions	2,620
Other provisions used during the period	(3,094)
Provisions to cover credit risk relating to off-balance sheet items (note 5)	3,210
Balance 30.6.2016	**413,182**

The amounts of other provisions charged to the profit and loss account are included in "Other Expenses" of the income statement.

On 30.6.2016 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 298.2 million (31.12.2015: € 295 million) and other provisions to € 114.9 million (31.12.2015: € 115.4 million) out of which € 24.7 million (31.12.2015: € 26.8 million) relates to pending legal cases and an amount of € 64.3 million relates to provision of voluntary separation scheme.

EQUITY

18. Share capital and Retained earnings

a.Share capital

On 30.6.2016 the Bank's share capital amounts to €461,064,360, divided to 1,536,881,200 shares, out of which:

a) 1,367,706,054 common, registered, voting, non-paper shares of nominal value €0.30 each

b) 169,175,146 common, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non paper shares owned by the Hellenic Financial Stability Fund of nominal value €0.30 each.

b. Retained earnings

Since in 2015 there were no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 30.6.2016 decided the non-distribution of dividends to ordinary shareholders of the Bank.

ADDITIONAL INFORMATION

19. Contingent liabilities and commitments

a. Legal issues

The Bank, in the ordinary course of business, is defendant in claims from customers and other legal proceedings. According to the estimations of the legal department, the ultimate settlement of these matters is not expected to have a material effect on the financial position or the operations of the Bank.

The Bank on 30.6.2016 has recorded a provision for pending legal cases amounting to € 24.7 million (31.12.2015: € 26.8 million) which is included in the caption "Provisions" in Balance Sheet.

b. Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009. For the years 2011 up to 2014 it has obtained a tax certificate with no qualifications whereas for year 2015 is expected to obtain a tax certificate without any qualifications. Former Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. For the years 2011 up to 2013 it has obtained a tax certificate with no qualifications.

The Bank's branches in London and Bulgaria have been audited by the tax authorities for the years 2013 and 2015 respectively. Former Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations (year 2011), until its deletion from Department of Registrar of Companies of Cyprus (August 2015), meanwhile it has ceased its operations since September 2014.

On 2.6.2015, the merger via absorption of Diners Club of Greece A.E.P.P was completed. The Company has been audited by the tax authorities for the years up to and including 2010. For the years 2011 up to 2013 it has obtained a tax certificate with no qualifications.

Additional taxes and penalties may be imposed for the unaudited years due to the fact that some expenses may not be recognized as deductible by the tax authorities.

c. Operating leases

The Bank as 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 twelve years with a renewal or extension option according to the lease agreements. The policy of the Bank is to renew these contracts

The minimum future lease payments are:

	30.6.2016	31.12.2015
Less than one year	31,144	32,553
Between one and five years	81,116	84,840
Over than five years	84,777	86,496
Total	**197,037**	**203,889**

The total lease expenses, for the first semester of 2016, relating to rental of buildings amounted to € 15,875 (first semester of 2015: € 16,734) and are included in "General administrative expenses".

The Bank as a lessor

The Bank's receivables from leases relate to leases from buildings either to group companies or third parties.

The minimum future lease revenues are:

	30.6.2016	31.12.2015
Less than one year	3,514	3,394
Between one and five years	8,028	7,770
Over than five years	7,030	6,717
Total	**18,572**	**17,881**

The lease revenues for the first semester of 2016 amounted to € 1,708 (first semester of 2015: € 1,665) and are included in "Other income".

d. Off balance sheet liabilities

The Bank pursuant to its normal operations, is bound by contractual commitments, that in the future may result to changes in its asset structure. These commitments are monitored in off balance sheet accounts and relate to letters of credit, letters of guarantee, undrawn credit facilities and credit limits, as well as guarantees provided for bonds issued by subsidiaries and other guarantees to subsidiaries.

In addition, contingent liabilities for the Bank arise from undrawn loan commitments and credit limits that may not be fulfilled immediately or may be partly fulfilled as long as the agreed upon requirements are fulfilled by counterparties.

The outstanding balances are as follows:

	30.6.2016	31.12.2015
Letters of credit	20,787	21,938
Letters of guarantee and other guarantees	4,245,032	4,525,710
Guarantees relating to bonds issued by subsidiaries of the Bank	15,542	15,542

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 on behalf 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.

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 30.6.2016 amounts to €354.8 million (31.12.2015: €211.2 million) and are included in the calculation of risk weighted assets.

e. Assets pledged

Assets pledged, as at 30.6.2016 are analyzed as follows:

