



**ALPHA BANK**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 30.9.2016**

(In accordance with International Accounting Standard 34)



Athens,  
30 November 2016



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## Interim Consolidated Income Statement

(Amounts in thousands of Euro)

|   | Note | From 1 January to |                    | From 1 July to   |                  |
|---|------|-------------------|--------------------|------------------|------------------|
|   |      | 30.9.2016         | 30.9.2015*         | 30.9.2016        | 30.9.2015*       |
| Interest and similar income                                       |      | 2,042,445         | 2,282,870          | 659,494          | 758,431          |
| Interest expense and similar charges                              |      | (588,718)         | (837,672)          | (172,074)        | (270,127)        |
| Net interest income   |      | 1,453,727         | 1,445,198          | 487,420          | 488,304          |
| Fee and commission income   |      | 283,107           | 284,696            | 100,660          | 90,185           |
| Commission expense  |      | (41,694)          | (54,021)           | (18,017)         | (20,674)         |
| Net fee and commission income                                     |      | 241,413           | 230,675            | 82,643           | 69,511           |
| Dividend income   |      | 1,153             | 888                | 33               | 343              |
| Gains less losses on financial transactions                       | 2    | 69,395            | 45,015             | 9,357            | 9,053            |
| Other income  |      | 44,053            | 44,909             | 16,778           | 14,333           |
|   |      | 114,601           | 90,812             | 26,168           | 23,729           |
| <b>Total income</b>   |      | <b>1,809,741</b>  | <b>1,766,685</b>   | <b>596,231</b>   | <b>581,544</b>   |
| Staff costs   |      | (387,192)         | (395,200)          | (128,711)        | (131,729)        |
| Cost for voluntary separation scheme                              | 15   | (31,560)          |                    | (80)             |                  |
| General administrative expenses                                   | 3    | (380,837)         | (394,712)          | (133,748)        | (157,383)        |
| Depreciation and amortization                                     |      | (74,298)          | (77,899)           | (24,803)         | (26,362)         |
| Other expenses  |      | (17,402)          | (3,615)            | (1,128)          | (1,407)          |
| <b>Total expenses</b>   |      | <b>(891,289)</b>  | <b>(871,426)</b>   | <b>(288,470)</b> | <b>(316,881)</b> |
| Impairment losses and provisions to cover credit risk             | 4    | (861,952)         | (2,357,333)        | (257,124)        | (258,491)        |
| Share of profit/(loss) of associates and joint ventures           |      | (2,773)           | (9,022)            | (806)            | (5,035)          |
| <b>Profit/(loss) before income tax</b>                            |      | <b>53,727</b>     | <b>(1,471,096)</b> | <b>49,831</b>    | <b>1,137</b>     |
| Income tax  | 5    | (32,562)          | 723,198            | (8,115)          | 413,840          |
| <b>Profit/(loss) after income tax, from continuing operations</b> |      | <b>21,165</b>     | <b>(747,898)</b>   | <b>41,716</b>    | <b>414,977</b>   |
| Profit/(loss) after income tax from discontinued operations       | 25   | 1,047             | (90,486)           | (560)            | (1,278)          |
| <b>Profit/(loss) after income tax</b>                             |      | <b>22,212</b>     | <b>(838,384)</b>   | <b>41,156</b>    | <b>413,699</b>   |
| <b>Profit/(loss) attributable to:</b>                             |      |                   |                    |                  |                  |
| <b>Equity owners of the Bank</b>                                  |      |                   |                    |                  |                  |
| - from continuing operations                                      |      | 20,975            | (748,150)          | 41,625           | 414,892          |
| - from discontinued operations                                    |      | 1,047             | (90,486)           | (560)            | (1,278)          |
|   |      | <b>22,022</b>     | <b>(838,636)</b>   | <b>41,065</b>    | <b>413,614</b>   |
| Non-controlling interests   |      |                   |                    |                  |                  |
| - from continuing operations                                      |      | 190               | 252                | 91               | 85               |
| <b>Earnings/(losses) per share:</b>                               |      |                   |                    |                  |                  |
| Basic and diluted (€ per share)                                   | 6    | 0.01              | (3.28)             | 0.03             | 1.62             |
| Basic and diluted from continuing operations (€ per share)        | 6    | 0.01              | (2.93)             | 0.03             | 1.62             |
| Basic and diluted from discontinued operations (€ per share)      | 6    | 0.00              | (0.35)             | (0.00)           | (0.01)           |

\* The figures of the Interim Consolidated Income Statement of the comparative periods have been restated due to modification of the presentation of figures related to the loyalty Bonus card program, the finalization of the Bulgaria Branch transfer terms and the presentation of Alpha Bank A.D. Skopje as a discontinued operation (notes 25 and 27).

The attached notes (pages 9-63) form an integral part of these interim consolidated financial statements



## Interim Consolidated Balance Sheet

(Amounts in thousands of Euro)

|   | Note | 30.9.2016         | 31.12.2015*       |
|---|------|-------------------|-------------------|
| <b>ASSETS</b>   |      |                   |                   |
| Cash and cash balances with Central Banks                     |      | 1,460,080         | 1,730,327         |
| Due from banks  |      | 2,083,209         | 1,976,273         |
| Trading securities  | 8    | 4,036             | 2,779             |
| Derivative financial assets                                   |      | 789,045           | 793,015           |
| Loans and advances to customers                               | 7    | 44,870,376        | 46,186,116        |
| Investment securities   |      |                   |                   |
| - Available for sale  | 8    | 5,465,593         | 5,794,484         |
| - Held to maturity  | 8    | 44,801            | 79,709            |
| - Loans and receivables                                       | 8    | 3,371,258         | 4,289,482         |
| Investments in associates and joint ventures                  |      | 13,446            | 45,771            |
| Investment property   | 9    | 636,761           | 623,662           |
| Property, plant and equipment                                 | 10   | 820,649           | 860,901           |
| Goodwill and other intangible assets                          | 11   | 371,232           | 345,151           |
| Deferred tax assets   |      | 4,433,206         | 4,398,176         |
| Other assets  |      | 1,516,748         | 1,508,633         |
|   |      | 65,880,440        | 68,634,479        |
| Assets held for sale  | 25   | 280,618           | 663,063           |
| <b>Total Assets</b>   |      | <b>66,161,058</b> | <b>69,297,542</b> |
| <b>LIABILITIES</b>  |      |                   |                   |
| Due to banks  | 12   | 21,805,776        | 25,115,363        |
| Derivative financial liabilities                              |      | 1,622,752         | 1,550,529         |
| Due to customers (including debt securities in issue)         |      | 31,969,757        | 31,434,266        |
| Debt securities in issue and other borrowed funds             | 13   | 299,724           | 400,729           |
| Liabilities for current income tax and other taxes            |      | 26,990            | 38,192            |
| Deferred tax liabilities                                      |      | 22,365            | 20,852            |
| Employee defined benefit obligations                          | 14   | 83,582            | 108,550           |
| Other liabilities   |      | 1,027,499         | 910,623           |
| Provisions  | 15   | 347,065           | 298,458           |
|   |      | 57,205,510        | 59,877,562        |
| Liabilities related to assets held for sale                   | 25   | 9,629             | 366,781           |
| <b>Total Liabilities</b>                                      |      | <b>57,215,139</b> | <b>60,244,343</b> |
| <b>EQUITY</b>   |      |                   |                   |
| <b>Equity attributable to equity owners of the Bank</b>       |      |                   |                   |
| Share capital   | 16   | 461,064           | 461,064           |
| Share premium   |      | 10,790,870        | 10,790,870        |
| Reserves  |      | 172,644           | 300,086           |
| Amounts recognized directly in equity for held for sale items |      | (122)             | 8,834             |
| Retained earnings   | 16   | (2,517,850)       | (2,546,885)       |
|   |      | <b>8,906,606</b>  | <b>9,013,969</b>  |
| <b>Non-controlling interests</b>                              |      | <b>24,181</b>     | <b>23,998</b>     |
| <b>Hybrid securities</b>                                      | 17   | <b>15,132</b>     | <b>15,232</b>     |
| <b>Total Equity</b>   |      | <b>8,945,919</b>  | <b>9,053,199</b>  |
| <b>Total Liabilities and Equity</b>                           |      | <b>66,161,058</b> | <b>69,297,542</b> |

\* 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 27).

## Interim Consolidated Statement of Comprehensive Income

(Amounts in thousands of Euro)

|   | Note | From 1 January to |                  | From 1 July to  |                |
|---|------|-------------------|------------------|-----------------|----------------|
|   |      | 30.9.2016         | 30.9.2015*       | 30.9.2016       | 30.9.2015*     |
| <b>Profit/(Loss), after income tax, recognized in the income statement</b>  |      | <b>22,212</b>     | <b>(838,384)</b> | <b>41,156</b>   | <b>413,699</b> |
| <b>Other comprehensive income recognized directly in equity:</b>  |      |                   |                  |                 |                |
| <b>Amounts that may be reclassified to the income statement</b>   |      |                   |                  |                 |                |
| Net change in available for sale securities' reserve  |      | (40,551)          | 60,619           | (19,713)        | 388,738        |
| Net change in cash flow hedge reserve   |      | (141,535)         | 39,758           | (13,840)        | (23,987)       |
| Exchange differences on translating and hedging the net investment in foreign operations                            |      | (3,568)           | 4,037            | (1,667)         | 3,441          |
| Change in the share of other comprehensive income of associates and joint ventures                                  |      |                   | 101              |                 |                |
| Income tax  | 5    | 56,768            | (25,410)         | 18,133          | (87,973)       |
| <b>Amounts that may be reclassified to the income statement from continuing operations</b>                          |      | <b>(128,886)</b>  | <b>79,105</b>    | <b>(17,087)</b> | <b>280,219</b> |
| <b>Amounts that may be reclassified to the income statement from discontinued operations</b>                        |      | <b>(40)</b>       | <b>3</b>         |                 | <b>(36)</b>    |
| <b>Amounts that may not be reclassified to the income statement</b>   |      |                   |                  |                 |                |
| Effect due to the change of the income tax rate in actuarial gains/(losses) of employee defined benefit obligations |      |                   | 2,175            |                 | 2,175          |
|   |      | -                 | <b>2,175</b>     | -               | <b>2,175</b>   |
| <b>Total of other comprehensive income recognized directly in equity, after income tax</b>                          | 5    | <b>(128,926)</b>  | <b>81,283</b>    | <b>(17,087)</b> | <b>282,358</b> |
| <b>Total comprehensive income for the period, after income tax</b>  |      | <b>(106,714)</b>  | <b>(757,101)</b> | <b>24,069</b>   | <b>696,057</b> |
| <b>Total comprehensive income for the period attributable to:</b>   |      |                   |                  |                 |                |
| Equity owners of the Bank   |      |                   |                  |                 |                |
| - from continuing operations  |      | (107,904)         | (666,900)        | 24,507          | 697,307        |
| - from discontinued operations  |      | 1,007             | (90,483)         | (560)           | (1,314)        |
|   |      | <b>(106,897)</b>  | <b>(757,383)</b> | <b>23,947</b>   | <b>695,993</b> |
| Non controlling interests   |      |                   |                  |                 |                |
| - from continuing operations  |      | 183               | 282              | 122             | 64             |

\* The figures of the Interim Consolidated Statement of Comprehensive Income of the comparative periods have been restated due to the finalization of the Bulgaria Branch transfer terms, the presentation of Alpha Bank A.D. Skopje as a discontinued operation and the completion of the valuation of net assets of acquired subsidiary company (notes 25 and 27).



## 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     |
|---|------|------------------|-------------------|----------------|--------------------|------------------|---------------------------|-------------------|------------------|
| <b>Balance 1.1.2015</b>   |      | <b>3,830,718</b> | <b>4,858,216</b>  | <b>105,687</b> | <b>(1,142,801)</b> | <b>7,651,820</b> | <b>23,266</b>             | <b>31,464</b>     | <b>7,706,550</b> |
| <b>Changes for the period 1.1 - 30.9.2015</b>                                       |      |                  |                   |                |                    |                  |                           |                   |                  |
| Profit/(loss) for the period, after income tax                                      |      |                  |                   |                | (838,636)          | (838,636)        | 252                       |                   | (838,384)        |
| Other comprehensive income recognized directly in equity, after income tax          |      |                  |                   | 79,078         | 2,175              | 81,253           | 30                        |                   | 81,283           |
| <b>Total comprehensive income for the period, after income tax</b>                  |      |                  |                   | <b>79,078</b>  | <b>(836,461)</b>   | <b>(757,383)</b> | <b>282</b>                | <b>-</b>          | <b>(757,101)</b> |
| Effect due to change to the income tax rate for the share capital increase expenses |      |                  |                   |                | 6,261              | 6,261            |                           |                   | 6,261            |
| Purchases/sales and change of ownership interests in subsidiaries                   |      |                  |                   |                | (388)              | (388)            | 427                       |                   | 39               |
| (Purchases), (redemptions)/ sales of hybrid securities, after income tax            |      |                  |                   |                | 740                | 740              |                           | (1,729)           | (989)            |
| Appropriation of reserves   |      |                  |                   | 2,511          | (2,511)            | -                |                           |                   | -                |
| <b>Balance 30.9.2015</b>  |      | <b>3,830,718</b> | <b>4,858,216</b>  | <b>187,276</b> | <b>(1,975,160)</b> | <b>6,901,050</b> | <b>23,975</b>             | <b>29,735</b>     | <b>6,954,760</b> |
| <b>Changes for the period 1.10 - 31.12.2015</b>                                     |      |                  |                   |                |                    |                  |                           |                   |                  |
| Profit/(loss) for the period, after income tax                                      |      |                  |                   |                | (533,078)          | (533,078)        | 8                         |                   | (533,070)        |
| Other comprehensive income recognized directly in equity, after income tax          |      |                  |                   | 121,635        | 870                | 122,505          | (15)                      |                   | 122,490          |
| <b>Total comprehensive income for the period, after income tax</b>                  |      |                  |                   | <b>121,635</b> | <b>(532,208)</b>   | <b>(410,573)</b> | <b>(7)</b>                | <b>-</b>          | <b>(410,580)</b> |
| 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)         |
| Purchases/sales and change of ownership interests in subsidiaries                   |      |                  |                   |                | (69)               | (69)             | 30                        |                   | (39)             |
| (Purchases), (redemptions)/ sales of hybrid securities, after income tax            |      |                  |                   |                | 4,067              | 4,067            |                           | (14,503)          | (10,436)         |
| Appropriation of reserves   |      |                  |                   | 9              | (9)                | -                |                           |                   | -                |
| <b>Balance 31.12.2015</b>   |      | <b>461,064</b>   | <b>10,790,870</b> | <b>308,920</b> | <b>(2,546,885)</b> | <b>9,013,969</b> | <b>23,998</b>             | <b>15,232</b>     | <b>9,053,199</b> |



(Amounts in thousands of Euro)

|  | Note | Share capital | Share premium | Reserves  | Retained earnings | Total     | Non controlling interests | Hybrid securities | Total Equity |
|--|------|---------------|---------------|-----------|-------------------|-----------|---------------------------|-------------------|--------------|
| <b>Balance 1.1.2016</b>  |      | 461,064       | 10,790,870    | 308,920   | (2,546,885)       | 9,013,969 | 23,998                    | 15,232            | 9,053,199    |
| <b>Changes for the period 1.1-30.9.2016</b>                                |      |               |               |           |                   |           |                           |                   |              |
| Profit for the period, after income tax                                    |      |               |               |           | 22,022            | 22,022    | 190                       |                   | 22,212       |
| Other comprehensive income recognized directly in equity, after income tax |      |               |               | (128,919) |                   | (128,919) | (7)                       |                   | (128,926)    |
| <b>Total comprehensive income for the period, after income tax</b>         |      |               |               | (128,919) | 22,022            | (106,897) | 183                       | -                 | (106,714)    |
| 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          |
| <b>Balance 30.9.2016</b>   |      | 461,064       | 10,790,870    | 172,522   | (2,517,850)       | 8,906,606 | 24,181                    | 15,132            | 8,945,919    |

\* The figures of the Consolidated Statement of Changes in Equity of the comparative period have been restated due to the completion of the valuation of net assets of acquired subsidiary company (note 27).

