



ALPHA BANK

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31.3.2016**

(In accordance with International Accounting Standard 34)



Athens,
31 May 2016

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(In accordance with IAS 34)

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Interim Consolidated Income Statement

(Amounts in thousand of Euro)

	Note	From 1 January to	
		31.3.2016	31.3.2015*
Interest and similar income		705,487	761,052
Interest expense and similar charges		<u>(222,545)</u>	<u>(286,086)</u>
Net interest income		482,942	474,966
Fee and commission income		88,384	98,131
Commission expense		<u>(9,808)</u>	<u>(14,363)</u>
Net fee and commission income		78,576	83,768
Dividend income		591	25
Gains less losses on financial transactions		3,039	25,957
Other income		<u>12,354</u>	<u>13,597</u>
		<u>15,984</u>	<u>39,579</u>
Total income		577,502	598,313
Staff costs		(129,455)	(133,583)
Provision for voluntary separation scheme cost	13	(30,993)	
General administrative expenses	2	(118,242)	(116,843)
Depreciation and amortization	8, 9, 10	(25,863)	(25,616)
Other expenses		<u>(3,568)</u>	<u>(897)</u>
Total expenses		(308,121)	(276,939)
Impairment losses and provisions to cover credit risk	3	(255,118)	(426,146)
Share of profit/(loss) of associates and joint ventures		<u>(1,461)</u>	<u>(1,990)</u>
Profit/(loss) before income tax		12,802	(106,762)
Income tax	4	<u>(14,907)</u>	<u>(9,221)</u>
Profit/(loss) after income tax, from continuing operations		(2,105)	(115,983)
Profit /(loss) after income tax, from discontinued operations	23	(59)	145
Profit/(loss) after income tax		(2,164)	(115,838)
Profit/(loss) attributable to:			
Equity owners of the Bank			
- from continuing operations		(2,148)	(116,119)
- from discontinued operations		<u>(59)</u>	<u>145</u>
		(2,207)	(115,974)
Non-controlling interests			
- from continuing operations		43	136
Earnings/(losses) per share:			
Basic and diluted (€ per share)	5	(0.00)	(0.45)
Basic and diluted from continuing operations (€ per share)	5	(0.00)	(0.45)
Basic and diluted from discontinued operations (€ per share)	5	0.00	0.00

* The figures for the comparative year for the Interim Consolidated Income Statement have been restated due to modification of the presentation of figures related to the loyalty Bonus card program and the presentation of the Bank's Branch in Bulgaria and Alpha Bank Skopje as discontinued operations (note 25).



Interim Consolidated Balance Sheet

(Amounts in thousand of Euro)

	Note	31.3.2016	31.12.2015
ASSETS			
Cash and cash balances with central banks		1,424,979	1,730,327
Due from banks		2,074,406	1,976,273
Trading securities	7	4,150	2,779
Derivative financial assets		800,423	793,015
Loans and advances to customers	6	45,826,126	46,186,116
Investment securities			
- Available for sale	7	5,612,288	5,794,484
- Held to maturity	7	78,444	79,709
- Loans and receivables	7	4,292,271	4,289,482
Investments in associates and joint ventures		50,286	45,771
Investment property	8	618,151	623,662
Property, plant and equipment	9	854,080	860,901
Goodwill and other intangible assets	10	363,352	342,251
Deferred tax assets		4,441,892	4,398,176
Other assets		1,495,272	1,510,225
		<u>67,936,120</u>	<u>68,633,171</u>
Assets held for sale	23	270,927	663,063
Total Assets		68,207,047	69,296,234
LIABILITIES			
Due to banks	11	24,858,972	25,115,363
Derivative financial liabilities		1,633,496	1,550,529
Due to customers (including debt securities in issue)		30,963,204	31,434,266
Debt securities in issue held by institutional investors and other borrowed funds	12	334,715	400,729
Liabilities for current income tax and other taxes		29,968	38,192
Deferred tax liabilities		22,033	20,852
Defined benefit obligations		110,283	108,550
Other liabilities		920,044	910,622
Provisions	13	338,961	296,014
		<u>59,211,676</u>	<u>59,875,117</u>
Liabilities related to assets held for sale	23	86,504	366,781
Total Liabilities		59,298,180	60,241,898
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	14	461,064	461,064
Share premium		10,790,870	10,790,870
Reserves		167,685	301,223
Amounts recognized directly in equity for held for sale items		(8)	8,834
Retained earnings	14	(2,549,895)	(2,546,885)
		<u>8,869,716</u>	<u>9,015,106</u>
Non-controlling interests		24,019	23,998
Hybrid securities	15	15,132	15,232
Total Equity		8,908,867	9,054,336
Total Liabilities and Equity		68,207,047	69,296,234