- Deposits pledged amounting to €0.3 billion concerning the Bank's obligation to maintain deposits in the Bank of Greece, corresponding to 1% of total customer deposits.
- Deposits pledged amounting to €0.2 billion concerning guarantees provided on behalf of the Greek State.
- Deposits pledged to credit institutions amounting to €1.3 billion which have been provided as guarantee for derivative transactions.
- Deposits pledged to credit institutions amounting to €0.06 billion, were given as letters of credit or letters of guarantee issued by the Bank in order to facilitate clients' imports.
- Deposits of €3 million were pledged to the Resolution Fund as irrevocable payment commitment for a part of 2016 contribution. The commitment has to be fully secured by cash as decided by the Single Resolution Board.
- Due from banks:
  - i. amount of €0.8 billion pledged to central banks for liquidity purposes.
  - ii. amount of €0.35 billion given to foreign subsidiaries as collateral for credit risk.
- Loans and advances to customers:
  - i. amount of nominal value of €22.8 billion pledged to Central Banks for liquidity purposes.
  - ii. a carrying amount of €2.8 billion, which relates to corporate, consumer loans and credit cards, has been securitized for the issuance of Special Purpose Entities' bonds of a nominal value of €3.7 billion, which are held by the Bank and pledged to Central Banks for liquidity purposes.
  - iii. a carrying amount of €0.6 billion, which relates to shipping loans, has been securitized for the issuance of securities for the purpose of financing the Bank through a Special Purpose Entitiy, which amounts to €0.3 billion at 30.6.2016.
  - iv. an amount of nominal value of €0.1 billion has been pledged for other loan facilities.
- Securities held for trading and investment securities portfolio:
  - i. an amount of nominal value of €3.54 billion of Greek government securities, out of which a nominal amount of €3.5 billion has been pledged to central banks for liquidity purposes, and a nominal amount of €0.04 billion has been pledged for other loan facilities.
  - ii. an amount of nominal value of €3.65 billion relates to securities issued by the European Financial Stability Facility (EFSF), received from the Bank by the HFSF in the context of: a) its participation to the share capital increase that was completed on 6.6.2013, and, b) due to the coverage of the difference between the values of assets and

liabilities transferred from Cooperative Banks, out of which an amount of €3.39 billion is pledged as collateral to Central Banks for participation in main refinancing operations and an amount of €0.26 billion has been given as collateral for other loan facilities.

iii. An amount of nominal value of €0.5 billion relates to bonds issued from the securitization of receivables of finance leases of a Group's entity, has been pledged to Central Banks in order for the Bank to participate in main refinancing operations.

iv. An amount of €0.4 billion of other corporate securities has been given as a collateral for repo agreements.

In addition an amount of nominal value of €5.2 billion that relates to securities issued under the guarantee of the Greek State in accordance with Law 3723/2008 and are held by the Bank, has been pledged by a) an amount of €5 billion as collateral to Central Banks for liquidity purposes and b) an amount of €0.2 billion has been given as collateral for other loan facilities.

20. Operating segments

(Amounts in million of Euro)

	1.1 - 30.6.2016						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Total
Net interest income	504.4	341.6	0.9	(33.9)		10.3	823.3
Net fee and commission income	53.9	63.1	12.6	2.2			131.8
Other income	3.3	2.2	0.5	20.1		103.6	129.7
Total income	**561.6**	**406.9**	**14.0**	**(11.6)**	-	**113.9**	**1,084.8**
Total expenses	**(329.9)**	**(63.1)**	**(7.3)**	**(8.2)**	-	**(26.3)**	**(434.8)**
Impairment losses	(166.0)	(354.7)					(520.7)
Profit/(losses) before income tax	**65.7**	**(10.9)**	**6.7**	**(19.8)**	-	**87.6**	**129.3**
Income tax							(4.7)
Profit / (losses) after income tax from continuing operations							**124.6**
Profit/(losses) after income tax from discontinued operations					0.2		0.2
Net profit/(losses) after income tax							**124.8**
Assets 30.6.2016	24,763.7	18,039.9	126.0	13,366.0		7,035.8	63,331.4
Liabilities 30.6.2016	22,322.4	5,990.2	599.5	25,865.0		94.1	54,871.2

(Amounts in million of Euro)

	1.1 - 30.6.2015						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Total
Net interest income	484.6	346.9	2.4	(49.9)		0.4	784.4
Net fee and commission income	53.2	61.0	23.0	(6.3)			130.9
Other income	2.7	3.6	0.7	39.4		(66.3)	(19.9)
Total income	**540.5**	**411.5**	**26.1**	**(16.8)**	-	**(65.9)**	**895.4**
Total expenses	**(328.2)**	**(60.4)**	**(8.7)**	**(8.4)**	-	**(15.6)**	**(421.3)**
Impairment losses	(1,068.0)	(898.7)					(1,966.7)
Negative goodwill from acquisitions						48.2	48.2
Profit/(losses) before income tax	**(855.7)**	**(547.6)**	**17.4**	**(25.2)**	-	**(33.3)**	**(1,444.4)**
Income tax							335.8
Profit / (Losses) after income tax from continuing operations							**(1,108.6)**
Profit/(losses) after income tax from discontinued operations					(89.3)		(89.3)
Profit/(losses) after income tax							**(1,197.9)**
Assets 31.12.2015	24,753.6	19,187.6	63.6	13,421.4	444.6	7,122.2	64,993.0
Liabilities 31.12.2015	22,575.7	5,818.7	522.2	27,070.1	338.8	249.4	56,574.9

i. Retail Banking

Includes all individuals (retail banking customers), professionals, small and very small companies except for those whose relationship management is performed by branches abroad (South Eastern Europe).

The Bank, 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 of the above customers.

ii. Corporate Banking

Includes all medium-sized and large companies, multinational companies, corporations managed by the Corporate Banking Division and shipping companies. The Bank offers working capital facilities, corporate loans, and letters of guarantee of the abovementioned corporations.

iii. Asset Management/Insurance

Consists of a wide range of asset management services offered through the Bank's private banking units. Additionally, a wide range of insurance products to individuals and companies is provided.

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

The Bank's branch in Bulgaria, included in this segment, is presented in caption "Profit/(losses) from discontinued operations".

vi. Other

This segment consists of administration departments of the Bank and income and expenses that are not related to its operating activities or are non recurring and are due to external factors.