The attached notes (pages 9-63) form an integral part of these interim consolidated financial statements



## Interim Consolidated Statement of Cash Flows

(Amounts in thousands of Euro)

|   | Note | From 1 January to  |                  |
|---|------|--------------------|------------------|
|   |      | 30.9.2016          | 30.9.2015*       |
| <b>Cash flows from continuing operating activities</b>                                      |      |                    |                  |
| Profit/(loss) before income tax   |      | 53,727             | (1,471,096)      |
| <b>Adjustments for gain/(losses) before income tax for:</b>                                 |      |                    |                  |
| Depreciation/Impairment of fixed assets   | 9,10 | 40,830             | 43,932           |
| Amortization/Impairment of intangible assets  | 11   | 33,468             | 33,967           |
| Impairment losses from loans, provisions and staff leaving indemnity                        |      | 915,244            | 2,407,964        |
| (Gains)/losses from investing activities  |      | (78,209)           | 19,853           |
| (Gains)/losses from financing activities  |      | 42,183             | 49,611           |
| Share of (profit)/loss of associates and joint ventures                                     |      | 2,773              | 9,022            |
|   |      | <b>1,010,016</b>   | <b>1,093,253</b> |
| <b>Net (increase)/decrease in assets relating to continuing operating activities:</b>       |      |                    |                  |
| Due from banks  |      | (159,589)          | 1,245,151        |
| Trading securities and derivative financial assets  |      | 2,712              | 253,590          |
| Loans and advances to customers   |      | 581,158            | (293,706)        |
| Other assets  |      | 54,981             | (32,079)         |
| <b>Net increase /(decrease) in liabilities relating to continuing operating activities:</b> |      |                    |                  |
| Due to banks  |      | (3,309,587)        | 10,261,958       |
| Derivative financial liabilities  |      | (69,312)           | (234,082)        |
| Due to customers  |      | 532,587            | (12,291,979)     |
| Other liabilities   |      | 116,874            | 99,694           |
| <b>Net cash flows from continuing operating activities before taxes</b>                     |      | <b>(1,240,160)</b> | <b>101,800</b>   |
| Income taxes and other taxes paid   |      | (19,468)           | (46,347)         |
| <b>Net cash flows from continuing operating activities</b>                                  |      | <b>(1,259,628)</b> | <b>55,453</b>    |
| <b>Net cash flows from discontinued operating activities</b>                                |      | <b>(21,270)</b>    | <b>1,003</b>     |
| <b>Cash flows from continuing investing activities</b>                                      |      |                    |                  |
| Investments in associates and joint ventures  |      | (18,522)           | (12,138)         |
| Acquisitions during the period  |      |                    | 9,151            |
| Amounts received from disposal of subsidiary  |      |                    | 15,392           |
| Dividends received  |      | 1,153              | 903              |
| Acquisitions of fixed and intangible assets   |      | (129,106)          | (68,455)         |
| Disposals of fixed and intangible assets  |      | 28,619             | 10,928           |
| Net (increase)/decrease in investment securities  |      | 1,205,972          | 26,845           |
| <b>Net cash flows from continuing investing activities</b>                                  |      | <b>1,088,116</b>   | <b>(17,374)</b>  |
| <b>Net cash flows from discontinued investing activities</b>                                |      | <b>(24,390)</b>    | <b>8,096</b>     |
| <b>Cash flows from continuing financing activities</b>                                      |      |                    |                  |
| Receipts of debt securities in issue and other borrowed funds                               |      | 858                |                  |
| Repayments of debt securities in issue and other borrowed funds                             |      | (103,141)          | (111,077)        |
| (Purchases)/sales of hybrid securities  |      | (15)               | (693)            |
| Share capital increase expenses   |      | (970)              |                  |
| <b>Net cash flows from continuing financing activities</b>                                  |      | <b>(103,268)</b>   | <b>(111,770)</b> |
| Effect of exchange rate differences on cash and cash equivalents                            |      | (18,411)           | 8,865            |
| <b>Net increase/(decrease) in cash flows from continuing activities</b>                     |      | <b>(293,191)</b>   | <b>(64,826)</b>  |
| <b>Net increase/(decrease) in cash flows from discontinued activities</b>                   |      | <b>(45,660)</b>    | <b>9,099</b>     |
| <b>Cash and cash equivalents at the beginning of the period</b>                             |      | <b>1,328,133</b>   | <b>1,194,244</b> |
| <b>Cash and cash equivalents at the end of the period</b>                                   |      | <b>989,282</b>     | <b>1,138,517</b> |

\* The figures of the Interim Consolidated Statement of Cash Flows of the comparative period have been restated due to the finalization of the Bulgaria Branch transfer terms and the presentation of Alpha Bank A.D. Skopje as a discontinued operation (notes 25 and 27).

## 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 registered office is 40 Stadiou Street, Athens and is listed in the General Commercial Register with registration number 223701000 (former 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 30.9.2016 consists of:

#### CHAIRMAN (Non Executive Member)

Vasileios Th. Rapanos

#### VICE CHAIRMAN (Non Executive Independent Member)

Paul 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

Efthymios O. Vidalis

Richard R. Gildea \*\*/\*\*\*

#### 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 the meeting of the Board of Directors of the Bank held on 29.9.2016, the Non-Executive Independent Members Ioannis K. Lyras, Paul A. Apostolides and Evangelos J. Kaloussis

submitted their resignation with effect from no later than 30 November 2016 (for the first Member), 31 December 2016 (for the second Member) and 28 February 2017 (for the third

\* Member of the Audit Committee

\*\* Member of the Remuneration Committee

\*\*\* Member of Risk Management Committee

\*\*\*\* Member of Corporate Governance and Nominations Committee



Member). At the same meeting, the Board of Directors re-determined the capacity of its Member, Mr. Richard R. Gildea, as Non-Executive Member of the Board of Directors of the Bank, with effect from the date of his election, and, in parallel, resolved that Mr. Richard R. Gildea will fill the first vacated (due to resignation, as per the above) Board Member position and assume (then) the capacity of Non-Executive Independent Member of the Board of Directors.

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 constantly 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 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 September 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 nine month period of 2016, the average daily volume per session for shares was €16,750,500 and for warrants €4,737.

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: CCC+

According to Law 4374/1.4.2016, the obligation to publish quarterly financial statements for the first and third quarter of the financial year, pursuant to the provision of Article 6 of Law 3556/30.4.2007 before its amendment, was abolished. However, the article 25 of Law 4416/6.9.2016 added the article 5b in the Law 3556/30.4.2007, based on which the obligation to prepare and publish consolidated Financial Statements for the first and third quarter of the financial year remains. This obligation relates to credit institutions whose securities are trading on a regulated market and are required to publish Consolidated Financial Statements.

Furthermore, according to No.8/754/14.4.2016 decision of the Hellenic Capital Market Commission with subject "Special Topics Periodic Reporting according to Law 3556/30.4.2007", the obligation to publish data and Information arising from the quarterly and half-yearly 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 November 2016.**

## ACCOUNTING POLICIES APPLIED

### 1.1 Basis of presentation

The Group has prepared the condensed interim financial statements as at 30.9.2016 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 10 "Consolidated Financial Statements", to International Financial Reporting Standard 12 "Disclosure of Interests in Other Entities" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Investment Entities: Applying the Consolidation Exception** (Regulation 2016/1703/22.9.2016)
- **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 re-

viewed 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 30.9.2016. 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 was disbursed in October 2016 after the completion of the prerequisite actions that had been set. Meanwhile, in the fourth quarter of the current year the second evaluation of the financial support program begun and is expected to be completed in the near time. 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 of 2016, 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 4.1.1 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. The completion of the second assessment of the program is expected to be accompanied by measures 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 30.9.2016, 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 30.9.2016 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 current period.



## INCOME STATEMENT

### 2. Gains less losses on financial transactions

|                                       | From 1 January to |               | From 1 July to |              |
|---------------------------------------|-------------------|---------------|----------------|--------------|
|                                       | 30.9.2016         | 30.9.2015     | 30.9.2016      | 30.9.2015    |
| Foreign exchange differences          | 14,198            | (14,826)      | 8,198          | (717)        |
| Trading securities:                   |                   |               |                |              |
| - Bonds                               | 600               | 1,640         | 85             | 205          |
| - Shares                              | (131)             | (30)          | 18             | (189)        |
| Investment securities:                |                   |               |                |              |
| - Bonds                               | 16,580            | (20,850)      | 2,545          | 31,363       |
| - Shares                              | 81,000            | (2,510)       | (239)          | (2,051)      |
| - Other securities                    | (3,314)           | (1,581)       | (244)          | (1,558)      |
| From impairments/sales of investments | (1,705)           | 6,826         | (10)           | 22           |
| From sale of loans                    | 19,257            | 20            | 8,381          | 29           |
| Derivative financial instruments      | (32,587)          | 53,346        | (11,943)       | 10,512       |
| Other financial instruments           | (24,503)          | 22,980        | 2,566          | (28,563)     |
| <b>Total</b>                          | <b>69,395</b>     | <b>45,015</b> | <b>9,357</b>   | <b>9,053</b> |

Gains less losses on financial transactions of the nine month period were mainly affected by Visa Europe's acquisition transaction from Visa Inc and the valuation of the Group's subsidiary "Ionian Hotel Enterprises A.E." due to its classification as held for sale. In more detail:

On June 21, 2016, Visa Inc. completed the acquisition of Visa Europe. According to the contract (as amended on 10.5.2016), the date of completion of the transaction, Visa Inc. purchased from Visa Europe's members shares they held in their capacity as members. 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 financial results from shares 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 receivable from collecting the additional amount on the third anniversary.

In addition, the Group recognized during the year the preference shares of Visa Inc. acquired in connection with the transaction. These shares, which were classified as available for sale portfolio, were recognized at a fair value of €16.3 million by crediting gains less losses on financial transactions. "Other financial instruments" includes a loss from Ionian Hotel Enterprises A.E. valuation of €37.9 million (note 25).



### 3. General administrative expenses

|  | From 1 January to |                | From 1 July to |                |
|--|-------------------|----------------|----------------|----------------|
|  | 30.9.2016         | 30.9.2015      | 30.9.2016      | 30.9.2015      |
| Operating Leases for buildings   | 32,637            | 34,569         | 10,752         | 12,217         |
| Rent and maintenance of EDP equipment  | 15,246            | 14,258         | 5,022          | 4,034          |
| EDP expenses   | 23,084            | 34,136         | 7,484          | 14,097         |
| Marketing and advertisement expenses   | 16,796            | 14,828         | 5,733          | 4,551          |
| Telecommunications and postage   | 17,546            | 17,831         | 5,565          | 7,410          |
| Third party fees   | 35,256            | 34,073         | 13,628         | 10,192         |
| Financial information services by third parties                                | 5,749             | 4,883          | 2,374          | 1,552          |
| Contribution to the Deposit guarantee fund – Investment Fund and Solvency Fund | 47,818            | 59,372         | 13,649         | 37,912         |
| Insurance  | 8,795             | 7,769          | 2,052          | 2,627          |
| Consumables  | 4,690             | 5,394          | 1,646          | 2,256          |
| Electricity  | 9,244             | 11,364         | 3,610          | 4,320          |
| Third party fees for customer acquisition                                      | 41                | 96             | 15             | 40             |
| Taxes (VAT, real estate etc)   | 60,517            | 59,401         | 24,072         | 22,050         |
| Services from collection agencies  | 22,829            | 12,766         | 9,562          | 3,348          |
| Building and equipment maintenance   | 6,876             | 6,677          | 2,379          | 2,205          |
| Security   | 9,501             | 9,594          | 3,199          | 3,150          |
| Cleaning fees  | 4,321             | 4,289          | 1,573          | 1,484          |
| Other  | 59,891            | 63,412         | 21,433         | 23,938         |
| <b>Total</b>   | <b>380,837</b>    | <b>394,712</b> | <b>133,748</b> | <b>157,383</b> |

Specific cost categories are presented increased compared to the corresponding amounts of the comparative period which was influenced by the bank holiday, with more significant impact identified in marketing and advertisement expenses and the services' charges from collection agencies. However, the total amount of general administrative expenses is declining mainly because the comparative period was burdened by extraordinary contribution on the reorganization of the Greek credit institutions and merger costs related mainly to maintenance of computer applications.

Regarding the regulatory framework governing the resolution of credit institutions, the following is noted:

On 23.7.2015 under Law 4335/2015, the European Directive 2014/59 was incorporated 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 guaran-

teed 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.

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 (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 20.5.2016, the Bank signed a contract with the Single Resolution Board to provide irrevocable payment commitment and established the necessary cash collateral for the 2016 contribution.



#### 4. Impairment losses and provisions to cover credit risk

|   | From 1 January to |                  | From 1 July to |                |
|---|-------------------|------------------|----------------|----------------|
|   | 30.9.2016         | 30.9.2015        | 30.9.2016      | 30.9.2015      |
| Impairment losses on loans and advances to customers (note 7)                 | 886,477           | 2,370,218        | 266,662        | 261,069        |
| Provisions to cover credit risk relating to off balance sheet items (note 15) | 149               | 2,427            | (345)          | (274)          |
| Recoveries  | (24,674)          | (15,312)         | (9,193)        | (2,304)        |
| <b>Total</b>  | <b>861,952</b>    | <b>2,357,333</b> | <b>257,124</b> | <b>258,491</b> |

In the nine month period, impairment losses on loans have been significantly burdened from the recognition of losses associated with corporate loans restructuring and the increase in impairment losses in specific retail portfolios which will contribute to the optimal management of non-performing loans.

Respectively, the nine month period of 2015 was affected by

significant impairment losses, after taking into consideration the special economic and microeconomic conditions that existed in the Greek from 30.6.2015 and onwards and affected the values of the parameters taken into account in the impairment test and the expected cash flows of customers operating in economy sectors that have been adversely affected.

#### 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 without the law explicitly defining regarding the retrospective application of income tax rate for profits of fiscal year 2014 and they have been incorporated into the results of the nine month period of 2015, as shown in the tables below.