The attached notes (pages 9 - 51) form an integral part of these interim consolidated financial statements

Interim Consolidated Statement of Comprehensive Income

(Amounts in thousand of Euro)

	Note	From 1 January to	
		31.3.2016	31.3.2015*
Profit/(Loss), after income tax, recognized in the income statement		(2,164)	(115,838)
Other comprehensive income recognized directly in equity:			
Amounts that may be reclassified to the income statement			
Net change in available for sale securities reserve		(94,506)	(200,290)
Net change in cash flow hedge reserve		(99,252)	(90,199)
Exchange differences on translating and hedging the net investment in foreign operations		(3,147)	2,345
Income tax	4	54,496	77,858
Total amounts that may be reclassified in the income statement from continuing operations		(142,409)	(210,286)
Amounts that may be reclassified in the Income Statement from discontinued operations		(47)	49
Amounts that will not be reclassified in the Income Statement			
Total of other comprehensive income recognized directly in equity, after income tax	4	(142,456)	(210,237)
Total comprehensive income for the period, after income tax		(144,620)	(326,075)
Total comprehensive income for the period attributable to:			
Equity owners of the Bank		(144,641)	(326,246)
- from continuing operations		(144,535)	(326,440)
- from discontinued operations		(106)	194
Non controlling interests			
- from continuing operations		21	171

* The figures for the comparative year for the Interim Consolidated Comprehensive Income have been restated due to the presentation of the Bank's Branch in Bulgaria and Alpha Bank Skopje as discontinued operations (note 25).



Interim Consolidated Statement of Changes in Equity

(Amounts in thousand of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total	Non controlling interests	Hybrid securities	Total Equity
Balance 1.1.2015		3,830,718	4,858,216	105,687	(1,142,801)	7,651,820	23,266	31,464	7,706,550
Changes for the period 1.1 - 31.3.2015									
Profit for the period, after income tax					(115,974)	(115,974)	136		(115,838)
Other comprehensive income recognized directly in equity, after income tax				(210,272)		(210,272)	35		(210,237)
Total comprehensive income for the period, after income tax				(210,272)	(115,974)	(326,246)	171		(326,075)
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					768	768		(1,690)	(922)
Appropriation of reserves				491	(491)	-			-
Other					79	79			79
Balance 31.03.2015		3,830,718	4,858,216	(104,094)	(1,258,419)	7,326,421	23,437	29,774	7,379,632
Changes for the period 1.4 - 31.12.2015						-			
Profit for the period, after income tax					(1,255,740)	(1,255,740)	124		(1,255,616)
Other comprehensive income recognized directly in equity, after income tax				412,122	3,045	415,167	(20)		415,147
Total comprehensive income for the period, after income tax				412,122	(1,252,695)	(840,573)	104	-	(840,469)
Decrease of ordinary shares nominal value		(3,754,104)	3,754,104			-			-
Share capital increase paid in cash		232,825	1,319,344			1,552,169			1,552,169
Share capital increase through capitalization of financial receivables		151,625	859,206			1,010,831			1,010,831
Share capital increase expenses, after income tax					(43,506)	(43,506)			(43,506)
Effect due to change 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					(457)	(457)	457		-
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					4,039	4,039		(14,542)	(10,503)
Appropriation of reserves				2,029	(2,029)	-			-
Other					(79)	(79)			(79)
Balance 31.12.2015		461,064	10,790,870	310,057	(2,546,885)	9,015,106	23,998	15,232	9,054,336