21. Exposure in credit risk from debt issued by the peripheral Eurozone countries

Due to the prolonged turmoil in the Eurozone countries, and the issues which the Greek economy faces, concerning the service of public debt, the Bank monitors the credit risk from its exposure to the Greek State as well as the remaining peripheral Eurozone countries.

i. Exposure to the Greek State

The table below presents the Bank's total exposure in Greek Government securities:

	30.6.2016		31.12.2015	
Portofolio	Nominal value	Carrying amount	Nominal value	Carrying amount
Available for sale	4,289,577	3,595,503	4,537,722	3,831,479
Trading	1,790	1,234	2,783	1,888
Total	**4,291,367**	**3,596,737**	**4,540,505**	**3,833,367**

All Greek Government securities are classified in Level 1 based on the quality of inputs used for the estimation of their fair value.

In addition the public entities securities on 30.6.2016 amounted to € 150.6 million (31.12.2015: € 150.7 million.).

The Bank's exposure to Greek State credit risk from other financial instruments, excluding securities and loans and advances is depicted in the table below:

On balance sheet exposure

	30.6.2016	31.12.2015
	Carrying amount	Carrying amount
Derivative financial instruments – assets	420,151	362,700
Derivative financial instruments – liabilities	(164,984)	(271,711)

Derivative financial assets from public sector entities amounted to €6.5 million on 30.6.2016 (31.12.2015: € 16.6 million liabilities).

The Bank's exposure in loans granted to public sector entities/ organizations on 30.6.2016 amounted to € 1,309 million (31.12.2015: € 1,297.6 million). The Bank for the above receivables has recognized impairment amounted to €43.4 million as at 30.6.2016 (31.12.2015: €42.1 million).

In addition the balance of Bank's loans guaranteed by the Greek State (directly guaranteed by Greek government, loans guaranteed by TEMPE, loans guaranteed by Common Ministerial Decisions) on 30.6.2016 amounted to €749.3 million (31.12.2015: €764 million). For these loans the Bank has recognized impairment amounted to € 149 million as at 30.6.2016 (31.12.2015: € 144.3 million).

ii. Exposure to other peripheral Eurozone countries debt

The Bank as at 30.6.2016 had no exposure to bonds issued by Cyprus, Italy, Portugal and Ireland.

22. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	30.6.2016		31.12.2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Assets				
Loans and advances to customers	40,900,548	40,988,044	41,493,462	41,558,014
Investment securities				
- Held to maturity	9,018	9,379	2,561	2,823
- Loans and receivables	3,761,683	3,683,411	4,364,715	4,289,482
Liabilities				
Due to customers	27,669,491	27,689,554	27,724,167	27,733,679
Debt securities in issue (1)	282,155	323,654	332,014	381,631

The table above presents the fair value and the carrying amount of financial instruments which are measured at amortized cost.

The fair value of loans is estimated based on the interbank market yield curves by adding a liquidity premium and spread per loan category and business unit for the expected loss. The fair value of deposits is estimated based on the interbank market yield curves by deducting customer's spread depending on the type of deposit. In both of these cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

The fair value of held to maturity securities and debt securities in issue is calculated using market prices, as long as the market is active. In all other cases as well as for the loans and receivables portfolio the discounted cash flows method is used and all significant variables are based either on observable market data or on a combination of observable and unobservable market data.

The fair value of other financial assets and liabilities which are recorded at amortized cost does not differ materially from the respective carrying amount.

Hierarchy of financial instruments measured at fair value

	30.6.2016			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	4,616	830,349	6,913	841,878
Securities held for trading				
- Bonds and treasury bills	1,234			1,234
Available for sale securities				
- Bonds and treasury bills	3,853,712	654,492	39,342	4,547,546
- Shares	32,598	13,168	13,387	59,153
- Other variable yield securities	6,047			6,047
Derivative financial liabilities		1,672,404	1,571	1,673,975
Convertible bond			15,300	15,300

	31.12.2015			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	6,661	784,280	3,530	794,471
Securities held for trading				
- Bonds and treasury bills	1,888			1,888
Available for sale securities				
- Bonds and treasury bills	4,086,826	651,470	19,460	4,757,756
- Shares	113,142		12,803	125,945
- Other variable yield securities	7,190			7,190
Derivative financial liabilities		1,556,555		1,556,555
Convertible bond			24,600	24,600

(1) *Debt securities in issue do not include the convertible bond loan issued by the Bank in the context of the agreement with Credit Agricole S.A. regarding the acquisition of Emporiki Bank since this security is measured at fair value.*

The tables above present the fair value of financial instruments which are measured at fair value in hierarchy levels based on inputs used for the fair value measurement.

Securities traded in an active market and exchange-traded derivatives are classified as Level 1.

The available for sale securities whose fair value is calculated based on non-binding market prices provided by dealers-brokers or on the application of the income approach methodology using interest rates and credit spreads which are observable in the market, are classified as Level 2. Level 3 classification includes securities whose fair value is estimated using significant unobservable inputs.

The fair value of non listed shares, as well as shares not traded in an active market is determined based on the estimations made by the Bank which relate to the future profitability of the issuer after taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as a discount rate. Given that the above parameters are mainly non observable, the valuation of these shares is classified as Level 3.

On 30.6.2016 the Bank classified in the available for sale securities portfolio the preference shares of Visa Inc. which the Bank received through the acquisition of Visa Europe by Visa Inc. (note 3). In order to determine their fair value the Bank used the conversion rate into ordinary shares and the current stock price of the ordinary share by taking into consideration the sale restrictions. The abovementioned shares were classified as level 2 securities, as the non-observable inputs used are insignificant in the calculation of the final fair value.

For the valuation of over the counter derivatives income approach methodologies are used: discounted cash flow models, option-pricing models or other widely accepted valuation models. Valuations are checked on a daily basis with the respective prices of the counterparty banks in the context of the daily process of provision of collaterals and settlement of derivatives. If the non-observable inputs are significant, the fair value that arises is classified into Level 3 or otherwise in Level 2.