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 (S.A.), 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 the first ten days of the seventh month after the end of the audited financial year, as well as, electronically to the Ministry of Finance, no later than the end of the seventh month after the end of the audited financial year. For fiscal years 2011 up to 2015 the Bank and its local subsidiaries have obtained the relevant tax certificate without any qualifications on the tax issues covered. In accordance with article 56 of Law 4410/3.8.2016 for the fiscal years from 1.1.2016 and onwards, 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 25:

\* Until 31.3.2015 the tax rate was 21%.

|  | From 1 January to |                  | From 1 July to |                  |
|--|-------------------|------------------|----------------|------------------|
|  | 30.9.2016         | 30.9.2015        | 30.9.2016      | 30.9.2015        |
| Current  | 8,753             | 14,519           | 1,944          | 4,971            |
| Deferred   | 23,809            | (300,364)        | 6,171          | 18,542           |
| Effect on deferred tax due to the changes in income tax rate |                   | (437,353)        |                | (437,353)        |
| <b>Total</b>   | <b>32,562</b>     | <b>(723,198)</b> | <b>8,115</b>   | <b>(413,840)</b> |

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 July to |                  |
|--|-------------------|------------------|----------------|------------------|
|  | 30.9.2016         | 30.9.2015        | 30.9.2016      | 30.9.2015        |
| Debit difference of Law 4046/2012  | 33,416            | (91,030)         | 11,139         | (111,003)        |
| Write-offs, depreciation and impairment of fixed assets  | 10,507            | 23,338           | 3,847          | 13,464           |
| Valuation/impairment of loans  | (66,432)          | (611,137)        | (5,983)        | (221,988)        |
| Valuation of loans due to hedging  | (777)             | (651)            | (137)          | (101)            |
| Employee defined benefit obligations and insurance funds   | 26,146            | 13,886           | 947            | 14,304           |
| Valuation of derivatives   | (8,026)           | 19,081           | (1,973)        | 5,069            |
| Effective interest rate  | (44)              | (1,099)          | 235            | (267)            |
| Fair value change of liabilities to credit institutions and other borrowed funds due to fair value hedge | 3,937             | (12,879)         | 466            | (10,446)         |
| Valuation/impairment of bonds and other securities   | (15,790)          | 22,060           | (26,351)       | (3,477)          |
| Tax losses carried forward   | 32,007            | (101,503)        | 8,055          | (72,414)         |
| Other temporary differences  | 8,865             | 2,217            | 15,926         | (31,952)         |
| <b>Total</b>   | <b>23,809</b>     | <b>(737,717)</b> | <b>6,171</b>   | <b>(418,811)</b> |

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

|   | From 1 January to |               |              |                    |
|---|-------------------|---------------|--------------|--------------------|
|   | 30.9.2016         |               | 30.9.2015    |                    |
|   | %                 |               | %            |                    |
| <b>Profit/(loss) before income tax</b>  |                   | <b>53,727</b> |              | <b>(1,471,096)</b> |
| Income tax (weighted average nominal tax rate)                                  | 44.26             | 23,780        | 27.96        | (411,284)          |
| <b>Increase/(decrease) due to:</b>  |                   |               |              |                    |
| Non taxable income  | (21.24)           | (11,414)      | 0.25         | (3,622)            |
| Non deductible expenses   | 13.42             | 7,210         | (3.49)       | 51,384             |
| Deferred tax recognition for temporary differences of previous years            | (4.22)            | (2,269)       | 0.04         | (611)              |
| Non-recognition of deferred tax for temporary differences of the current period | 17.54             | 9,426         | (2.69)       | 39,502             |
| Other tax adjustments   | 10.85             | 5,829         | 0.06         | (859)              |
| <b>Income tax (effective tax rate)</b>  | <b>60.61</b>      | <b>32,562</b> | <b>22.13</b> | <b>(325,490)</b>   |
| Adjustment tax rates on temporary differences 31.12.2014                        |                   |               |              | (397,708)          |
| <b>Income tax (effective tax rate)</b>  |                   |               |              | <b>(723,198)</b>   |



|   | From 1 July to |               |                 |                  |
|---|----------------|---------------|-----------------|------------------|
|   | 30.9.2016      |               | 30.9.2015       |                  |
|   | %              |               | %               |                  |
| <b>Profit/(loss) before income tax</b>  |                | <b>49,831</b> |                 | <b>1,137</b>     |
| Income tax (weighted average nominal tax rate)                                  | 40.31          | 20,089        | 27.88           | 317              |
| <b>Increase/(decrease) due to:</b>  |                |               |                 |                  |
| Non taxable income  | (0.33)         | (162)         | (106.86)        | (1,215)          |
| Non deductible expenses   | (9.03)         | (4,498)       | 868.60          | 9,876            |
| Deferred tax recognition for temporary differences of previous years            | (3.48)         | (1,734)       |                 |                  |
| Non-recognition of deferred tax for temporary differences of the current period | 8.74           | 4,354         | 305.63          | 3,475            |
| Other tax adjustments   | (19.94)        | (9,934)       | 972.74          | 11,060           |
| <b>Income tax (effective tax rate)</b>  | <b>16.27</b>   | <b>8,115</b>  | <b>2,067.99</b> | <b>23,513</b>    |
| Adjustment tax rates on temporary differences 31.12.2014                        |                |               |                 | (437,353)        |
| <b>Income tax (effective tax rate)</b>  |                |               |                 | <b>(413,840)</b> |

According to article 5 of Law 4303/17.10.2014 "Ratification of the Legislative Act "Emergency legislation to replenish the General Secretary of Revenue due to early termination of his service" (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 4340/1.11.2015 "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 the relevant deferred tax asset which is included to the same legislation is limited to the amount related to the provisions for credit risk, which have been accounted until 30 June 2015.

On 30 September 2016 the amount of deferred tax assets which is estimated to be within the scope of the aforementioned Law amounts to €3,383,640 (31.12.2015: €3.417.055).

## Income tax of comprehensive income recognized directly in Equity

|  | From 1 January to |               |                  |                   |                 |                  |
|--|-------------------|---------------|------------------|-------------------|-----------------|------------------|
|  | 30.9.2016         |               |                  | 30.9.2015         |                 |                  |
|  | Before income tax | Income tax    | After income tax | Before income tax | Income tax      | After income tax |
| <b>Amounts that may be reclassified to the Income Statement</b>  |                   |               |                  |                   |                 |                  |
| Net change in available for sale securities' reserve   | (40,551)          | 16,941        | (23,610)         | 60,619            | (21,981)        | 38,638           |
| Net change in cash flow hedge reserve  | (141,535)         | 41,103        | (100,432)        | 39,758            | (3,946)         | 35,812           |
| Foreign exchange differences on translating and hedging the net investment in foreign operations       | (3,608)           | (1,276)       | (4,884)          | 4,040             | 517             | 4,557            |
| Change in the share of other comprehensive income of associates and joint ventures                     |                   |               |                  | 101               |                 | 101              |
| <b>Total</b>   | <b>(185,694)</b>  | <b>56,768</b> | <b>(128,926)</b> | <b>104,518</b>    | <b>(25,410)</b> | <b>79,108</b>    |
| <b>Amounts that may not be reclassified to the Income Statement</b>                                    |                   |               |                  |                   |                 |                  |
| Effect due to change of the income tax rate in actuarial gains/(losses) of defined benefit obligations |                   |               |                  |                   | 2,175           | 2,175            |
| <b>Total</b>   | <b>(185,694)</b>  | <b>56,768</b> | <b>(128,926)</b> | <b>104,518</b>    | <b>(23,235)</b> | <b>81,283</b>    |

|  | From 1 July to    |               |                  |                   |                 |                  |
|--|-------------------|---------------|------------------|-------------------|-----------------|------------------|
|  | 30.9.2016         |               |                  | 30.9.2015         |                 |                  |
|  | Before income tax | Income tax    | After income tax | Before income tax | Income tax      | After income tax |
| <b>Amounts that may be reclassified to the Income Statement</b>  |                   |               |                  |                   |                 |                  |
| Net change in available for sale securities' reserve   | (19,713)          | 13,398        | (6,315)          | 388,738           | (99,901)        | 288,837          |
| Net change in cash flow hedge reserve  | (13,840)          | 3,977         | (9,863)          | (23,987)          | 12,640          | (11,347)         |
| Foreign exchange differences on translating and hedging the net investment in foreign operations       | (1,667)           | 758           | (909)            | 3,405             | (712)           | 2,693            |
| <b>Total</b>   | <b>(35,220)</b>   | <b>18,133</b> | <b>(17,087)</b>  | <b>368,156</b>    | <b>(87,973)</b> | <b>280,183</b>   |
| <b>Amounts that may not be reclassified to the Income Statement</b>                                    |                   |               |                  |                   |                 |                  |
| Effect due to change of the income tax rate in actuarial gains/(losses) of defined benefit obligations |                   |               |                  |                   | 2,175           | 2,175            |
| <b>Total</b>   | <b>(35,220)</b>   | <b>18,133</b> | <b>(17,087)</b>  | <b>368,156</b>    | <b>(85,798)</b> | <b>282,358</b>   |



During the nine month period of 2016, "Retained earnings" include 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" include deferred tax asset amount of €24 which derives from (Purchases)/(Redemptions)/ Sales of hybrid securities. The respective amount for the nine month period of 2015 was €296 (deferred tax asset).

It should be noted that in the nine month period of 2015, in the account "Retained Earnings", a deferred tax liability amounting to €6,261 was recognized, resulting from the change of income tax rate to the share capital increase expenses recognized in the same account in previous years.

## 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 year and

- ii. The after-tax amount of the dividends from preference shares for cumulative dividend preference shares required for the period, regardless of whether the dividends have been approved.

### 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 January to |                  | From 1 July to |                |
|--|-------------------|------------------|----------------|----------------|
|  | 30.9.2016         | 30.9.2015        | 30.9.2016      | 30.9.2015      |
| <b>Profit/(losses) attributable to equity owners of the Bank</b> | <b>22,022</b>     | <b>(838,636)</b> | <b>41,065</b>  | <b>413,614</b> |
| 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 €)             | 0.0143            | (3.2839)         | 0.0267         | 1.6196         |

|   | From 1 January to |                  | From 1 July to |                |
|---|-------------------|------------------|----------------|----------------|
|   | 30.9.2016         | 30.9.2015        | 30.9.2016      | 30.9.2015      |
| <b>Profit/(loss) from continuing operations attributable to equity owners of the Bank</b> | <b>20,975</b>     | <b>(748,150)</b> | <b>41,625</b>  | <b>414,892</b> |
| 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 €)           | 0.0136            | (2.9295)         | 0.0271         | 1.6246         |

|   | From 1 January to |                 | From 1 July to |                |
|---|-------------------|-----------------|----------------|----------------|
|   | 30.9.2016         | 30.9.2015       | 30.9.2016      | 30.9.2015      |
| <b>Profit/(loss) from discontinued operations attributable to equity owners of the Bank</b> | <b>1,047</b>      | <b>(90,486)</b> | <b>(560)</b>   | <b>(1,278)</b> |
| 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 €)           | 0.0007            | (0.3543)        | (0.0004)       | (0.0050)       |

The weighted average number of the ordinary shares as at 30.9.2015, 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

|                                   | 30.9.2016         | 31.12.2015        |
|-----------------------------------|-------------------|-------------------|
| <b>Individuals</b>                |                   |                   |
| Mortgages                         | 19,881,445        | 20,171,970        |
| Consumer:                         |                   |                   |
| - Non-securitized                 | 4,271,660         | 4,063,791         |
| - Securitized                     | 1,158,516         | 1,299,934         |
| Credit cards:                     |                   |                   |
| - Non-securitized                 | 712,528           | 720,016           |
| - Securitized                     | 537,494           | 565,583           |
| Other                             | 1,337             | 2,601             |
| <b>Total</b>                      | <b>26,562,980</b> | <b>26,823,895</b> |
| <b>Companies</b>                  |                   |                   |
| Corporate loans:                  |                   |                   |
| - Non-securitized                 | 27,246,034        | 27,547,074        |
| - Securitized                     | 1,904,668         | 2,126,179         |
| Finance leases (Leasing):         |                   |                   |
| - Non-Securitized                 | 367,554           | 378,398           |
| - Securitized                     | 320,180           | 315,201           |
| Factoring                         | 554,652           | 599,387           |
| <b>Total</b>                      | <b>30,393,088</b> | <b>30,966,239</b> |
| <b>Other receivables</b>          | 366,878           | 417,737           |
|                                   | <b>57,322,946</b> | <b>58,207,871</b> |
| Less:                             |                   |                   |
| Allowance for impairment losses * | (12,452,570)      | (12,021,755)      |
| <b>Total</b>                      | <b>44,870,376</b> | <b>46,186,116</b> |

The Bank and Alpha Leasing A.E. have proceeded in securitization of consumer loans, corporate loans, credit cards and finance lease receivables 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 the cancellation of an amount of €3.75 billion of covered bonds which had been issued and secured with mortgage loans. As at 30.9.2016, 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 €16.5 million.

\* In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of €4,862 (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 €12,457,432 (31.12.2015: €12,026,468).



**Allowance for impairment losses**

|   |                   |
|---|-------------------|
| <b>Balance 1.1.2015</b>   | <b>8,830,277</b>  |
| Impairment losses for the period from continuing operations (note 4)          | 2,370,218         |
| Impairment losses for the period from discontinued operations                 | 534               |
| Transfers of accumulated provisions to assets held for sale                   | (110,200)         |
| Change in present value of the impairment losses from continuing operations   | 402,334           |
| Change in present value of the impairment losses from discontinued operations | 1,435             |
| Foreign exchange differences  | 42,704            |
| Loans written-off during the period   | (237,434)         |
| <b>Balance 30.9.2015</b>  | <b>11,299,868</b> |
| <b>Changes for the period 1.10. - 31.12.2015</b>                              |                   |
| Impairment losses for the period from continuing operations                   | 677,089           |
| Transfers of accumulated provisions to assets held for sale                   | (1,712)           |
| Change in present value of the impairment losses from continuing operations   | 145,662           |
| Loans written-off during the period   | (111,229)         |
| Foreign exchange differences  | 12,077            |
| <b>Balance 31.12.2015</b>   | <b>12,021,755</b> |
| <b>Changes for the period 1.1. - 30.9.2016</b>                                |                   |
| Impairment losses for the period (note 4)                                     | 886,477           |
| Transfers of accumulated provisions to assets held for sale                   | (99,975)          |
| Change in present value of impairment losses                                  | 333,141           |
| Sales of impaired loans   | (17,958)          |
| Foreign exchange differences  | (6,987)           |
| Loans written-off during the period   | (663,883)         |
| <b>Balance 30.9.2016</b>  | <b>12,452,570</b> |

The finance lease receivables by duration are as follows:

|                                  | <b>30.9.2016</b> | <b>31.12.2015</b> |
|----------------------------------|------------------|-------------------|
| Up to 1 year                     | 392,692          | 396,490           |
| From 1 year to 5 years           | 143,325          | 136,893           |
| Over 5 years                     | 248,847          | 265,009           |
|                                  | <b>784,864</b>   | <b>798,392</b>    |
| Non accrued finance lease income | (97,130)         | (104,793)         |
| <b>Total</b>                     | <b>687,734</b>   | <b>693,599</b>    |

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

|                        | <b>30.9.2016</b> | <b>31.12.2015</b> |
|------------------------|------------------|-------------------|
| Up to 1 year           | 377,541          | 380,421           |
| From 1 year to 5 years | 102,828          | 91,614            |
| Over 5 years           | 207,365          | 221,564           |
| <b>Total</b>           | <b>687,734</b>   | <b>693,599</b>    |



## 8. Investment and held for trading securities

### i. Held for trading securities

Securities held for trading amounted to €4 million on 30.9.2016 (31.12.2015: €2.8 million) out of which Greek Government bonds €2.3 million (31.12.2015: €1.9 million).

### ii. Investment securities

#### a. Available for sale

The available for sale portfolio amounted to €5.5 billion as at 30.9.2016 (31.12.2015: €5.8 billion). These amounts include securities issued by the Greek State that amount to €3.5 billion as at 30.9.2016 (31.12.2015: €3.9 billion) out of which €1.7 billion (31.12.2015: €2.1 billion) relate to Greek Government Treasury bills. The Group during the nine month period of 2016 has recognized impairment losses for shares amounting to €1,724 and for mutual funds amounting to €1,595 which are included in "Gain less losses on financial transactions".

#### b. Held to maturity

The held to maturity portfolio amounted to €44.8 million as at 30.9.2016 (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.) with 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 a 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 Facility (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 nine month period of 2016, the Bank conducted sale transactions of EFSF securities at a nominal value of €905 million, in the context of the PSPP program. The total book value of these bonds on 30.9.2016 was €3.4 billion (31.12.2015: €4.3 billion).