(Amounts in thousand of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total	Non controlling interests	Hybrid securities	Total Equity
Balance 1.1.2016		461,064	10,790,870	310,057	(2,546,885)	9,015,106	23,998	15,232	9,054,336
Changes for the period 1.1-31.3.2016									
Profit for the period, after income tax					(2,207)	(2,207)	43		(2,164)
Other comprehensive income recognized directly in equity, after income tax				(142,434)		(142,434)	(22)	-	(142,456)
Total comprehensive income for the period, after income tax				(142,434)	(2,207)	(144,641)	21	-	(144,620)
Share capital increase expenses, after income tax					(689)	(689)			(689)
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					(60)	(60)		(100)	(160)
Appropriation of reserves				54	(54)	-			-
Balance 31.3.2016		461,064	10,790,870	167,677	(2,549,895)	8,869,716	24,019	15,132	8,908,867

The attached notes (pages 9 - 51) form an integral part of these interim consolidated financial statements



Interim Consolidated Statement of Cash Flows

(Amounts in thousand of Euro)

	Note	From 1 January to	
		31.3.2016	31.03.2015
Cash flows from continuing operating activities			
Profit / (loss) before income tax		12,802	(106,762)
Adjustments for gain/(losses) before income tax for:			
Depreciation/Impairment of fixed assets	8, 9	14,948	14,468
Amortization/Impairment of intangible assets	10	10,915	11,148
Impairment losses from loans, provisions and staff leaving indemnity		305,689	437,294
(Gains)/losses from investing activities		76	(15,303)
(Gains)/losses from financing activities		13,227	22,750
Share of (profit)/loss of associates and joint ventures		1,461	1,989
Other adjustments			5,320
		359,118	370,904
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks		(87,020)	297,277
Trading securities and derivative financial assets		(8,780)	(205,630)
Loans and advances to customers		142,384	(675,876)
Other assets		35,366	(13,269)
Net increase/(decrease) in liabilities relating to continuing operating activities:			
Due to banks		(256,391)	6,749,413
Derivative financial liabilities		(16,284)	503,513
Due to customers		(513,727)	(6,907,055)
Other liabilities		10,451	(8,065)
		(334,883)	111,212
Net cash flows from continuing operating activities before taxes		(334,883)	111,212
Income taxes and other taxes paid		(11,293)	(28,200)
Net cash flows from continuing operating activities		(346,176)	83,012
Net cash flows from discontinued operating activities		(22,983)	20,639
Cash flows from continuing investing activities			
Investments in associates and joint ventures		(51)	
Acquisitions during the period			9,151
Amounts received from disposal of subsidiary			8,050
Dividends received		591	25
Acquisitions of fixed and intangible assets		(42,716)	(20,336)
Disposals of fixed and intangible assets		9,997	2,885
Net (increase)/decrease in investment securities		96,898	(90,150)
Net cash flows from continuing investing activities		64,719	(90,375)
Net cash flows from discontinued investing activities		(6,718)	7,110
Cash flows from continuing financing activities			
Repayments of debt securities in issue and other borrowed funds		(18,140)	(10,076)
(Purchases)/sales of hybrid securities			(652)
Share capital increase expenses		(970)	
Net cash flows from continuing financing activities		(19,110)	(10,728)
Effect of exchange rate differences on cash and cash equivalents		(2,540)	9,340
Net increase/(decrease) in cash flows from continuing activities		(303,107)	(8,751)
Net increase/(decrease) in cash flows from discontinued activities		(29,701)	27,749
Cash and cash equivalents at the beginning of the period		1,328,133	1,194,244
Cash and cash equivalents at the end of the period		995,325	1,213,242

* The figures for the comparative year for the Interim Consolidated Statement of Cash Flows have been restated due to the presentation of the Bank's Branch in Bulgaria and Alpha Bank Skopje as discontinued operations (note 25).

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 22370100 (ex. societe anonyme registration number 6066/06/B/86/05). The Bank's duration is until 2100 but may be extended by the General Meeting of Shareholders.