Finally, the valuation of the convertible bond loan was based on the estimated share price at the maturity date of the bond, as reflected in the Bank's business plan, which is unobservable market parameter.

The Bank recognizes the transfer between fair value hierarchy Levels at the end of each quarter.

Within the period, corporate bond of €229.4 million were transferred from Level 2 to Level 1 due to the satisfaction of the criteria of active market. In addition, within the period, €233.3 million of Greek corporate bonds were transferred from Level 1 to Level 2, as the liquidity margin (bid-ask spread) moved above the limit set for the characterization of market as active.

The table below presents the valuation methods used for the measurement of Level 3 fair value:

	30.6.2016			
	Total Fair Value	**Fair Value**	**Valuation Method**	**Significant non-observable inputs**
Derivative Financial Assets	6,913	6,689	Discounted cash flows with interest rates, taking into account the credit risk of the counterparty	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model
		224	Discounted cash flows with interest rates	Assessment of the adequacy of reserves for the payment of hybrid securities dividends
Available for sale bonds	39,342	39,342	Based on issuer price / Adjusted market prices due to low trading / Discounted cash flows estimating credit risk	Price / Adjusted price / Credit spread
Available for sale shares	13,387	13,387	Discounted cash flows / Multiples valuation method / Net assets method / Cost of acquisition	Future profitability of the issuer
Derivative Financial Liabilities	1,571	1	Discounted cash flows with interest rates	Valuation of reserve adequacy for payment of hybrid securities' dividends
		1,570	Discounted cash flows with interest rates taking into account the credit risk	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model
Convertible bond loan	15,300	15,300	Discounted cash flows / Multiples valuation method	Future profitability of the issuer

	31.12.2015			
	Total Fair Value	Fair Value	Valuation Method	Significant non-observable inputs
Derivative Financial Assets	3,530	3,185	Discounted cash flows with interest rates, taking into account the credit risk of the counterparty	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model
		345	Discounted cash flows with interest rates	Assessment of the adequacy of reserves for the payment of hybrid securities dividends
Available for sale bonds	19,460	19,460	Based on issuer price	Price
Available for sale shares	12,803	12,803	Discounted cash flows / Multiples valuation method / Cost of acquisition	Future profitability of the issuer
Convertible bond loan	24,600	24,600	Discounted cash flows / Multiples valuation method	Future profitability of the issuer

A reconciliation of the movement of financial instruments measured at fair value in Level 3 is depicted below.

	30.6.2016			
	Assets		Liabilities	
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities	Convertible Bond Loan
Opening balance 1.1.2016	**32,263**	**3,530**		**(24,600)**
Total gain or loss recognized in the income statement	(131)	(112)	(1)	9,300
Total gain or loss recognized directly in equity	3,086			
Purchases/issues	335			
Sales/repayments/settlements	(773)	(177)		
Transfers to Level 3 from Level 2	17,949	3,672	(1,570)	
Balance 30.6.2016	**52,729**	**6,913**	**(1,571)**	**(15,300)**
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period	(131)	(112)	1	9,300

Within the period, a subordinated security of € 17.9 million was transferred from Level 2 to Level 3, for which market prices adjusted due to the low volume of transactions. In addition, € 3.7 million of derivative financial Assets and € 1.6 million of derivative financial Liabilities were transferred from Level 2 to Level 3, since the use of non-observable inputs was significant.

	31.12.2015			
	Assets		Liabilities	
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities	Convertible Bond Loan
Opening balance 1.1.2015	**34,756**	**39**	**(5,432)**	**-**
Total gain or loss recognized in the income statement	(738)	811	5,360	
Total gain or loss recognized directly in equity	(1,248)			
Purchases/issues	7,622			
Sales/repayments/settlements	(8,186)		20	
Transfers to Level 3 from Level 2		3,034		
Balance 30.06.2015	**32,206**	**3,884**	**(52)**	**-**
Changes for the period 1.7 - 31.12.2015				
Total gain or loss recognized in the income statement	(6,290)	1,716	52	
Total gain or loss recognized directly in equity	1,598			
Purchases/issues	5,000			
Sales/repayments/settlements	(262)			
Transfers to Level 3 from Level 2	11	(2,070)		(24,600)
Balance 31.12.2015	**32,263**	**3,530**	**-**	**(24,600)**
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 – 30.6.2015	(861)	(1,169)	(52)	

During 2015, corporate bonds amounting to € 11.6 million as well as other securities amounting to € 1 million that were classified in Level 3, were purchased since non observable parameters were used for valuation purposes.

In addition, sales-repayments of foreign corporate bonds amounting to € 7.9 million and other securities amounting to € 0.5 million took place.

Regarding derivative financial assets, a transfer from Level 2 to Level 3 occurred since the use of non-observable inputs was significant.

Finally within 2015 the convertible bond loan was transferred from Level 2 to Level 3 as a different valuation method was applied.