## 9. Investment property

|   | Land -Buildings |
|---|-----------------|
| <b>Balance 1.1.2015</b>   |                 |
| Cost  | 693,486         |
| Accumulated depreciation and impairment losses  | (126,274)       |
| <b>1.1.2015 - 30.9.2015</b>   |                 |
| Net book value 1.1.2015   | 567,212         |
| Additions   | 11,563          |
| Additions from companies consolidated for the first time in the nine month period of 2015   | 43,844          |
| Reclassifications to "Other Assets"   | (110)           |
| Reclassification from "Property, plant and equipment"                                       | 4,241           |
| Reclassification to "Assets held for sale"  | (939)           |
| Reclassification of investment assets from discontinued operations to "Asset held for sale" | (1,277)         |
| Foreign exchange differences  | 1,733           |
| Disposals/Write-offs  | (9,077)         |
| Depreciation charge for the period from continuing operations                               | (8,051)         |
| Net book value 30.9.2015  | <b>609,139</b>  |
| <b>Balance 30.9.2015</b>  |                 |
| Cost  | 755,884         |
| Accumulated depreciation and impairment losses  | (146,745)       |
| <b>1.10.2015 - 31.12.2015</b>   |                 |
| Net book value 1.10.2015  | 609,139         |
| Additions   | 9,980           |
| Additions from companies consolidated for the first time in the fourth quarter of 2015      | 47,097          |
| Reclassifications from "Other Assets"   | 2               |
| Reclassification to "Property, plant and equipment"   | (96)            |
| Foreign exchange differences  | (2,504)         |
| Disposals/Write-offs  | (4,759)         |
| Depreciation charge for the period from continuing operations                               | (2,913)         |
| Impairment losses   | (32,284)        |
| Net book value 31.12.2015   | <b>623,662</b>  |
| <b>Balance 31.12.2015</b>   |                 |
| Cost  | 800,910         |
| Accumulated depreciation and impairment losses  | (177,248)       |
| <b>1.1.2016 - 30.9.2016</b>   |                 |
| Net book value 1.1.2016   | 623,662         |
| Additions   | 47,243          |
| Additions from companies consolidated for the first time in the nine month period of 2016   | 12,135          |
| Reclassification to "Assets held for sale"  | (40,233)        |
| Reclassification from "Property, plant and equipment"                                       | 25,314          |
| Foreign exchange differences  | 2,236           |
| Disposals/Write-offs  | (23,925)        |
| Depreciation for the period from continuing operations                                      | (9,671)         |
| Net book value 30.9.2016  | <b>636,761</b>  |
| <b>Balance 30.9.2016</b>  |                 |
| Cost  | 813,495         |
| Accumulated depreciation and impairment losses  | (176,734)       |

In the nine month period of 2016 transfers to "Assets held for sale" related mainly to fixed assets of APE Fixed Assets A.E..

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 estimated on 31.12.2015 by certified valuers.

The additions from companies consolidated for the first time in 2015 and in the nine month period of 2016 and the additions of the current period 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**

|   | <b>Land and Buildings</b> | <b>Leased equipment</b> | <b>Equipment</b> | <b>Total</b>     |
|---|---------------------------|-------------------------|------------------|------------------|
| <b>Balance 1.1.2015</b>   |                           |                         |                  |                  |
| Cost  | 1,417,632                 | 4,302                   | 518,133          | 1,940,067        |
| Accumulated depreciation and impairment losses  | (411,831)                 | (3,152)                 | (441,736)        | (856,719)        |
| <b>1.1.2015 - 30.9.2015</b>   |                           |                         |                  |                  |
| Net book value 1.1.2015   | 1,005,801                 | 1,150                   | 76,397           | 1,083,348        |
| Foreign exchange differences  | 593                       | 6                       | 162              | 761              |
| Additions   | 5,650                     | 60                      | 13,675           | 19,385           |
| Additions from discontinued operations  |                           |                         | 8                | 8                |
| Additions from companies consolidated for the first time in the nine month period of 2015 |                           |                         | 7                | 7                |
| Disposals/Write-offs  | (1,945)                   |                         | (55)             | (2,000)          |
| Reclassification to "Investment property"   | (4,241)                   |                         |                  | (4,241)          |
| Reclassification of assets from discontinued operations to "Asset held for sale"          | (3,962)                   |                         | (2,685)          | (6,647)          |
| Reclassification internally to property, plant and equipment                              | 49                        | (18)                    | (31)             |                  |
| Reclassification from/to "Other assets"   | (8,505)                   |                         | 23               | (8,482)          |
| Depreciation charge for the year from discontinued operations                             | (20,636)                  | (435)                   | (14,810)         | (35,881)         |
| Net book value 30.9.2015  | <b>972,804</b>            | <b>763</b>              | <b>72,691</b>    | <b>1,046,258</b> |
| <b>Balance 30.9.2015</b>  |                           |                         |                  |                  |
| Cost  | 1,391,353                 | 4,181                   | 518,168          | 1,913,702        |
| Accumulated depreciation and impairment losses  | (418,549)                 | (3,418)                 | (445,477)        | (867,444)        |
| <b>1.10.2015 - 31.12.2015</b>   |                           |                         |                  |                  |
| Net book value 1.10.2015  | 972,804                   | 763                     | 72,691           | 1,046,258        |
| Foreign exchange differences  | (612)                     | (7)                     | (24)             | (643)            |
| Additions   | 2,009                     | 42                      | 3,777            | 5,828            |
| Additions from companies consolidated for the first time in the fourth quarter of 2015    |                           |                         | 942              | 942              |
| Disposals/Write-offs  | (1,766)                   | (7)                     | (72)             | (1,845)          |
| Reclassification from "Investment property"   | 96                        |                         |                  | 96               |
| Reclassification of assets from discontinued operations to "Assets held for sale"         | (1,383)                   |                         | (446)            | (1,829)          |
| Reclassification to "Assets held for sale"  | (164,166)                 |                         | (3,088)          | (167,254)        |
| Reclassification internally to property, plant and equipment                              |                           | 633                     | (633)            |                  |
| Reclassification from/to "Other assets"   | (5,597)                   | (18)                    | (563)            | (6,178)          |
| Depreciation charge for the year from continuing operations                               | (6,829)                   | 35                      | (5,427)          | (12,221)         |
| Impairment losses   | (1,929)                   |                         | (324)            | (2,253)          |
| Net book value 31.12.2015   | <b>792,627</b>            | <b>1,441</b>            | <b>66,833</b>    | <b>860,901</b>   |
| <b>Balance 31.12.2015</b>   |                           |                         |                  |                  |
| Cost  | 1,169,294                 | 4,090                   | 472,059          | 1,645,443        |
| Accumulated depreciation and impairment losses  | (376,667)                 | (2,649)                 | (405,226)        | (784,542)        |
| <b>1.1.2016 - 30.9.2016</b>   |                           |                         |                  |                  |
| Net book value 1.1.2016   | 792,627                   | 1,441                   | 66,833           | 860,901          |
| Foreign exchange differences  | (346)                     | 11                      | 64               | (271)            |
| Additions   | 5,344                     | 70                      | 16,873           | 22,287           |
| Additions from companies consolidated for the first time in the nine month period of 2016 |                           |                         | 243              | 243              |
| Disposals/Write-offs  | (1,936)                   | (3)                     | (64)             | (2,003)          |
| Reclassification to "Investment property"   | (25,314)                  |                         |                  | (25,314)         |
| Reclassification internally from/to "Property, plant and equipment"                       | (78)                      | (467)                   | 545              |                  |
| Reclassification to "Other assets"  | (4,035)                   |                         |                  | (4,035)          |
| Depreciation charge from continuing operations  | (16,425)                  | (249)                   | (14,485)         | (31,159)         |
| Net book value 30.9.2016  | <b>749,837</b>            | <b>803</b>              | <b>70,009</b>    | <b>820,649</b>   |
| <b>Balance 30.9.2016</b>  |                           |                         |                  |                  |
| Cost  | 1,133,733                 | 3,450                   | 479,065          | 1,616,248        |
| Accumulated depreciation and impairment losses  | (383,896)                 | (2,647)                 | (409,056)        | (795,599)        |

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          |
|---|--------------|----------------|----------------|----------------|
| <b>Balance 1.1.2015</b>   |              |                |                |                |
| Cost  |              | 488,347        | 155,103        | 643,450        |
| Accumulated amortization and impairment losses  |              | (278,559)      | (33,467)       | (312,026)      |
| <b>1.1.2015 - 30.9.2015</b>   |              |                |                |                |
| Net book value 1.1.2015   |              | 209,788        | 121,636        | 331,424        |
| Additions   |              | 37,435         | 72             | 37,507         |
| Additions from discontinued operations  |              | 38             |                | 38             |
| Additions from companies consolidated for the first time in the nine month period of 2015 | 2,900        |                |                | 2,900          |
| Reclassification of assets of discontinued operations to "Assets held for sale"           |              | (3,561)        |                | (3,561)        |
| Foreign exchange differences  |              | 23             |                | 23             |
| Amortization for the period from continuing operations                                    |              | (16,838)       | (17,129)       | (33,967)       |
| Net book value 30.9.2015  | <b>2,900</b> | <b>226,885</b> | <b>104,579</b> | <b>334,364</b> |
| <b>Balance 30.9.2015</b>  |              |                |                |                |
| Cost  | 2,900        | 519,423        | 153,113        | 675,436        |
| Accumulated amortization and impairment losses  |              | (292,538)      | (48,534)       | (341,072)      |
| <b>1.10.2015 - 31.12.2015</b>   |              |                |                |                |
| Net book value 1.10.2015  | 2,900        | 226,885        | 104,579        | 334,364        |
| Additions   |              | 23,382         |                | 23,382         |
| Reclassification of assets of discontinued operations to "Assets held for sale"           |              | (823)          | (1)            | (824)          |
| Reclassification to "Other assets held for sale"  |              | 22             |                | 22             |
| Foreign exchange differences  |              | 175            |                | 175            |
| Amortization for the period from continuing operations                                    |              | (6,187)        | (5,781)        | (11,968)       |
| Net book value 31.12.2015   | <b>2,900</b> | <b>243,454</b> | <b>98,797</b>  | <b>345,151</b> |
| <b>Balance 31.12.2015</b>   |              |                |                |                |
| Cost  | 2,900        | 544,009        | 152,363        | 699,272        |
| Accumulated amortization and impairment losses  |              | (300,555)      | (53,566)       | (354,121)      |
| <b>1.1.2016 - 30.9.2016</b>   |              |                |                |                |
| Net book value 1.1.2016   | 2,900        | 243,454        | 98,797         | 345,151        |
| Additions   |              | 59,576         |                | 59,576         |
| Foreign exchange differences  |              | (27)           |                | (27)           |
| Amortization for the period from continuing operations                                    |              | (19,749)       | (13,719)       | (33,468)       |
| Net book value 30.9.2016  | <b>2,900</b> | <b>283,254</b> | <b>85,078</b>  | <b>371,232</b> |
| <b>Balance 30.9.2016</b>  |              |                |                |                |
| Cost  | 2,900        | 603,103        | 152,201        | 758,204        |
| Accumulated amortization and impairment losses  |              | (319,849)      | (67,123)       | (386,972)      |

The additions of the nine month period 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 S.R.L. during the first half

of 2015 following the completion of valuation of its net assets (note 27).



## LIABILITIES

## 12. Due to banks

|  | 30.9.2016         | 31.12.2015        |
|--|-------------------|-------------------|
| Deposits:                                      |                   |                   |
| - Current accounts                             | 38,248            | 112,482           |
| - Term deposits                                |                   |                   |
| Central Banks                                  | 20,815,626        | 24,404,828        |
| Other credit institutions                      | 27,745            | 17,408            |
| Cash collateral for derivative margin accounts | 18,837            | 56,960            |
| Sale of repurchase agreements (Repos)          | 652,062           | 269,292           |
| Borrowing funds                                | 250,122           | 252,123           |
| Deposits redeemable at notice:                 |                   |                   |
| - Other credit institutions                    | 3,136             | 2,270             |
| <b>Total</b>                                   | <b>21,805,776</b> | <b>25,115,363</b> |

Eurosystem funding decreased by €3.6 billion during the nine month period of 2016 mainly due to the sale of EFSF bonds through the PSPP programme (note 8), new repurchase agreements (Repos) and the changes in loan and deposit balances. 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 this program with an amount of €1.5 billion.

## 13. Debt securities in issue and other borrowed funds

i. Issues guaranteed by the Greek State  
(Law 3723/9.12.2008)

According to Law 3723/9.12.2008 and within the programme for the enhancement of the Greek's economy's liquidity, during the nine month period 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 €1.62 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 30.9.2016 amounts to €2.75 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\*

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 30.9.2016 amounts to €5 million.

## iii. Senior debt securities

|   |               |
|---|---------------|
| <b>Balance 1.1.2016</b>                       | <b>29,742</b> |
| <b>Changes for the period 1.1 - 30.9.2016</b> |               |
| Maturities/Repayments                         | (2,904)       |
| Fair value change                             | 38            |
| Accrued interest                              | 567           |
| Foreign exchange differences                  | (81)          |
| <b>Balance 30.9.2016</b>                      | <b>27,362</b> |

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

\* Financial disclosures regarding covered bond issues, as determined by the 2620/28.8.2009 Act of the Bank of Greece have been published on the Bank's website.

#### iv. Liabilities from the securitization of shipping loans

|   |                |
|---|----------------|
| <b>Balance 1.1.2016</b>                       | <b>340,272</b> |
| <b>Changes for the period 1.1 - 30.9.2016</b> |                |
| Maturities/Repayments                         | (82,720)       |
| Accrued interest                              | 6,456          |
| Foreign exchange differences                  | (8,261)        |
| <b>Balance 30.9.2016</b>                      | <b>255,747</b> |

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 30.9.2016 amounts to €256 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

##### a. Subordinated debt (Lower Tier II, Upper Tier II)

|   |                |
|---|----------------|
| <b>Balance 1.1.2016</b>                       | <b>100,270</b> |
| <b>Changes for the period 1.1 - 30.9.2016</b> |                |
| (Repurchases)/sales                           | (17,653)       |
| Accrued interest                              | (21)           |
| <b>Balance 30.9.2016</b>                      | <b>82,596</b>  |

##### b. Convertible bond loan

|   |               |
|---|---------------|
| <b>Balance 1.1.2016</b>                       | <b>24,600</b> |
| <b>Changes for the period 1.1 - 30.9.2016</b> |               |
| Fair value change                             | (11,040)      |
| <b>Balance 30.9.2016</b>                      | <b>13,560</b> |

The convertible bond concerns bond issuance with nominal value €150 million issued by the Bank on 1.2.2013 under an agreement with Credit Agricole S.A. for the acquisition of former Emporiki Bank. The decrease in the liability from the convertible bond at the amount of €11.04 million was recognized in "Gains less losses on financial transactions".

|   |                |
|---|----------------|
| <b>Total of debt securities in issue and other borrowed funds as at 30.9.2016</b> | <b>379,265</b> |
|---|----------------|

Of the above debt securities in issue amounting to €379,265 an amount of €79,541 (31.12.2015: €94,155) held by Group customers has been reclassified to "Due to customers". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 30.9.2016, amounts to €299,724 (31.12.2015: €400,729).



## 14. Employee defined benefit obligations

The decrease of defined benefit obligations by €25 million compared to 31.12.2015 related 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 nine month period of 2016 an amount of €31.4 million to TAP by offsetting the relevant liability which amounted to €27.4 million as at 31.12.2015. The final settlement of the liability is estimated that will take place during the current fiscal year.