In accordance with article 4 of the Articles of Incorporation, the Bank's objective is to engage, on its own account or on

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

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

The Board of Directors as at 31 March 2016, consists of:

CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

VICE CHAIRMAN (Non Executive Independent Member)

Minas G. Tanes ^{*/***/****}

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO)

Artemios Ch. Theodoridis

George C. Aronis

NON-EXECUTIVE MEMBERS

Efthymios O. Vidalis

Ioanna E. Papadopoulou ^{****}

NON-EXECUTIVE INDEPENDENT MEMBERS

Paul A. Apostolidis ^{**/*}

Evangelos J. Kaloussis ^{*/**}

Ioannis K. Lyras ^{*/**}

Ibrahim S. Dabdoub ^{**}

Shahzad A. Shahbaz ^{***}

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

On 21.4.2016 upon the resignation of Mr. Minas G. Tanes, the Board of Directors was constituted into a body with Vice Chairman Mr. Paul A. Apostolidis and non-executive independent member Mr. Jan A. Vanhevel.

* Member of the Audit Committee

** Member of the Remuneration Committee

*** Member of the Risk Management Committee

**** Member of Corporate Governance and Nominations Committee



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

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

Total ordinary shares in issue as at 31 March 2016 were 1,536,881,200. In Athens Stock Exchange are traded 1,367,706,054 ordinary shares of the Bank, while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 169,175,146 ordinary, registered, voting, paperless shares or percentage equal to 11.01% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

In addition, on the Athens Exchange there are 1,141,734,167 warrants that are traded each one incorporating the right of the holder to purchase 0.148173663047785 new shares owned by the HFSF.

During the first quarter of 2016, the average daily volume per session for shares was €19,248,980 and for warrants €2,321.

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

- Moody's: Caa3
- Fitch Ratings: RD
- Standard & Poor's: SD

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

Furthermore, according to No. 8/754 / 14.04.2016 decision of the Hellenic Capital Market Commission with subject "Special Topics for Periodic Reporting according to Law. 3556/2007", 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 Bank in order to provide regular reporting to investors publishes its interim consolidated financial statements in accordance with IAS 34 for the first quarter of 2016.

The financial statements have been approved by the Board of Directors on 31 May 2016.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Group has prepared the condensed interim financial statements as at 31.3.2016 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union.

The financial statements have been prepared on the historical cost basis. As an exception, some assets and liabilities are measured at fair value. Those assets are mainly the following:

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

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

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

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

The adoption of the above amendments by the Group, an analysis of which is presented in note 1.1 of the Group Fi-

ancial Statements as at 31.12.2015, had no impact on its financial statements.

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

1.2 Estimates, decision making criteria and significant sources of uncertainty

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

Fair value of assets and liabilities

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

Impairment losses of financial assets

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

Impairment losses of non – financial assets

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



Income Tax

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

Employee defined benefit obligations

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

Provisions and contingent liabilities

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

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

1.2.1 Going concern principle

The Group applied the going concern principle for the preparation of the financial statements as at 31.3.2016. 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 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. Alongside the liquidity needs of Greek banks continue to be 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, on the basis of the announcements at the Euro Summit on 12.7.2015, led to an agreement for a new financial support by the European Stability Mechanism. The agreement provides for the coverage of the financing needs of the Hellenic Republic for the medium-term period, provided that the economic reforms that are expected to contribute to the economic stability and the sustainable development of the Greek economy will be implemented. In addition, allocation of resources was provided to cover the recapitalization needs of the banks as a result of their assessment by the Single Supervisory Mechanism.

Specifically, with respect to the Bank, 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.

Following the enactment by the Greek Parliament of legislation related to the economic reforms that have been set as a prerequisite, the Eurogroup of 24.5.2016 determined the amount to be disbursed upon completion of the first evaluation, which is expected in the near future, in the amount of € 10.3 billion. This amount, which will be disbursed in several disbursements starting with a first disbursement of € 7.5 billion in June, will cover short-term debt servicing needs

and will allow a clearance of an initial part of arrears of the Hellenic Republic, a fact which will support the real economy. Based on the above and taking into account the measures described in the Eurogroup statement for the enhancement of the sustainability of the Greek debt (note 1.2.2), a gradual improvement in the economic environment in Greece is expected. In addition, taking into account the high capital adequacy of the Group as well as the fact that the Bank has access to 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, noting, however, the negative impact that would have on the application of the going concern principle any significant deterioration of the economic environment.