Sensitivity analysis for Level 3 financial instruments that its valuation was based on non observable data is presenting in the following table:

	Significant non-observable inputs	Significant non-observable inputs change	Total effect in Income Statement		Total effect in Equity	
			Favourable Variation	Unfavourable Variation	Favourable Variation	Unfavourable Variation
Derivative Financial Assets	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model	Increase the probability of default through reduction of internal ratings by 2 grades / Increase the loss given default by 10%		(752)		(752)
	Assessment of the adequacy of reserves for the payment of hybrid securities dividends	Increase the probability of dividend payments to 100%		(223)		(223)
Available for sale bonds	Issuer price / Adjustment due to low trading / Credit spread	Variation +/-10%			859	(836)
Available for sale shares	Future profitability of the Issuer	Variation +/- 10% in P/B and EV/Sales ratios (multiples valuation method)		(163)	568	(568)
Derivative Financial Liabilities	Assessment of the adequacy of reserves for the payment of hybrid securities dividends	Increase the probability of dividend payments to 100%	1		1	
	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model	The BCVA adjustment is calculated on the net exposure per counterparty and is allocated to derivative financial assets				
Convertible bond Loan	Future profitability of the Issuer	Alpha Bank share price in the range of €1.5-2.5	5,073	(1,745)	5,073	(1,745)
Total			**5,074**	**(2,883)**	**6,501**	**(4,124)**

23. Capital adequacy

The Bank's policy is to maintain a robust capital base to safeguard the Bank's development and retain the trust of depositors, shareholders, markets and business partners.

Share capital increases are performed after Shareholders' General Meeting or Board of Directors' decisions in accordance with the articles of association or the relevant laws.

Treasury shares are allowed to be purchased based on the terms and conditions of law.

The capital adequacy is supervised by Single Supervising Mechanism of ECB, to which reports are submitted on a quarterly basis. The minimum requirements regarding Tier I ratio and the capital adequacy ratio of the Bank are stipulated by Bank of Greece Governor's Acts.

Capital adequacy ratio compares regulatory capital with the risks assumed by the Bank (risk-weighted assets). Regulatory capital includes Tier I capital (share capital, reserves and non-controlling interests), additional Tier I capital (hybrid securities) and Tier II capital (subordinated debt). Risk-weighted assets include the credit risk of the investment portfolio, the market risk of the trading portfolio and operational risk.

Since January 1, 2014 EU Directive 2013/36/EU dated 26 June 2013 incorporated into Law 4261/2014 along with the EU Regulation 575/2013/EU, dated 26 June 2013 "CRD IV" came into force which gradually introduce the new capital adequacy framework (Basel III) for credit institutions.

According to the above regulatory framework, for the calculation of capital adequacy ratio the effective transitional arrangements are followed.

Moreover:

- besides the 8% Capital Adequacy Limit, there are limits of 4.5% for Common Equity ratio and 6% for Tier I ratio, and
- is required the maintenance of capital buffers additional to the Common Equity Capital, from 01.01.2016 and gradually until 31.12.2019.

In particular:

- from 1.1.2016 a capital buffer of 0.625% exists which will gradually rise to 2.5% on 31.12.2019.
- The Bank of Greece through the acts issued by the Executive Committee settled the following capital buffers:
  - Countercyclical capital buffer rate for the first nine months of 2016, "zero percent" (Act 55/18.12.2015, 83/18.03.2016 & 97/16.6.2016).
  - Other systemically important institutions (O-SII) buffer for 2016 "zero percent" (Act 56/18.12.2015).

These limits should be met both on a standalone and on a consolidated basis.

	30.6.2016 (estimate)	31.12.2015
Common Equity Tier I	17.3%	17.0%
Tier I	17.3%	17.0%
Capital adequacy ratio	**17.3%**	**17.1%**

24. 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 the Bank's committees.

a. The outstanding balances of the Bank's transactions with key management personnel consisting of members of the Bank's Board of Directors and Executive Committee, their close family members and the entities controlled by them, as well as, the results related to these transactions are as follows:

	30.6.2016	31.12.2015
Assets		
Loans and advances to customers	10,001	11,460
Liabilities		
Due to customers	14,049	13,418
Employee defined benefit obligations	221	453
Total	**14,270**	**13,871**
Letters of guarantee and approved limits	**10,931**	**11,689**

	From 1 January to	
	30.6.2016	30.6.2015
Income		
Interest and similar income	50	138
Fee and commission income	67	69
Total	**117**	**207**
Expenses		
Interest expense and similar charges	28	132
Fees paid to key management and close family members	1,753	1,691
Total	**1,781**	**1,823**

b. The outstanding balances with the Bank's subsidiaries, joint ventures and associates as well as the results related to these transactions are as follows:

i. Subsidiaries

	30.6.2016	31.12.2015
Assets		
Due from banks	1,622,107	1,959,026
Derivative financial assets	2,723	1,462
Loans and advances to customers	3,204,382	3,184,277
Available for sale securities	335,068	302,442
Other assets	72,776	2,690
Total	**5,237,056**	**5,449,897**
Liabilities		
Due to banks	440,263	67,650
Due to customers	1,060,912	1,027,650
Derivative financial liabilities	14,687	6,077
Debt securities in issue and other borrowed funds	272,803	328,039
Other liabilities	5,688	58,108
Total	**1,794,353**	**1,487,524**
Letters of guarantee and other guarantees	**795,351**	**773,629**

In addition to the financing of the Bank's subsidiaries companies, guarantees have been given from the Bank for bonds issued by subsidiaries amounted to € 15,542 on 30.6.2016 (31.12.2015: € 15,542).