## 15. Provisions

|  | 30.9.2016      | 31.12.2015     |
|--|----------------|----------------|
| Insurance  | 211,391        | 168,818        |
| Provisions to cover credit risk and other provisions | 135,674        | 129,640        |
| <b>Total</b>   | <b>347,065</b> | <b>298,458</b> |

### a. Insurance

|                            | 30.9.2016      | 31.12.2015     |
|----------------------------|----------------|----------------|
| <b>Life insurance</b>      |                |                |
| Mathematical reserves      | 210,896        | 168,629        |
| Outstanding claim reserves | 495            | 189            |
| <b>Total</b>               | <b>211,391</b> | <b>168,818</b> |

### b. Provisions to cover credit risk and other provisions

|  |                |
|--|----------------|
| <b>Balance 1.1.2015</b>  | <b>80,501</b>  |
| <b>Changes for the period 1.1 - 30.9.2015</b>  |                |
| 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)                                       | 2,427          |
| Other provisions for the period  | 3,915          |
| Other provisions used during the period  | (5,665)        |
| Write-offs   | (922)          |
| Foreign exchange differences   | 16             |
| <b>Balance 30.9.2015</b>   | <b>79,492</b>  |
| <b>Changes for the period 1.10 - 31.12.2015</b>  |                |
| Reclassification of provisions from Ionian Hotel Enterprises A.E. to "Liabilities related to assets held for sale" | (54)           |
| Provisions to cover credit risk relating to off-balance sheet items  | (13,135)       |
| Other provisions for the period  | 629            |
| Other provisions used during the period  | (2,398)        |
| Provision for voluntary separation scheme of Alpha Bank A.E.   | 64,300         |
| Write-offs   | 922            |
| Foreign exchange differences   | (116)          |
| <b>Balance 31.12.2015</b>  | <b>129,640</b> |
| <b>Changes for the period 1.1. - 30.9.2016</b>   |                |
| Provisions to cover credit risk relating to off-balance sheet items (note 4)                                       | 149            |
| Provision for voluntary separation scheme of Alpha Bank Cyprus Ltd   | 30,993         |
| Provision used for voluntary separation scheme of Alpha Bank Cyprus Ltd  | (30,993)       |
| Provision used for separation scheme of Alpha Bank A.E.  | (2,624)        |
| Other provisions for the period  | 11,955         |
| Other provisions used during the period  | (3,478)        |
| Foreign exchange differences   | 32             |
| <b>Balance 30.9.2016</b>   | <b>135,674</b> |



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

On 30.9.2016 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to €4.9 million and other provisions to €130.7 million out of which:

- An amount of €35.2 million relates to pending legal cases.
- An amount of €61.7 million relates to the balance of provision for voluntary separation scheme of Alpha Bank A.E., that had been accounted as at 31.12.2015. As analyzed in the 31.12.2015 Annual Financial Report (note 7) Alpha Bank A.E. has recorded that provision within the

context of the implementation of the updated restructuring plan and its relevant commitments. During 2016, it was decided to utilize a part of the relevant provision in the context of consensual separation scheme.

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 €31.6 million.



## EQUITY

**16. Share capital and Retained earnings****a) Share capital**

On 30.9.2016 the Bank's share capital amounts to €461,064,360, divided to 1,536,881,200 shares, out of which:

- i) 1,367,706,054 ordinary, registered, voting, non-paper shares of nominal value of €0.30 each.
- ii) 169,175,146 ordinary, 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 of €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**

|  | 30.9.2016     | 31.12.2015    |
|--|---------------|---------------|
| Perpetual with 1st call option on 18.2.2015 and annually | 15,232        | 15,232        |
| Securities held by Group companies                       | (100)         | -             |
| <b>Total</b>   | <b>15,132</b> | <b>15,232</b> |

## ADDITIONAL INFORMATION

### 18. Contingent liabilities and commitments

#### a) Legal issues

The Group, in the ordinary course of business, is a 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 30.9.2016 has recorded a provision for pending legal cases amounting to €35.2 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 2015 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 for 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 from September of 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 |
|--|------|
| <b>Banks</b>   |      |
| 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 A.D. Skopje (the company was transferred on 10.5.2016)               | 2009 |
| 5. Alpha Bank Srbija A.D.  | 2004 |
| 6. Alpha Bank Albania SH.A.  | 2011 |
| <b>Leasing companies</b>   |      |
| 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 year 2010)                     | 2009 |
| <b>Investment Banking</b>  |      |
| 1. Alpha Finance A.E.P.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 |
| <b>Asset Management</b>  |      |
| 1. Alpha Asset Management A.E.D.A.K. **/***  | 2009 |
| 2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation) | 2013 |
| <b>Insurance</b>   |      |
| 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, 2013, 2014 and 2015 without any qualification (note 5)

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



| Name   | Year |
|--|------|
| <b>Real estate and hotel</b>   |      |
| 1. Alpha Astika Akinita A.E.**   | 2009 |
| 2. Ionian Hotel Enterprises A.E. ** (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 S.A. (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 D.O.O. (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. Alpha Investment Property Chanion A.E. (former Anaplasia Plagias A.E.)         | *    |
| 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 E.O.O.D. (commencement of operation 2015)             | *    |
| 45. AGI-SRE Participations 1 D.O.O. (commencement of operation 2016)               | *    |
| <b>Special purpose and holding entities</b>  |      |
| 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)                    | *    |

\* 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, 2013, 2014 and 2015 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 |
|---|------|
| 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 |
| 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-Cypr Arsinoe Ltd (commencement of operation 2013)                           | *    |
| 30. AGI-SRE Ariadni Ltd (commencement of operation 2014)                            | *    |
| 31. Zerelda Ltd (commencement of operation 2012)                                    | *    |
| 32. AGI-Cypr Alaminos Ltd (commencement of operation 2014)                          | *    |
| 33. AGI-Cypr Tochni Ltd (commencement of operation 2014)                            | *    |
| 34. AGI-Cypr Evagoras Ltd (commencement of operation 2014)                          | *    |
| 35. AGI-Cypr Tersefanou Ltd (commencement of operation 2014)                        | *    |
| 36. AGI-Cypr Mazotos Ltd (commencement of operation 2014)                           | *    |
| 37. AGI-Cypr Ermis Ltd (commencement of operation 2014)                             | *    |
| 38. AGI-SRE Participations 1 Ltd (commencement of operation 2016)                   | *    |
| <b>Other companies</b>  |      |
| 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)           | *    |

\* 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, 2013, 2014 and 2015 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



### c) Operating leases

The Group's minimum future lease payments are:

|                              | 30.9.2016      | 31.12.2015     |
|------------------------------|----------------|----------------|
| - less than one year         | 42,946         | 43,930         |
| - between one and five years | 108,244        | 112,402        |
| - over five years            | 156,488        | 164,421        |
| <b>Total</b>                 | <b>307,678</b> | <b>320,753</b> |

The minimum future lease fees are:

|                              | 30.9.2016      | 31.12.2015    |
|------------------------------|----------------|---------------|
| - less than one year         | 11,381         | 10,423        |
| - between one and five years | 45,606         | 41,694        |
| - over five years            | 50,316         | 46,474        |
| <b>Total</b>                 | <b>107,303</b> | <b>98,591</b> |

### 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:

|   | 30.9.2016 | 31.12.2015 |
|---|-----------|------------|
| Letters of credit                         | 35,557    | 35,159     |
| Letters of guarantee and other guarantees | 3,632,725 | 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 30.9.2016 amounts to €402.2 million (31.12.2015: €278.9 million) and are included in the calculation of risk weighted assets.

### e) Assets pledged

Assets pledged, as at 30.9.2016 are analyzed as follows:

- Deposits pledged amounting to €0.9 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 €0.05 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 of a part of 2016 contribution. The commitment has to be fully secured by cash as decided by the Single Resolution Board.
- Due from banks of €7 million pledged to Central Banks in order to participate in the main refinancing operations.
- Loans and advances to customers:
  - i. amount of nominal value of €21.7 billion pledged to Central Banks for liquidity purposes.
  - ii. a carrying amount of €3.2 billion, which relates to corporate, consumer loans, leasing 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 Entity, which amounts to €0.3 billion at 30.9.2016.
  - 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 €3.62 billion of Greek Government securities, of which a nominal amount of €3.52 billion has been pledged to Central Banks for liquidity purposes, an amount of €0.03 billion has been given as collateral for other loan facilities, while a nominal amount of €0.07 billion has been given as collateral for repurchase transactions (repo). In addition, a nominal amount of €0.03 billion refers to Greek government securities received as collateral for reverse repo and have been pledged to Central Banks for liquidity purposes.
  - ii. an amount of nominal value of €3.05 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, is pledged as collateral to Central Banks for participation in main refinancing operations.
  - iii. an amount of €0.36 billion of other corporate securities has been given as a collateral of the repurchase transactions (repo).

In addition an amount of nominal value of €2.75 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 €2.29 billion has been pledged as collateral to Central Banks for raising liquidity purposes and b) an amount of €0.46 billion has been given as collateral for repurchase transactions (repo).



## 19. Group Consolidated Companies

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

### A. Subsidiaries

| Name  | Country        | Group's ownership interest % |            |
|---|----------------|------------------------------|------------|
|   |                | 30.9.2016                    | 31.12.2015 |
| <b>Banks</b>  |                |                              |            |
| 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 A.D. Skopje <sup>(26i)</sup>                        | FYROM          |                              | 100.00     |
| 5. Alpha Bank Srbija A.D. <sup>(28a)</sup>                        | Serbia         | 100.00                       | 100.00     |
| 6. Alpha Bank Albania SH.A.                                       | Albania        | 100.00                       | 100.00     |
| <b>Leasing Companies</b>  |                |                              |            |
| 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     |
| <b>Investment Banking</b>   |                |                              |            |
| 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     |
| <b>Asset Management</b>   |                |                              |            |
| 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     |
| <b>Insurance</b>  |                |                              |            |
| 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     |
| <b>Real estate and hotel</b>                                      |                |                              |            |
| 1. Alpha Astika Akinita A.E. <sup>(26v, 28b)</sup>                | Greece         | 93.17                        | 93.17      |
| 2. Ionian Hotel Enterprises A.E. <sup>(26u, 28c)</sup>            | Greece         | 97.27                        | 97.27      |
| 3. Oceanos A.T.O.E.E. <sup>(26u)</sup>                            | 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 <sup>(28b)</sup>        | 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. <sup>(26d)</sup>   | 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. <sup>(26d)</sup>  | Greece         | 100.00                       | 100.00     |
| 14. Alpha Investment Property Amarousion II A.E. <sup>(26d)</sup> | 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     |
| 17. Stockfort Ltd   | Cyprus         | 100.00                       | 100.00     |
| 18. Romfelt Real Estate S.A.                                      | Romania        | 98.86                        | 98.86      |



| Name  | Country        | Group's ownership interest % |            |
|---|----------------|------------------------------|------------|
|   |                | 30.9.2016                    | 31.12.2015 |
| 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. <sup>(26w)</sup>                                    | 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. <sup>(26d)</sup>             | Greece         | 100.00                       | 100.00     |
| 35. Alpha Investment Property Kallirois A.E. <sup>(26d)</sup>                 | Greece         | 100.00                       | 100.00     |
| 36. Alpha Investment Property Livadias A.E.                                   | Greece         | 100.00                       | 100.00     |
| 37. AGI-SRE Ariadni D.O.O.  | Serbia         | 100.00                       | 100.00     |
| 38. Asmita Gardens S.R.L. <sup>(26i)</sup>                                    | 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. Alpha Investment Property Chanion A.E. (former Anaplasia Plagias A.E.)    | Greece         | 100.00                       | 100.00     |
| 45. AGI-SRE Participations 1 D.O.O. <sup>(26m)</sup>                          | Serbia         | 100.00                       |            |
| <b>Special purpose and holding entities</b>                                   |                |                              |            |
| 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 <sup>(26c, 26d, 26h, 26j, 26s, 26u, 26v)</sup> | Cyprus         | 100.00                       | 100.00     |
| 4. Ionian Holdings A.E. <sup>(26u)</sup>                                      | Greece         | 100.00                       | 100.00     |
| 5. Ionian Equity Participations Ltd <sup>(26u)</sup>                          | 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 <sup>(26i)</sup>                            | 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     |

\* The companies have not economic activity.



| Name   | Country        | Group's ownership interest % |            |
|--|----------------|------------------------------|------------|
|  |                | 30.9.2016                    | 31.12.2015 |
| 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 <sup>(26v)</sup>    | 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     |
| 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 <sup>(26n)</sup>            | Cyprus         | 100.00                       | 100.00     |
| 33. AGI-Cypre Tochni Ltd <sup>(26p)</sup>              | 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 <sup>(26o)</sup>             | Cyprus         | 100.00                       | 100.00     |
| 37. AGI-Cypre Ermis Ltd <sup>(26n, 26o, 26p)</sup>     | Cyprus         | 100.00                       | 100.00     |
| 38. AGI-SRE Participations 1 Ltd <sup>(26h, 26m)</sup> | Cyprus         | 100.00                       |            |
| <b>Other companies</b>                                 |                |                              |            |
| 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. <sup>(26u)</sup>     | 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     |

Within the third quarter of 2016 the sale of subsidiary company Alpha Astika Akinita D.O.O.E.L. Skopje was decided. The transaction was finalized in October, within two months after the relevant decision (note 28). The subsidiary has not been

classified as "Asset held for sale" in the Financial Statements as at 30.9.2016 due to the immaterial balances and impact from the sale at Group level.

## B. JOINT VENTURES

|   |        |       |       |
|---|--------|-------|-------|
| 1. APE Commercial Property A.E.                               | Greece | 72.20 | 72.20 |
| 2. APE Investment Property A.E.                               | Greece | 72.80 | 72.80 |
| 3. Alpha TANE0 A.K.E.S. <sup>(26b, 26t)</sup>                 | Greece | 51.00 | 51.00 |
| 4. Rosequeens Properties Ltd.                                 | Cyprus | 33.33 | 33.33 |
| 5. Aktua Hellas Holdings A.E. <sup>(26a, 26e, 26g, 26r)</sup> | Greece | 45.00 |       |

APE Investment Property is the parent entity of a Group, in which the subsidiaries SYMET A.E., Astakos Terminal A.E., Akarport A.E. and NA.VI.PE A.E. are included. Furthermore, Rosequeens Properties Ltd. and Aktua Hellas Holdings A.E. are parent entities of groups with subsidiaries the companies

Rosequeens S.R.L. and Aktua Greece Financial Solutions A.E. respectively. The Group accounts for the aforementioned groups under the equity method based on their consolidated data.

## C. ASSOCIATES

|   |        |       |       |
|---|--------|-------|-------|
| 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 21.97% 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 Balance Sheet caption "Assets held for sale" at their fair value, which was determined in the amount of €1.

In addition, on 29.7.2016 the Bank's subsidiary, Alpha Group Investments Ltd, acquired the 50% of shares of the company Alpha Investment Property Eleona A.E., which was valued with the equity method.

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 Commercial Bank of London Ltd which is a dormant company and Smelter Medical Systems A.E., Aris-Diomidis Emporiki A.E., Metek A.E., Flagbird 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. Operating segment

(Amounts in million of Euro)

|  | 1.1 - 30.9.2016 |                   |                             |                              |                      |               | Total          |
|--|-----------------|-------------------|-----------------------------|------------------------------|----------------------|---------------|----------------|
|  | Retail Banking  | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | South-Eastern Europe | Other         |                |
| Net interest income  | 754.7           | 515.0             | 11.0                        | (46.6)                       | 217.1                | 2.5           | 1,453.7        |
| Net fee and commission income                                    | 83.5            | 101.0             | 25.9                        | 6.2                          | 23.9                 | 0.9           | 241.4          |
| Other income   | 5.0             | 9.2               | (1.5)                       | 21.0                         | 36.3                 | 41.9          | 111.9          |
| <b>Total income</b>  | <b>843.2</b>    | <b>625.2</b>      | <b>35.4</b>                 | <b>(19.4)</b>                | <b>277.3</b>         | <b>45.3</b>   | <b>1,807.0</b> |
| <b>Total expenses</b>  | <b>(493.4)</b>  | <b>(113.8)</b>    | <b>(19.9)</b>               | <b>(21.9)</b>                | <b>(159.2)</b>       | <b>(51.5)</b> | <b>(859.7)</b> |
| Impairment losses  | (330.7)         | (409.4)           |                             |                              | (121.9)              |               | (862.0)        |
| Provision for Voluntary Separation Scheme                        |                 |                   |                             |                              | (31.6)               |               | (31.6)         |
| <b>Profit/(loss) before income tax</b>                           | <b>19.1</b>     | <b>102.0</b>      | <b>15.5</b>                 | <b>(41.3)</b>                | <b>(35.4)</b>        | <b>(6.2)</b>  | <b>53.7</b>    |
| Income tax   |                 |                   |                             |                              |                      |               | (32.5)         |
| <b>Profit/(loss) after income tax from continuing operations</b> |                 |                   |                             |                              |                      |               | <b>21.2</b>    |
| Profit/(loss) from discontinued operations                       |                 |                   |                             |                              | 1.0                  |               | 1.0            |
| <b>Profit/(loss) after income tax</b>                            |                 |                   |                             |                              |                      |               | <b>22.2</b>    |
| Assets   | 25,088.3        | 15,112.6          | 458.3                       | 11,289.7                     | 9,183.2              | 5,029.0       | 66,161.1       |
| Liabilities  | 22,411.3        | 5,074.8           | 1,447.0                     | 22,135.0                     | 5,982.0              | 165.0         | 57,215.1       |

(Amounts in million of Euro)

|  | 1.1 - 30.9.2015 |                   |                             |                              |                      |               |                  |
|--|-----------------|-------------------|-----------------------------|------------------------------|----------------------|---------------|------------------|
|  | Retail Banking  | Corporate Banking | Asset Management/ Insurance | Investment Banking/ Treasury | South-Eastern Europe | Other         | Total            |
| Net interest income  | 760.2           | 539.4             | 12.2                        | (102.9)                      | 235.5                | 0.8           | 1,445.2          |
| Net fee and commission income                                    | 78.4            | 98.4              | 34.6                        | (5.2)                        | 23.8                 | 0.7           | 230.7            |
| Other income   | 3.6             | 9.3               | (0.6)                       | 51.7                         | (1.7)                | 19.5          | 81.8             |
| <b>Total income</b>  | <b>842.2</b>    | <b>647.1</b>      | <b>46.2</b>                 | <b>(56.4)</b>                | <b>257.6</b>         | <b>21.0</b>   | <b>1,757.7</b>   |
| <b>Total expenses</b>  | <b>(494.5)</b>  | <b>(108.8)</b>    | <b>(23.3)</b>               | <b>(22.5)</b>                | <b>(159.5)</b>       | <b>(62.8)</b> | <b>(871.4)</b>   |
| Impairment losses  | (1,259.5)       | (914.7)           |                             |                              | (183.1)              |               | (2,357.3)        |
| <b>Profit/(loss) before income tax</b>                           | <b>(911.8)</b>  | <b>(376.4)</b>    | <b>22.9</b>                 | <b>(78.9)</b>                | <b>(85.0)</b>        | <b>(41.8)</b> | <b>(1,471.1)</b> |
| Income tax   |                 |                   |                             |                              |                      |               | 723.2            |
| <b>Profit/(loss) after income tax from continuing operations</b> |                 |                   |                             |                              |                      |               | <b>(747.9)</b>   |
| Profit/(loss) from discontinued operations                       |                 |                   |                             |                              | (90.5)               |               | (90.5)           |
| <b>Profit/(loss) after income tax</b>                            |                 |                   |                             |                              |                      |               | <b>(838.4)</b>   |
| Assets 31.12.2015  | 25,189.1        | 16,711.1          | 483.5                       | 11,943.3                     | 9,808.8              | 5,161.7       | 69,297.5         |
| Liabilities 31.12.2015   | 22,417.8        | 4,827.8           | 1,359.0                     | 25,038.3                     | 6,309.0              | 292.4         | 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, with international activities, corporations with international business activities, corporations managed by the Corporate Banking Division and shipping corporations operating in Greece and on abroad except from South Eastern European countries. The Group offers working capital facilities, corporate loans, and letters of guarantee of 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 in-

cludes 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 subsidiary Alpha Insurance A.E. or 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 Group's subsidiaries, which operate in South-Eastern Europe. It is noted that Bulgaria's Branch and Alpha Bank's subsidiary Alpha Bank A.D. Skopje, are not included anymore in the results of the continuing activities in this sector. 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.

## 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 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:

| Portfolio          | 30.9.2016        |                  | 31.12.2015       |                  |
|--------------------|------------------|------------------|------------------|------------------|
|                    | Nominal value    | Carrying amount  | Nominal value    | Carrying amount  |
| Available for sale | 4,254,345        | 3,537,502        | 4,659,672        | 3,930,081        |
| Trading            | 3,140            | 2,349            | 2,783            | 1,888            |
| <b>Total</b>       | <b>4,257,485</b> | <b>3,539,851</b> | <b>4,662,455</b> | <b>3,931,969</b> |

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 30.9.2016 amounted to €165.8 million (31.12.2015: €162.1 million).

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

### On balance sheet exposure

|  | 30.9.2016       | 31.12.2015      |
|--|-----------------|-----------------|
|  | Carrying amount | Carrying amount |
| Derivative financial instruments – assets      | 402,419         | 362,700         |
| Derivative financial instruments – liabilities | (128,501)       | (271,711)       |

Derivative financial assets from public sector entities/organizations amounted to €5.2 million on 30.9.2016 (31.12.2015: €16.6 million liabilities). The Group's exposure in loans granted to public sector entities/ organizations on 30.9.2016 amounted to €1,117 million (31.12.2015: €1,297.6 million). The Group for the above receivables has recognized impairment amounted to €50.5 million on 30.9.2016 (31.12.2015: €42.1 million). In addition,

the balance of Group's loans guaranteed by the Greek State (directly guaranteed by Greek government, loans guaranteed by TEMPME, loans guaranteed by Common Ministerial Decisions) on 30.9.2016 amounted to €719.6 million (31.12.2015: €764 million). For these loans the Group has recognized impairment amounted to €149.6 million as at 30.9.2016 (31.12.2015: €149 million).

### Off balance sheet exposure

|   | 30.9.2016     |            | 31.12.2015    |            |
|---|---------------|------------|---------------|------------|
|   | Nominal value | Fair value | Nominal value | Fair value |
| Greek Government Treasury bills used as collaterals for refinancing operation | 56,373        | 56,023     |               |            |

### 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 €122.2 million (31.12.2015: €96.9 million), 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 €11.2 million (31.12.2015: €8 million).

The Group as at 30.9.2016 had no exposures to bonds issued by Portugal and Ireland.



## 22. Disclosures relevant to the fair value of financial instruments

### Fair value of financial instruments measured at amortized cost

|                                 | 30.9.2016  |                 | 31.12.2015 |                 |
|---------------------------------|------------|-----------------|------------|-----------------|
|                                 | Fair value | Carrying amount | Fair value | Carrying amount |
| <b>Financial Assets</b>         |            |                 |            |                 |
| Loans and advances to customers | 44,660,421 | 44,870,376      | 46,107,498 | 46,186,116      |
| Investment securities           |            |                 |            |                 |
| - Held to maturity              | 40,728     | 44,801          | 78,934     | 79,709          |
| - Loans and receivables         | 3,449,832  | 3,371,258       | 4,364,715  | 4,289,482       |
| <b>Financial Liabilities</b>    |            |                 |            |                 |
| Due to customers                | 31,944,146 | 31,969,757      | 31,422,161 | 31,434,266      |
| Debt securities in issue *      | 280,041    | 286,164         | 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 of 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.

\* 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.

## Hierarchy of financial instruments measured at fair value

|                                   | 30.9.2016 |           |         |                  |
|-----------------------------------|-----------|-----------|---------|------------------|
|                                   | Level 1   | Level 2   | Level 3 | Total Fair value |
| Derivative Financial Assets       | 3,995     | 779,832   | 5,218   | 789,045          |
| Securities held for trading       |           |           |         |                  |
| - Bonds and Treasury bills        | 2,449     |           |         | 2,449            |
| - Shares                          | 1,587     |           |         | 1,587            |
| - Other variable yield securities |           |           |         |                  |
| Available for sale securities     |           |           |         |                  |
| - Bonds and Treasury bills        | 4,648,052 | 577,214   | 16,838  | 5,242,104        |
| - Shares                          | 121,948   | 18,066    | 48,656  | 188,670          |
| - Other variable yield securities | 34,819    |           |         | 34,819           |
| Derivative financial liabilities  | 1         | 1,622,751 |         | 1,622,752        |
| Convertible bond loan             |           |           | 13,560  | 13,560           |

|                                   | 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              |
| - Other variable yield securities |            |           |         |                  |
| 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 cap-

ital 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. 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 non-observable market parameter.

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



Within the period, Greek corporate bonds of €214.4 million were transferred from Level 2 to Level 1 due to the satisfaction of the criteria of active market. In addition, within the period, €112.2 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:

| 30.9.2016                   |                  |            |  |  |
|-----------------------------|------------------|------------|--|--|
|                             | Total Fair Value | Fair Value | Valuation Method   | Significant non-observable inputs  |
| Derivative Financial Assets | 5,218            | 5,156      | Discounted cash flows with interest rates, taking into account the credit risk | The probability of default and the loss in the case of default of the counterparty (BCVA adjustment) is calculated with the use of an internal model |
|                             |                  | 62         | Discounted cash flows with interest rates being the underlying instrument      | Assessment of reserve adequacy for payment of hybrid securities' dividends   |
| Available for sale bonds    | 16,838           | 16,838     | Based on issuer price/<br>Discounted cash flows estimating credit risk         | Issuer's price/ Credit spread  |
| Available for sale shares   | 48,656           | 48,656     | Discounted cash flows/<br>Multiples valuation method/<br>Net assets method     | Future profitability of the issuer   |
| Convertible bond loan       | 13,560           | 13,560     | Discounted cash flows –<br>Multiples valuation method                          | Estimated market price 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 credit risk of the counterparty | The probability of default and the loss in the case of default of the counterparty (BCVA adjustment) is calculated with 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/<br>Multiples valuation method   | Future profitability of the issuer  |
| Convertible bond loan       | 24,600           | 24,600     | Discounted cash flows/<br>Multiples valuation method   | Estimated market price of the issuer  |



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

|   | 30.9.2016                     |                             |                                  |                       |
|---|-------------------------------|-----------------------------|----------------------------------|-----------------------|
|   | Assets                        |                             | Liabilities                      |                       |
|   | Available for sale securities | Derivative Financial Assets | Derivative Financial Liabilities | Convertible Bond Loan |
| <b>Opening balance 1.1.2016</b>   | <b>62,797</b>                 | <b>3,530</b>                |                                  | <b>(24,600)</b>       |
| Total gain or loss recognized in the income statement   | (820)                         | (470)                       |                                  | 11,040                |
| Total gain or loss recognized directly in equity  | 1,635                         |                             |                                  |                       |
| Purchases/issues  | 420                           |                             |                                  |                       |
| Sales/repayments/settlements  | (2,444)                       | (356)                       |                                  |                       |
| Transfers to Level 3 from Level 1   | 4,838                         |                             |                                  |                       |
| Transfers to Level 3 from Level 2   |                               | 3,671                       |                                  |                       |
| Transfers from Level 3 to level 1   | (932)                         |                             |                                  |                       |
| Transfers from Level 3 to level 2   |                               | (1,157)                     |                                  |                       |
| <b>Balance 30.9.2016</b>  | <b>65,494</b>                 | <b>5,218</b>                | <b>-</b>                         | <b>(13,560)</b>       |
| Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1-30.9.2016 | (749)                         | (462)                       |                                  | 11,040                |

Within the period €4.8 million of shares were transferred from Level 1 to Level 3 as non-observable data were used for their valuation and €0.9 million of shares were transferred from Level 3 to Level 1 as for their valuation observable data has been used.

Regarding derivative financial assets there was a transfer from Level 2 to Level 3 as of 30.6.2016, since the probabilit-

ity of default and the loss given default of the counterparty which has been incorporated in the valuation (BCVA adjustment) was significant. On 30.9.2016 the above parameter was not significant at the fair value of derivatives and therefore have been transferred to Level 2.



|   | 31.12.2015                    |                             |                                  |                       |
|---|-------------------------------|-----------------------------|----------------------------------|-----------------------|
|   | Assets                        |                             | Liabilities                      |                       |
|   | Available for sale securities | Derivative Financial Assets | Derivative Financial Liabilities | Convertible Bond Loan |
| <b>Opening balance 1.1.2015</b>   | <b>76,453</b>                 |                             | <b>(5,393)</b>                   |                       |
| <b>Changes for the period 1.1 - 30.9.2015</b>   |                               |                             |                                  |                       |
| Total gain or loss recognized in the income statement   | (3,830)                       | (58)                        | 5,373                            |                       |
| Total gain or loss recognized directly in equity  | (1,012)                       |                             |                                  |                       |
| Purchases/Issues  | 9,355                         |                             |                                  |                       |
| Sales/Repayments/Settlements  | (13,843)                      |                             | 20                               |                       |
| Transfers to Level 3 from Level 2   | 11                            | 5,849                       |                                  |                       |
| <b>Balance 30.9.2015</b>  | <b>67,134</b>                 | <b>5,791</b>                | <b>-</b>                         |                       |
| <b>Changes for the period 1.10 - 31.12.2015</b>   |                               |                             |                                  |                       |
| Total gain or loss recognized in the income statement   | (5,936)                       | 2,624                       |                                  |                       |
| Total gain or loss recognized directly in equity  | (1,671)                       |                             |                                  |                       |
| Purchases/Issues  | 5,000                         |                             |                                  |                       |
| Sales/Repayments/Settlements  | (1,730)                       |                             |                                  |                       |
| Transfers to Level 3 from Level 2   |                               | (4,885)                     |                                  | (24,600)              |
| <b>Balance 31.12.2015</b>   | <b>62,797</b>                 | <b>3,530</b>                | <b>-</b>                         | <b>(24,600)</b>       |
| 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 - 30.9.2015 | (2,389)                       | (58)                        |                                  |                       |

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 their valuation was based on significant 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 |
| <b>Derivative Financial Assets</b> | 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 scales/ Increase the loss given default by 10% |                                  | (914)                  |                        | (914)                  |
|                                    | Assessment of the adequacy of reserves for the payment of hybrid securities dividends  | Increase the probability of dividend payments to 100%   |                                  | (43)                   |                        | (43)                   |
| <b>Available for sale bonds</b>    | Issuer Price/ Credit spread  | Variation +/- 10%   |                                  |                        | 697                    | (758)                  |
| <b>Available for sale shares</b>   | Future profitability of the Issuer   | Variation +/- 10% in P/B and EV/ Sales ratios (multiples valuation method)  |                                  | (39)                   | 1,364                  | (1,364)                |
| <b>Convertible bond Loan</b>       | Estimated market price of the issuer   | Alpha Bank share price in the range of €1.5-2.5   | 3,333                            | (3,485)                | 3,333                  | (3,485)                |
| <b>Total</b>                       |  |   | <b>3,333</b>                     | <b>(4,481)</b>         | <b>5,394</b>           | <b>(6,564)</b>         |



## 23. 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 ordinary shares, 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 of the European Parliament and European Council 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 cap-

ital 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 & 103/6.9.2016)
  - 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.