	From 1 January to	
	30.6.2016	30.6.2015
Income		
Interest and similar income	34,777	52,065
Fee and commission income	6,743	8,225
Dividend income	75,307	
Gains less losses on financial transactions	1,096	
Other income	1,955	1,905
Total	**119,878**	**62,195**
Expenses		
Interest expense and similar charges	10,831	47,703
Commission expense	1,289	1,149
Gains less losses on financial transactions		30,639
General administrative expenses	6,604	7,630
Total	**18,724**	**87,121**

ii. Joint ventures

	30.6.2016	31.12.2015
Assets		
Loans and advances to customers	154,660	158,665
Other assets	4	
Total	**154,664**	**158,665**
Liabilities		
Due to customers	21,016	21,257

	From 1 January to	
	30.6.2016	30.6.2015
Income		
Interest and similar income	2,851	2,846
Fee and commission income	1	2
Other income	5	9
Total	**2,857**	**2,857**
Expenses		
Interest expense and similar charges	86	152

iii. Associates

	30.6.2016	31.12.2015
Assets		
Loans and advances to customers	3,044	3,044
Liabilities		
Due to customers	348	201

	From 1 January to	
	30.6.2016	30.6.2015
Income		
Interest and similar income	5	5

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 2,345 (31.12.2015: € 4,590). Periods' Interest expense related to deposits amounts to € 16.

In addition the Supplementary Fund's assets include Alpha Bank's shares of € 114 (31.12.2015: € 114).

d. The Hellenic Financial Stability Fund (HFSF) exercises significant influence on the Bank. In particular, according to Law 3864/2010 and the Relationship Framework Agreement("RFA") as of 23.11.2015, which replaced the previous of 2013, HFSF has representation in the Board of Directors and in other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its related entities are considered related parties for the Bank.

The outstanding balances and the results related to these transactions are analyzed as follows:

	From 1 January to	
	30.6.2016	30.6.2015
Income		
Fee and commission income	5	34

25. Assets held for sale and discontinued operations

The Bank, under the approved by the European Committee Restructuring Plan (note 39 of the financial statements as of 31.12.2015) and the fulfillment of the relevant commitment relating to the deleveraging of part of the assets of its international activities, proceeded to the sale of the operations of the Bulgaria Branch and Alpha Bank AD Skopje as well as it began the process for the sale of APE Fixed Assets AE, APE Commercial Property AE and APE Investment Property AE.

Bank's branch in Bulgaria

On 17.7.2015, the Bank and Eurobank, issued a joint statement, announcing their agreement, in main terms, for the transfer of operations of the Bulgaria branch to Eurobank's subsidiary in Bulgaria (PostBank). On 6.11.2015 the Bank and Postbank signed the relevant contract, finalizing the terms of the transfer which include a transfer price of 1 Euro and a partial undertaking of Branch's debt obligations by the buyer. The transfer was completed on 1.3.2016.

From 30.6.2015 the assets of Bulgaria Branch, and its directly related liabilities, met the qualification requirements as "Held for sale" in accordance with IFRS 5, as at that date the management had decided to sell the unit and was already in the process of negotiations with the prospective buyer. In addition, the Bulgaria Branch is considered a separate geographical area of operations for the Bank which is included in the South Eastern Europe for information purposes per operating segment. After the classification of the Bulgarian Branch, which is the only company in the banking sector whereby the Bank operates in Bulgaria, as asset held for sale, its activities are classified as "discontinued operations" by the Bank.

Therefore, on 31.12.2015 for reporting purposes, the Bank valued the assets and liabilities of Bulgaria Branch at the lowest price between the book value and fair value less selling costs recognizing the difference which was amounted to €34,007 as loss in the caption "Profit/(loss) after tax income from discontinued operations" in the Income Statement. It is noted that the valuation difference at fair value is different from the amount of €85,500 that was recognized during the second and the third quarter of 2015, based on the final terms of the sale, as reflected at the contract of 6.11.2015. After the above valuation, the assets of the Branch as at 31.12.2015 amounted to €444,401 and the liabilities of the Branch amounted to €338,820.

Income Statement and Statement of Comprehensive Income

The following table presents the results of the Bulgaria Branch for the period from 1.1.2016 to the disposal date. It is noted that the results and cash flows arising from the Bulgaria Branch are presented as "discontinued operations" in both the Income Statement and the Statement of Cash Flows, with a corresponding restatement of the comparative period 1.1.2015 untill 30.6.2015.

(Amounts in thousands of Euro)

	From 1 January to	
	30.6.2016	30.6.2015
Interest and similar income	3,123	13,613
Interest expense and similar charges	(592)	(4,004)
Net interest income	2,531	9,609
Fee and commission income	841	3,276
Commission expense	(74)	(200)
Net fee and commission income	767	3,076
Gains less losses on financial transactions	64	277
Other income	78	188
	142	465
Total income	**3,440**	**13,150**
Staff costs	(1,574)	(5,055)
General administrative expenses	(2,581)	(7,958)
Depreciation	(397)	(1,474)
Other expenses	(29)	(18)
Total expenses	**(4,581)**	**(14,505)**
Impairment losses and provisions to cover credit risk	1,563	(2,464)
Profit/(Loss) before income tax	**422**	**(3,819)**
Income tax		
Profit/(loss), after income tax	**422**	**(3,819)**
Difference due to valuation at fair value		(85,500)
Loss from the disposal after income tax	(189)	
Net profit/(Loss) after income tax from discontinued operations	**233**	**(89,319)**

The amount of cash and cash equivalent of the Bulgaria Branch, which was transferred at the disposal, amounted to € 9,942.

Investment in subsidiary Alpha Bank AD Skopje

The Bank, during the fourth quarter of 2015, began the process of selling its subsidiary Alpha Bank Skopje (ABS). ABS is the smallest subsidiary of the Group in the Balkans and it has a small presence in the local market in Skopje (market share <2%). As part of this process, investors, which were short-listed from a broader investor list, were invited to submit their bids for the acquisition of the 100% of the ABS shares and of the 100% of the hybrid instrument (subordinated loan) granted to the ABS by the parent company (both of them consist the "Perimeter Transaction"). The disposal was completed on 10.5.2016 for a total amount of € 3.2 million.