|                               | 30.9.2016<br>(estimated) | 31.12.2015*<br>(restated) | 31.12.2015<br>(published) |
|-------------------------------|--------------------------|---------------------------|---------------------------|
| Common Equity Tier I          | 16.8%                    | 16.6%                     | 16.7%                     |
| Tier I                        | 16.8%                    | 16.6%                     | 16.7%                     |
| <b>Capital adequacy ratio</b> | <b>16.9%</b>             | <b>16.8%</b>              | <b>16.7%</b>              |

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

## 24. 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 the Bank's Executive Committee, their close family members and the entities controlled by them, as well as, the results related to those transactions are as follows:

|   | 30.9.2016     | 31.12.2015    |
|---|---------------|---------------|
| <b>Assets</b>                                   |               |               |
| Loans and advances to customers                 | 1,739         | 11,460        |
| <b>Liabilities</b>                              |               |               |
| Due to customers                                | 12,056        | 26,200        |
| Employee defined benefit obligations            | 223           | 453           |
| <b>Total</b>                                    | <b>12,279</b> | <b>26,653</b> |
| <b>Letters of guarantee and approved limits</b> | <b>1,500</b>  | <b>11,689</b> |

|  | From 1 January to |              |
|--|-------------------|--------------|
|  | 30.9.2016         | 30.9.2015    |
| <b>Income</b>  |                   |              |
| Interest and similar income                          | 69                | 216          |
| Fee and commission income                            | 73                | 105          |
| <b>Total</b>   | <b>142</b>        | <b>321</b>   |
| <b>Expenses</b>                                      |                   |              |
| Interest expense and similar charges                 | 40                | 147          |
| Fees paid to key management and close family members | 2,604             | 2,502        |
| <b>Total</b>   | <b>2,644</b>      | <b>2,649</b> |

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

|                                 | 30.9.2016      | 31.12.2015     |
|---------------------------------|----------------|----------------|
| <b>Assets</b>                   |                |                |
| Loans and advances to customers | 209,802        | 161,890        |
| Derivative financial asses      | 375            | 527            |
| <b>Total</b>                    | <b>210,177</b> | <b>162,417</b> |
| <b>Liabilities</b>              |                |                |
| Due to customers                | 22,037         | 21,494         |

|                                      | From 1 January to |              |
|--------------------------------------|-------------------|--------------|
|                                      | 30.9.2016         | 30.9.2015    |
| <b>Income</b>                        |                   |              |
| Interest and similar income          | 4,473             | 4,277        |
| Fee and commission income            | 3                 | 3            |
| Other income                         | 174               | 568          |
| <b>Total</b>                         | <b>4,650</b>      | <b>4,848</b> |
| <b>Expenses</b>                      |                   |              |
| Interest expense and similar charges | 115               | 208          |
| Other expenses                       | 1,939             | 1,682        |
| <b>Total</b>                         | <b>2,054</b>      | <b>1,890</b> |



c. The under liquidation Supplementary Fund maintains deposits with the Bank amounting to €1,077 (31.12.2015: €4,590). Periods' Interest expense related to deposits amounts to €17. In 30.9.2016 the Supplementary Fund does not own Alpha Bank's shares (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 Di-

rectors 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 |           |
|---------------------------|-------------------|-----------|
|                           | 30.9.2016         | 30.9.2015 |
| <b>Income</b>             |                   |           |
| Fee and commission income | 8                 | 45        |

## 25. Current 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 A.D. Skopje as well as it began the process for the sale of Ionian Hotel Enterprises A.E., APE Fixed Assets A.E., APE Commercial Property A.E. and APE Investment Property A.E..

### 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, meet 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, for the purpose of preparation of the Group's interim financial statements, the Group valued the assets and liabilities of Bulgarian Branch at the lowest price between the book value and fair value less selling costs recognizing the difference amounted to €89,007 as loss in the income statement in the line "Net profit/(loss) after income tax from discontinued operations". After the valuation, assets of Bulgarian Branch amounted to €387,947 on 31.12.2015 and liabilities to €277,675.

During 2016 the Group adjusted the loss from sale of Bulgaria branch based on the net assets on the day of the transfer.

## 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 periods 1.1.2015 to 30.9.2015 and 1.7.2015 to 30.9.2015 and in the Statement of Cash Flows with a corresponding restatement of comparative period 1.1.2015 to 30.9.2015.

(Amounts in thousands of Euro)

|   | From 1 January to |                 | From 1 July to |                |
|---|-------------------|-----------------|----------------|----------------|
|   | 30.9.2016         | 30.9.2015       | 30.9.2016      | 30.9.2015      |
| Interest and similar income   | 3,123             | 17,863          |                | 4,860          |
| Interest expense and similar charges                                    | (556)             | (4,957)         |                | (2,187)        |
| Net interest income   | 2,567             | 12,906          | -              | 2,673          |
| Fee and commission income   | 842               | 4,955           |                | 1,679          |
| Commission expense  | (74)              | (305)           |                | (105)          |
| Net fee and commission income   | 768               | 4,650           | -              | 1,574          |
| Dividend income   |                   | 2               |                | 2              |
| Gains less losses on financial transactions                             | 64                | 431             |                | 154            |
| Other income  | 79                | 288             |                | 100            |
| <b>Total income</b>   | <b>3,478</b>      | <b>18,277</b>   | <b>-</b>       | <b>4,503</b>   |
| Staff costs   | (1,575)           | (7,458)         |                | (2,403)        |
| General administrative expenses   | (2,042)           | (9,377)         |                | (1,419)        |
| Depreciation  | (397)             | (2,164)         |                | (690)          |
| Other expenses  | (30)              | (19)            |                | (1)            |
| <b>Total expenses</b>   | <b>(4,044)</b>    | <b>(19,018)</b> | <b>-</b>       | <b>(4,513)</b> |
| Impairment losses and provisions to cover credit risk                   | 1,563             | (3,437)         |                | (973)          |
| <b>Profit/(loss) before income tax</b>                                  | <b>997</b>        | <b>(4,178)</b>  | <b>-</b>       | <b>(983)</b>   |
| Income tax  |                   |                 |                |                |
| <b>Profit/(loss) after income tax</b>                                   | <b>997</b>        | <b>(4,178)</b>  | <b>-</b>       | <b>(983)</b>   |
| Difference due to valuation at fair value                               |                   | (85,500)        |                |                |
| Loss from the disposal after income tax                                 | (748)             |                 | (560)          |                |
| <b>Net Profit/ (loss) from discontinued operations after income tax</b> | <b>249</b>        | <b>(89,678)</b> | <b>(560)</b>   | <b>(983)</b>   |

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

### Alpha Bank A.D. Skopje

The Bank, during the fourth quarter of 2015, began the process of selling its subsidiary Alpha Bank A.D. 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 on the acquisition of the 100% of the ABS shares and on the 100% of the hybrid instrument (subordinated loan) which were allocated to the ABS from the parent company (both of them were combined with 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 satisfied 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 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 "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 Bank's estimate for the final price. After the above valuation, the assets of Alpha Bank A.D. Skopje on 31.12.2015 are amounted to € 84,470 and its liabilities to €80,714.

Within 2016, the Group adjusted the result from the sale of the subsidiary by € 1,535, based on its net asset value as of the transaction date.

### Income Statement and Statement of Comprehensive Income

The results and cash flows arising from Alpha Bank A.D. Skopje are presented as "discontinued operations" in the Income Statement and the Statement of Comprehensive Income with a corresponding restatement of comparative periods 1.1.2015 to 30.9.2015 and 1.7.2015 to 30.9.2015 and in the Cash Flow

Statement with a restatement of comparative period 1.1.2015 to 30.9.2015.

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

(Amounts in thousands of Euro)

|  | From 1 January to |                | From 1 July to |                |
|--|-------------------|----------------|----------------|----------------|
|  | 30.9.2016         | 30.9.2015      | 30.9.2016      | 30.9.2015      |
| Interest and similar income  | 1,525             | 3,569          |                | 1,185          |
| Interest expense and similar charges   | (382)             | (759)          |                | (229)          |
| Net interest income  | 1,143             | 2,810          | -              | 956            |
| Fee and commission income  | 404               | 834            |                | 277            |
| Commission expense   | (183)             | (423)          |                | (153)          |
| Net fee and commission income  | 221               | 411            | -              | 124            |
| Dividend income  |                   | 15             |                |                |
| Gains less losses on financial transactions  | 132               | 354            |                | 63             |
| Other income   | 40                | 86             |                | 38             |
| <b>Total income</b>  | <b>1,536</b>      | <b>3,676</b>   | <b>-</b>       | <b>1,181</b>   |
| Staff costs  | (907)             | (2,061)        |                | (691)          |
| General administrative expenses  | (691)             | (1,643)        |                | (486)          |
| Depreciation   | (134)             | (308)          |                | (99)           |
| Other expenses   | (80)              | (160)          |                | -              |
| <b>Total expenses</b>  | <b>(1,812)</b>    | <b>(4,172)</b> | <b>-</b>       | <b>(1,276)</b> |
| Impairment losses and provisions to cover the credit risk                                    | (482)             | (423)          |                | (240)          |
| <b>Profit/(loss) before income tax</b>   | <b>(758)</b>      | <b>(919)</b>   | <b>-</b>       | <b>(335)</b>   |
| Income tax   | 21                | 111            |                | 40             |
| <b>Profit/(loss) after income tax</b>  | <b>(737)</b>      | <b>(808)</b>   | <b>-</b>       | <b>(295)</b>   |
| Gain from the disposal after income tax  | 1,535             |                |                |                |
| <b>Net Profit /(loss) after income tax, from discontinued operations</b>                     | <b>798</b>        | <b>(808)</b>   | <b>-</b>       | <b>(295)</b>   |
| Exchange differences on translating and hedging the net investment in foreign operations     | (40)              | 3              |                | (36)           |
| <b>Amounts that may be reclassified in the Income Statement from discontinued operations</b> | <b>(40)</b>       | <b>3</b>       |                | <b>(36)</b>    |
| <b>Total comprehensive income for the period after income tax</b>                            | <b>758</b>        | <b>(805)</b>   | <b>-</b>       | <b>(331)</b>   |

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



### Ionian Hotel Enterprises A.E.

On 27.10.2016, the Group, following the intention announcement of 17.2.2016 to sell Ionian Hotel Enterprises A.E. through an Invitation for Expressions of Interest, has concluded a definitive agreement for the sale of its subsidiary. The total transaction consideration, including the refinancing of the existing debt of IHE (€67 million), amounts to €142 million and is subject to a customary adjustment mechanism as at the day of completion. The completion of the transaction is subject to approval by the Hellenic Competition Commission and is expected to take place within 2016.

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. In addition, according to IFRS 5 the

Group proceed with an estimation of the fair value of Ionian Hotel Enterprises A.E. assets and liabilities. Assets of Ionian Hotel Enterprises A.E. as at 30.9.2016 amount to €148,972 (31.12.2015: €185,701) and its liabilities amount to €9,265 (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 presents the analysis of assets and the liabilities of Ionian Hotel Enterprises A.E., after intercompany eliminations.

(Amounts in thousands of Euro)

|  | 30.9.2016      | 31.12.2015     |
|--|----------------|----------------|
| <b>ASSETS</b>  |                |                |
| Cash and balances with Central Banks                     | 61             | 85             |
| Due from banks   | 4              | 112            |
| Loans and advances to customers                          | 1,788          | 1,122          |
| Property, plant and equipment                            | 169,738        | 168,777        |
| Goodwill and other intangible assets                     | 276            | 302            |
| Deferred tax assets                                      | 13,685         | 13,692         |
| Other assets   | 1,336          | 1,611          |
|  | 186,888        | 185,701        |
| Valuation at fair value                                  | (37,916)       |                |
| <b>Assets held for sale</b>                              | <b>148,972</b> | <b>185,701</b> |
| <b>LIABILITIES</b>                                       |                |                |
| Liabilities to current income tax and other taxes        | 690            | 314            |
| Defined benefit obligations                              | 2,245          | 2,294          |
| Other liabilities  | 6,276          | 5,730          |
| Provisions   | 54             | 54             |
| <b>Total liabilities related to assets held for sale</b> | <b>9,265</b>   | <b>8,392</b>   |

**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 A.E., APE Commercial Property A.E. and APE Investment Property A.E. began. APE Fixed Assets A.E. is Bank's subsidiary, while APE Commercial Property A.E. and APE Investment Property A.E. are joint ventures, where the control is exercised jointly by the Bank and the other shareholder.

From 30.6.2016 the above mentioned investments meet the requirements to be classified as "Held for sale" in accordance with IFRS 5, 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 A.E. 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 A.E. and APE Investment Property A.E., 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 above mentioned measurement on 30.9.2016 losses amounting to €2 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 companies are included in "Other" in operating segment analysis.

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

(Amounts in thousands of Euro)

|  | <b>30.9.2016</b> |
|--|------------------|
| <b>Asset</b>   |                  |
| Investment property  | 39,872           |
| Loans and advances to customers                                      | 47,570           |
| Investments in associates and joint ventures                         | 39,244           |
| <b>Other assets held for sale</b>                                    | <b>126,686</b>   |
| <b>Liabilities</b>   |                  |
| Liabilities of current income tax and other taxes                    | 66               |
| Deferred tax liabilities   | 298              |
| <b>Total liabilities related to assets held for sale</b>             | <b>364</b>       |
| <b>Amounts recognized directly in equity for held for sale items</b> | <b>(122)</b>     |
| <b>Non-controlling interests for held for sale items</b>             | <b>10,994</b>    |

**Other asset held for sale**

Assets held for sale include also other fixed assets held for sale of the Group of an amount of € 5 million (31.12.2015: € 4.9 million) thereby total amount of Assets held for sale of the Group as at 30.9.2016 amounts to € 280,618 (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.

## 26. Corporate events

- a.** On 26.1.2016 the Bank participated in the establishment of Aktua Hellas Holding S.A., 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 TANE0 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 A.D., a subsidiary of Eurobank Ergasias A.E. was completed.
- g.** On 22.4.2016 the Bank participated in the share capital increase of the joint ventures, 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 S.R.L. 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 D.O.O., based in Serbia, for an amount of €1 thousand.
- n.** On 9.6.2016 the subsidiary of the Group, AGI-CYPRE Ermis Ltd, proceeded to the acquisition of total number of shares of AGI-CYPRE Alaminos Ltd for the amount of €1.8 thousand.
- o.** On 16.6.2016 the subsidiary of the Group, AGI-CYPRE Ermis Ltd, proceeded to the acquisition of total number of shares of AGI-CYPRE Mazotos Ltd for the amount of €1.8 thousand.
- p.** On 16.6.2016 the subsidiary of the Group, AGI-CYPRE Ermis Ltd, proceeded to the acquisition of total number of shares AGI-CYPRE Tochni Ltd for the amount of €1.8 thousand.
- q.** 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 A.B.E.E. 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.
- r.** On 22.7.2016 the Bank covered, proportionally to its share, the increase in the share capital of the joint venture Aktua Hellas Holding S.A., by paying the amount of €570 thousand.
- s.** On 29.7.2016 the Bank's subsidiary, Alpha Group Investments Ltd, acquired the 50% of shares of the company AEP Eleona, for an amount of €11.9 million.
- t.** On 2.8.2016, the Bank covered, proportionally to its share, the increase in the share capital of the joint venture Alpha TANE0 AKES by paying the amount of €90 thousand.
- u.** On 22.8.2016 the Bank proceeded to the acquisition of 97.27% of shares of Ionian 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.
- v.** On 14.9.2016 the subsidiary of the Alpha Astika Akinita A.E., proceeded to the acquisition from Alpha Group Investments Ltd the total number of shares of Alpha Real Estate Services Ltd for the amount of €11 thousand.
- w.** On 26.9.2016 the Bank participated in the share capital increase of its subsidiary, APE Fixed Assets A.E. with the amount of €72,2 thousand.