On 31.12.2015 the Bank's participation in the subsidiary and the hybrid instrument satisfy the conditions for classification as "held for sale" in accordance with IFRS 5.

Therefore, for the preparation of 31.12.2015 financial statements the participation in the subsidiary company and the hybrid instrument was valued at the lower of book and fair value less cost of sale, recognizing the difference amounted to € 28,553 as a loss in gains less losses on financial transactions. The fair value was determined based on the financial bids which were received from the potential investors for the Perimeter of the Transaction and the assessment of the Bank for the final consideration. The final consideration does not differ from the fair value determined.

Investment in companies APE Fixed Assets AE, APE Commercial Property AE, APE Investment Property AE

Sale consultants were engaged in June of the current year and the liquidation procedure of the Bank's participations in APE Fixed Assets AE, APE Commercial Property AE and APE Investment Property AE began. APE Fixed Assets AE is a Bank's subsidiary, while APE Commercial Property AE and APE Investment Property AE are joint ventures, where the control is exercised jointly by the Bank and the other shareholder.

From 30.6.2016 the abovementioned investments meet the requirements to be classified as "held for sale" in accordance with IFRS 5, due to the fact that on that date the Management had decided their sale, had initiated an active programme to find buyer and the sale is expected to be completed within one year.

According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of book and fair value less cost of sale and they are presented in the balance sheet separately from other assets and liabilities. The Bank proceeded to the measurement of the fair value of the participation as well as of loans and receivables from these companies which consist a part of its net investment. From the abovementioned measurement on 30.6.2016 losses amounting to €29.36 million arose due to the fact that the fair value of assets held for sale was lower than the book value and they were recognized in caption Gains less losses on financial transactions in the Income Statement.

In the table below an analysis of the specific assets regarding APE Fixed Assets AE, APE Commercial Property AE and APE Investment Property AE which are presented in the Balance Sheet as assets held for sale, is depicted.

	30.6.2016
Loans and advances to customers	47,570
Investments in subsidiaries, associates and joint ventures	69,530
Total assets held for sale	**117,100**

In addition, the Bank has classified in Assets held for sale, its participation to the companies SELONDA A.E.G.E. and NIREUS A.E.G.E since it intends to transfer these companies in the near future. The fair value of these companies was determined in the amount of € 1.

The Bank at each reporting date assesses the actions taken within the context of the implementations of the restructuring plan in order assets and liabilities that are directly associated with them to be classified as held for sale when the criteria of IFRS 5 (which are presented in note 1.16 of the 31.12.2015 financial statements) are met.

26. Merger of Company Diners Club Greece A.E.P.P.

On 2.6.2015 completed the merger of the Bank and Diners Club through absorption of the second from the first. From the merger a negative goodwill of €48.2 million recognized to Bank's income statement in the first semester of 2015. The terms and accounting treatment are presented on note 43 of the Bank's annual financial statements of 31.12.2015.

27. Corporate events

a. On 26.1.2016 the Bank participated in the establishment of Aktua Hellas Holding SA, which is based in Greece with a participation of 45% and share capital of € 25 thousand.

b. On 2.2.2016 the Bank participated in the share capital increase of the joint venture Alpha TANEO AKES with an amount of € 51 thousand.

c. On 18.2.2016 the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd with the amount of € 57.82 million.

d. On 1.3.2016 the transfer of Alpha Bank Bulgarian Branch operations in Eurobank Bulgaria AD, a subsidiary of Eurobank Ergasias AE was completed.

e. On 22.4.2016 the Bank participated in the share capital increase of the joint venture Aktua Hellas Holding S.A., with the amount of € 45 thousand.

f. On 10.5.2016 the sale of all shares of the Bank's subsidiary, Alpha Bank A.D. Skopje was completed.

g. On 13.5.2016 the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd with the amount of € 11.9 million.

h. On 17.5.2016 Alpha Bank, Eurobank and KKR Credit reached an agreement to assign the management of credit and equity exposures to a selected number of Greek companies into a platform managed by Pillarstone.

28. Restatement of financial statements

During the current period the Bank modified the way of presentation of figures related to the loyalty bonus card program. These figures, which up to now were included in other expenses, other income and commissions are now included as a net amount in commission income. This modification is performed in order to reflect better the substance of the reward program. As a result of this change, some figures of the income statement of the comparative period reformed without changing the result, as presented in the following table:

	From 1 January to	
	31.12.2015	30.6.2015
Net fee and commission income	(535)	(1,421)
Other income	(3,523)	(873)
General administrative expenses	4,058	2,294
Total effect	-	-

	1.7 - 31.12.2015	1.1 - 30.6.2015
Net fee and commission income	886	(1,421)
Other income	(2,650)	(873)
General administrative expenses	1,764	2,294
Total effect	-	-

Furthermore, the figures of the comparative period were restated as a result of the finalization of the Bulgaria Branch transfer terms.

Below are restated statements of income and cash flows for the period 1.1 - 30.6.2015:

	From 1 January to 30.6.2015			
	Published amounts	Restatements due to changes in the presentation of figures relating to the loyalty Bonus card program	Restatements due to finalization of the Bulgaria Branch transfer terms	Restated amounts
Interest and similar income	1,321,497		1,598	1,323,095
Interest expense and similar charges	(538,633)			(538,633)
Net interest income	782,864		1,598	784,462
Fee and commission income	159,597	(800)		158,797
Commission expense	(27,265)	(621)		(27,886)
Net fee and commission income	132,332	(1,421)		130,911
Dividend income	1,123			1,123
Gains less losses on financial transactions	(29,780)			(29,780)
Other income	9,601	(873)		8,728
	(19,056)	(873)		(19,929)
Total income	**896,140**	**(2,294)**	**1,598**	**895,444**
Staff costs	(200,018)			(200,018)
General administrative expenses	(187,826)	2,294		(185,532)
Depreciation and amortization	(34,144)			(34,144)
Other expenses	(1,685)			(1,685)
Total expenses	**(423,673)**	**2,294**		**(421,379)**
Impairment losses and provisions to cover credit risk	(1,964,855)		(1,838)	(1,966,693)
Negative goodwill from acquisitions	48,237			48,237
Profit/(loss) before income tax	**(1,444,151)**		**(240)**	**(1,444,391)**
Income tax	335,829			335,829
Net profit/(loss) after income tax from continuing operations	**(1,108,322)**	**-**	**(240)**	**(1,108,562)**
Net profit/(loss) after income tax from discontinued operations	(89,559)		240	(89,319)
Net profit/(loss) after income tax	**(1,197,881)**	**-**	**-**	**(1,197,881)**

29. Events after the balance sheet date

a. On 14.7.2016 the Bank, as a result of relative restructuring agreement of the company Dias Aquaculture SA, acquired additional shares of Selonda Aquacultures AEGE, from the share capital increase, conducted by contribution in kind of all the assets and part of the liabilities of company Dias Aquaculture SA to the company Selonda Aquacultures AEGE. Therefore, after the share capital increase, the Bank's share in the latter changed from 23.01% to 21.97%. The Bank, which identified at zero fair value the shares acquired, intends to dispose all of its shares of Selonda Aquacultures AEGE in the near future.

b. On 22.7.2016 the Bank covered, proportionally to its share, the increase in the share capital of the joint venture Aktua Hellas Holding SA, by paying the amount of € 570 thousand.

c. On 2.8.2016, the Bank covered, proportionally to its share, the increase in the share capital of the joint venture Alpha TANEO AKES by paying the amount of € 90 thousand.

d. Following the evaluation of the Binding Offers, submitted by investors in the context of a process to acquire the majority stake in the share capital of Ioniki Hotel Enterprises AE, on 5.8.2016 it was announced by the Group that a consortium comprised of Tourism Enterprises of Messinia S.A. and D-Marine Investments Holding B.V. was selected as the preferred bidder. Alpha Bank has entered into exclusive discussions with the Preferred Bidder for the completion of the Process.

e. On 22.8.2016 the Bank proceeded to the acquisition of 97.27% of the shares of Ioniki Hotel Enterprises A.E. from the related companies Alpha Group Investments Ltd, Ionian Equity Participations Ltd, Ionian Holdings A.E., Oceanos A.T.O.E.E. and Alpha Supporting Services A.E. by 89.77%, 1.87%, 1.87%, 1.87% and 1.87% respectively, in the context of the internal restructuring plan of the portfolio of Group Alpha Bank in order to service the business initiatives and under the agreed terms with the best practices terms which are followed in similar transactions.

Athens, 30 August 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER	THE ACCOUNTING AND TAX MANAGER
VASILEIOS T. RAPANOS **ID. No. AI 666242**	**DEMETRIOS P. MANTZOUNIS** **ID. No. I 166670**	**VASSILIOS E. PSALTIS** **ID. No. AI 666591**	**MARIANNA D. ANTONIOU** **ID. No. X 694507**

Appendix

According to European Securities and Markets Authority(ESMA) guidelines in relation to Alternative Performance Measures(APMs) which published in October 2015 and came into force on 3 July 2016 on the following tables are disclosed the definitions and the calculations of the related (APMs) which are included to Board of Directors semi-annual Financial Report.

	Definition	Calculation	30.6.2016	31.12.2015
Loans and Receivables to Deposit Ratio	The indicator reflects the relationship loans and advances to customers before impairment to due to customers	Loans and advances to customers / Due to Customers	143.7%	146.9%

	Definition	Calculation	30.6.2016	31.12.2015
Expenses/Income Ratio	The indicator reflects the relationship between recurring expenses and income of the period.	Total Expenses of the period less Non recurring expenses / Total Income of the period less Gain less losse on financial transactions	48.2%	49.1%

(Amounts in million of Euro)

	Definition	Calculation			30.6.2016	31.12.2015
Loans and Receivables to Deposit Ratio	The indicator reflects the relationship loans and advances to customers before impairment to due to customers	Numerator	+	Loans and advances to customers	45,496	46,186
		Denominator	+	Due to Customers	31,667	31,434
		Ratio	=		**143.7%**	**146.9%**

(Amounts in million of Euro)

	Definition	Calculation			30.6.2016	31.12.2015
Expenses/Income Ratio	The indicator reflects the relationship between recurring expenses and income of the period.	Numerator	+	Total Expenses of the period	603	563
			-	Non recurring expenses	48	1
		Denominator	+	Total Income of the period	1,211	1,180
			-	Gain less losse on financial transactions	60	36
		Ratio	=		**48.2%**	**49.1%**

Non recurring expenses as of 30.6.2016 are mainly related to the provision for the voluntary separation scheme of Alpha Bank Cyprus Ltd amounting to € 31,5 million and other provision for the period amounting to € 11,2 million, which are included in captions "Provision for voluntary separation scheme" and "Other expenses" respectively.

* *Total expenses of the period include the proportion of the contribution to Resolution Fund for 2015 which was accounted in the third quarter of 2015 for comparison reasons.*