## 27. 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     |
| <b>Total effect</b>             | -                 | -         | -         | -         |

  

|                                 | 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         |
| <b>Total effect</b>             | -               | -             | -             | -             |

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 A.D. Skopje as a discontinued operation (note 25). Below are restated statements of income and cash flows for the period 1.1 - 30.9.2015 based on these modifications.

**Consolidated Income Statement**

[Amounts in thousands of Euro]

|   | From 1 January to 30.9.2015 |   |  |  |                    |
|---|-----------------------------|---|--|--|--------------------|
|   | 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 A.D. Skopje as discontinued operation | Restated amounts   |
| Interest and similar income                                     | 2,283,915                   |   | 2,524  | (3,569)  | 2,282,870          |
| Interest expense and similar charges                            | (838,431)                   |   |  | 759  | (837,672)          |
| Net interest income   | 1,445,484                   |   | 2,524  | (2,810)  | 1,445,198          |
| Fee and commission income                                       | 286,739                     | (1,209)   |  | (834)  | 284,696            |
| Commission expense  | (54,607)                    | 163   |  | 423  | (54,021)           |
| Net fee and commission income                                   | 232,132                     | (1,046)   |  | (411)  | 230,675            |
| Dividend income   | 903                         |   |  | (15)   | 888                |
| Gains less losses on financial transactions                     | 45,369                      |   |  | (354)  | 45,015             |
| Other income  | 46,833                      | (1,838)   |  | (86)   | 44,909             |
|   | 93,105                      | (1,838)   |  | (455)  | 90,812             |
| <b>Total income</b>   | <b>1,770,721</b>            | <b>(2,884)</b>  | <b>2,524</b>   | <b>(3,676)</b>   | <b>1,766,685</b>   |
| Staff costs   | (397,261)                   |   |  | 2,061  | (395,200)          |
| General administrative expenses                                 | (399,239)                   | 2,884   |  | 1,643  | (394,712)          |
| Depreciation and amortization expenses                          | (78,207)                    |   |  | 308  | (77,899)           |
| Other expenses  | (3,775)                     |   |  | 160  | (3,615)            |
| <b>Total expenses</b>   | <b>(878,482)</b>            | <b>2,884</b>  |  | <b>4,172</b>   | <b>(871,426)</b>   |
| Impairment losses and provisions to cover credit risk           | (2,355,918)                 |   | (1,838)  | 423  | (2,357,333)        |
| Share of profit/(loss) of associates and joint ventures         | (9,022)                     |   |  |  | (9,022)            |
| <b>Profit/(Loss) before income tax</b>                          | <b>(1,472,701)</b>          | <b>-</b>  | <b>686</b>   | <b>919</b>   | <b>(1,471,096)</b> |
| Income tax  | 723,309                     |   |  | (111)  | 723,198            |
| <b>Net profit/(Loss) after income tax</b>                       | <b>(749,392)</b>            | <b>-</b>  | <b>686</b>   | <b>808</b>   | <b>(747,898)</b>   |
| Net profit/(Loss) after income tax from discontinued activities | (88,992)                    |   | (686)  | (808)  | (90,486)           |
| <b>Net profit/(Loss) after income tax</b>                       | <b>(838,384)</b>            | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>(838,384)</b>   |
| <b>Profit/(Loss) attributable to:</b>                           |                             |   |  |  |                    |
| <b>Equity owners of the Bank</b>                                |                             |   |  |  |                    |
| - from continuing activities                                    | (749,644)                   |   | 686  | 808  | (748,150)          |
| - from discontinued activities                                  | (88,992)                    |   | (686)  | (808)  | (90,486)           |
|   | <b>(838,636)</b>            | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>(838,636)</b>   |
| Non-controlling interests                                       | 252                         |   |  |  | 252                |
| <b>Earnings/(losses) per share:</b>                             |                             |   |  |  |                    |
| Basic and diluted earnings/(losses) (€ per share):              | (0.07)                      |   |  |  | (3.28)             |



[Amounts in thousands of Euro]

| From 1 July to 30.9.2015  |                   |   |  |  |                  |
|---|-------------------|---|--|--|------------------|
|   | 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 A.D. Skopje as discontinued operation | Restated amounts |
| Interest and similar income                                     | 758,735           |   | 881  | (1,185)  | 758,431          |
| Interest expense and similar charges                            | (270,356)         |   |  | 229  | (270,127)        |
| Net interest income   | 488,379           |   | 881  | (956)  | 488,304          |
| Fee and commission income                                       | 90,871            | (409)   |  | (277)  | 90,185           |
| Commission expense  | (21,611)          | 784   |  | 153  | (20,674)         |
| Net fee and commission income                                   | 69,260            | 375   | -  | (124)  | 69,511           |
| Dividend income   | 343               |   |  |  | 343              |
| Gains less losses on financial transactions                     | 9,116             |   |  | (63)   | 9,053            |
| Other income  | 15,336            | (965)   |  | (38)   | 14,333           |
|   | 24,795            | (965)   | -  | (101)  | 23,729           |
| <b>Total income</b>   | <b>582,434</b>    | <b>(590)</b>  | <b>881</b>   | <b>(1,181)</b>   | <b>581,544</b>   |
| Staff costs   | (132,420)         |   |  | 691  | (131,729)        |
| General administrative expenses                                 | (158,459)         | 590   |  | 486  | (157,383)        |
| Depreciation and amortization expenses                          | (26,461)          |   |  | 99   | (26,362)         |
| Other expenses  | (1,407)           |   |  |  | (1,407)          |
| <b>Total expenses</b>   | <b>(318,747)</b>  | <b>590</b>  | <b>-</b>   | <b>1,276</b>   | <b>(316,881)</b> |
| Impairment losses and provisions to cover credit risk           | (258,731)         |   |  | 240  | (258,491)        |
| Share of profit/(loss) of associates and joint ventures         | (5,035)           |   |  |  | (5,035)          |
| <b>Profit/(Loss) before income tax</b>                          | <b>(79)</b>       | <b>-</b>  | <b>881</b>   | <b>335</b>   | <b>1,137</b>     |
| Income tax  | 413,880           |   |  | (40)   | 413,840          |
| <b>Net profit/(Loss) after income tax</b>                       | <b>413,801</b>    | <b>-</b>  | <b>881</b>   | <b>295</b>   | <b>414,977</b>   |
| Net profit/(Loss) after income tax from discontinued activities | (102)             |   | (881)  | (295)  | (1,278)          |
| <b>Net profit/(Loss) after income tax</b>                       | <b>413,699</b>    | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>413,699</b>   |
| <b>Profit/(Loss) attributable to:</b>                           |                   |   |  |  |                  |
| <b>Equity owners of the Bank</b>                                |                   |   |  |  |                  |
| - from continuing activities                                    | 413,716           |   | 881  | 295  | 414,892          |
| - from discontinued activities                                  | (102)             |   | (881)  | (295)  | (1,278)          |
|   | <b>413,614</b>    | <b>-</b>  | <b>-</b>   | <b>-</b>   | <b>413,614</b>   |
| Non-controlling interests                                       | 85                |   |  |  | 85               |
| <b>Earnings/(losses) per share:</b>                             |                   |   |  |  |                  |
| Basic and diluted (€ per share):                                | 0.03              |   |  |  | 1.62             |

**Consolidated Statement of Cash Flows**

(Amounts in thousands of Euro)

|  | From 1 January to 30.9.2015 |   |  |                    |
|--|-----------------------------|---|--|--------------------|
|  | Published Amounts           | Restatements due to changes in the presentation of figures relating to the loyalty Bonus card program | Restatements due to presentation of Alpha Bank A.D. Skopje as discontinued operation | Restated amounts   |
| <b>Cash flows from continuing operating activities</b>                                     |                             |   |  |                    |
| <b>Profit/(loss) before income tax</b>   | <b>(1,472,701)</b>          | <b>686</b>  | <b>919</b>   | <b>(1,471,096)</b> |
| <b>Adjustments for gain/(losses) before income tax for:</b>                                |                             |   |  |                    |
| Depreciation/Impairment of fixed assets  | 44,110                      |   | (178)  | 43,932             |
| Amortization/Impairment of intangible assets   | 34,098                      |   | (131)  | 33,967             |
| Impairment losses from loans, provisions and staff leaving indemnity                       | 2,406,786                   | 1,838   | (660)  | 2,407,964          |
| (Gains)/losses from investing activities   | 19,853                      |   |  | 19,853             |
| (Gains)/losses from financing activities   | 49,611                      |   |  | 49,611             |
| (Gains)/losses ratio from associates and joint ventures                                    | 9,022                       |   |  | 9,022              |
|  | <b>1,090,779</b>            | <b>2,524</b>  | <b>(50)</b>  | <b>1,093,253</b>   |
| <b>Net (increase)/decrease in assets relating to continuing operating activities:</b>      |                             |   |  |                    |
| Due from banks   | 1,245,218                   |   | (67)   | 1,245,151          |
| Trading securities and derivative financial assets   | 253,590                     |   |  | 253,590            |
| Loans and advances to customers  | (288,919)                   | (2,524)   | (2,263)  | (293,706)          |
| Other assets   | (31,992)                    |   | (87)   | (32,079)           |
| <b>Net increase/(decrease) in liabilities relating to continuing operating activities:</b> |                             |   |  |                    |
| Due to banks   | 10,261,946                  |   | 12   | 10,261,958         |
| Derivative financial liabilities   | (234,082)                   |   |  | (234,082)          |
| Due to customers   | (12,306,043)                |   | 14,064   | (12,291,979)       |
| Other liabilities  | 99,424                      |   | 270  | 99,694             |
|  |                             |   |  | -                  |
| <b>Net cash flows from continuing operating activities before taxes</b>                    | <b>89,921</b>               | <b>-</b>  | <b>11,879</b>  | <b>101,800</b>     |
| Income taxes and other taxes paid  | (46,347)                    |   | -  | (46,347)           |
| <b>Net cash flows from continuing operating activities</b>                                 | <b>43,574</b>               | <b>-</b>  | <b>11,879</b>  | <b>55,453</b>      |
| <b>Net cash flows from discontinued operating activities</b>                               | <b>12,882</b>               |   | <b>(11,879)</b>  | <b>1,003</b>       |
| <b>Cash flows from continuing investing activities</b>                                     |                             |   |  |                    |
| Investments in subsidiaries and associates and joint ventures                              | (12,138)                    |   |  | (12,138)           |
| Acquisitions during the period   | 9,151                       |   |  | 9,151              |
| Income from subsidiary disposal  | 15,392                      |   |  | 15,392             |
| Dividends received   | 903                         |   |  | 903                |
| Purchases of fixed and intangible assets   | (68,501)                    |   | 46   | (68,455)           |
| Disposals of fixed and intangible assets   | 10,928                      |   |  | 10,928             |
| Net (increase)/decrease in investment securities   | 35,369                      |   | (8,524)  | 26,845             |
| <b>Net cash flows from continuing investing activities</b>                                 | <b>(8,896)</b>              | <b>-</b>  | <b>(8,478)</b>   | <b>(17,374)</b>    |
| <b>Net cash flows from discontinued investing activities</b>                               | <b>(382)</b>                |   | <b>8,478</b>   | <b>8,096</b>       |
| <b>Cash flows from continuing financing activities</b>                                     |                             |   |  |                    |
| Repayment of debt securities in issue and other borrowed funds                             | (111,077)                   |   | -  | (111,077)          |
| (Purchases)/sales of hybrid securities   | (693)                       |   | -  | (693)              |
| <b>Net cash flows from continuing financing activities</b>                                 | <b>(111,770)</b>            | <b>-</b>  | <b>-</b>   | <b>(111,770)</b>   |
| Effect of exchange rate differences on cash and cash equivalents                           | 8,865                       |   | -  | 8,865              |
| <b>Net increase/(decrease) in cash flows – continuing activities</b>                       | <b>(68,227)</b>             | <b>-</b>  | <b>3,401</b>   | <b>(64,826)</b>    |
| <b>Net increase/(decrease) in cash flows – discontinued activities</b>                     | <b>12,500</b>               | <b>-</b>  | <b>(3,401)</b>   | <b>9,099</b>       |
| <b>Cash and cash equivalents at the beginning of the period</b>                            | <b>1,194,244</b>            |   |  | <b>1,194,244</b>   |
| <b>Cash and cash equivalents at the end of the period</b>                                  | <b>1,138,517</b>            |   |  | <b>1,138,517</b>   |



During the second quarter of 2016, the Group completed the valuation of the net assets of Asmita Gardens S.R.L., which was 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:

## Consolidated Balance Sheet

(Amounts in thousands of Euro)

|  | 31.12.2015        |   |                   |
|--|-------------------|---|-------------------|
|  | Published Amounts | Finalization of the accounting treatment of Asmita Gardens S.R.L. | Restated amounts  |
| <b>ASSETS</b>  |                   |   |                   |
| Cash and balances with Central Banks                                   | 1,730,327         |   | 1,730,327         |
| Due from banks   | 1,976,273         |   | 1,976,273         |
| Securities held for trading  | 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           |
| <b>Total Assets</b>  | <b>69,296,234</b> | <b>1,308</b>  | <b>69,297,542</b> |
| <b>LIABILITIES</b>   |                   |   |                   |
| 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        |
| Total Liabilities related to assets held for sale                      | 366,781           |   | 366,781           |
| <b>Total Liabilities</b>   | <b>60,241,898</b> | <b>2,445</b>  | <b>60,244,343</b> |
| <b>EQUITY</b>  |                   |   |                   |
| <b>Equity attributable to equity owners of the Bank</b>                |                   |   |                   |
| Share capital  | 461,064           |   | 461,064           |
| Share premium  | 10,790,870        |   | 10,790,870        |
| Reserves   | 301,223           | (1,137)   | 300,086           |
| Amounts that were recognized in equity and regard assets held for sale | 8,834             |   | 8,834             |
| Retained earnings  | (2,546,885)       |   | (2,546,885)       |
|  | <b>9,015,106</b>  | <b>(1,137)</b>  | <b>9,013,969</b>  |
| <b>Non-controlling interests</b>                                       | <b>23,998</b>     |   | <b>23,998</b>     |
| <b>Hybrid securities</b>   | <b>15,232</b>     |   | <b>15,232</b>     |
| <b>Total Equity</b>  | <b>9,054,336</b>  | <b>(1,137)</b>  | <b>9,053,199</b>  |
| <b>Total Liabilities and Equity</b>                                    | <b>69,296,234</b> | <b>1,308</b>  | <b>69,297,542</b> |



## 28. Events after the balance sheet date

**a.** On 6.10.2016 the Bank has obtained one share of the subsidiary bank Alpha Bank Srbija A.D. without any payment, as a result of a donation of the minority shareholder. Therefore, the Bank's stake stood at 100%.

**b.** On 21.10.2016, the subsidiary of the Group, Alpha Astika Akinita A.E. sold all the shares of the company Alpha Astika Akinita D.O.O.E.L. Skopje for the amount of € 775 thousand (note 19).

**c.** On 27.10.2016 the Group concluded a definitive agreement for the sale of its shares in Ionian Hotel Enterprises S.A. ("IHE").

The definitive agreement was concluded with Home Holdings S.A., a company owned by Tourism Enterprises of Messinia S.A. and D-Marine Investments Holding B.V., for the sale of its majority stake (approximately 97.3%) in the share capital of the Athens Exchange -listed company Ionian Hotel Enterprises S.A. ("IHE"). The completion of the transaction is subject to approval by the Hellenic Competition Commission and is expected to take place within 2016 (note 25).

Athens, 30 November 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

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