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

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

Following the successful outcome of the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy, which were completed with the signing of a relative agreement with the European Stability Mechanism on 19.8.2015, a three-year funding (which could amount to € 86 billion) was ensured, provided that specific commitments that relate to the achievement of specific financial targets and the implementation of reforms in the Greek economy will be respected. The financing agreement with the European Stability Mechanism is expected to cover the financing needs of the Hellenic Republic and in parallel to contribute to the development of the Greek economy. In addition, it was agreed that upon the first positive assessment of the program, measures will be taken to alleviate the Greek debt 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 held as at 31.3.2016, 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 31.3.2016 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 both the main categories of deferred tax assets and the methodology used for the recoverability assessment, is also applicable to these financial statements.



INCOME STATEMENT

2. General administrative expenses

	From 1 January to	
	31.3.2016	31.3.2015
Operating Leases for buildings	11,048	11,375
Rent and maintenance of EDP equipment	5,144	5,023
EDP expenses	7,668	7,584
Marketing and advertisement expenses	4,505	3,551
Telecommunications and postage	5,875	5,637
Third party fees	9,638	12,317
Financial information services by third parties	1,873	1,498
Contribution to the deposit guarantee fund and resolution funds	15,787	10,806
Insurance	3,727	3,005
Office and other consumables	1,594	1,295
Electricity	3,403	3,752
Third party fees for customer acquisition	8	24
Taxes (VAT, real estate etc)	17,731	17,794
Services from collection agencies	4,600	5,075
Building and equipment maintenance	2,079	2,003
Security	2,844	3,194
Cleaning fees	1,261	1,312
Other	19,456	21,599
Total	118,242	116,843

On 23.7.2015 with Law 4335/2015, the European Directive 2014/59 was incorporated 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 2014) should gradually, create a reserve equal to at least 1% of the deposits guaranteed by the HDIGF. From 1.1.2016, the Single Resolution Mechanism (SRM) is responsible for the resolution of credit institutions established in country-member states of the Eurozone. It operates in cooperation with the Single Resolution Fund (SRF), which will cover the resolution costs of non-sustainable credit institutions.

According to Law no. 4335/2015 (Article 98), credit institutions authorized to operate in Greece, including branches operating in third countries, should make at least an annual contribution to the Resolution Fund. According to Law 4370/2016 (Article 36), in case a new credit institution is included in the Resolution Fund or another ceases its participation in it during the fiscal year, the credit institution is obliged for its regular contribution for the fiscal year in proportion to the time of

its operation. In addition with law 4370/2016, the Directive 2014/49 / EU of the European Parliament and the Decision of the Council of 16 April 2014 was incorporated into Greek law which enacts the same rules for all Deposit Guarantee Schemes intended to provide a uniform level of protection to all EU depositors and to ensure the same level of stability as regards the DGS.

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

The proportion for the period which relates to the contribution of the Bank to the Single Resolution Fund for the first quarter of 2016, which amounts at € 21 million, is included under General Administrative Expenses. General Administrative Expenses of the first quarter of 2015 did not have such contribution.

3. Impairment losses and provisions to cover credit risk

	From 1 January to	
	31.3.2016	31.3.2015
Impairment losses on loans and advances to customers (note 6)	259,468	428,603
Provisions to cover credit risk relating to off balance sheet items (note 13)	474	2,843
Recoveries	(4,824)	(5,300)
Total	255,118	426,146

4. 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.

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 ¹ (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 (SA), are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within 10 days from the filing of the corporate income tax return, as well as, electronically to the Ministry of Finance, no later than 10 days following the date of the approval of the financial statements from the Ordinary Shareholders General Meeting. For fiscal years 2011 up to 2014 the Bank and its local subsidiaries have obtained the relevant tax certificate without any qualifications on the tax issues covered, whereas for year 2015 the tax audit is in progress and no material findings are expected. 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 23.

	From 1 January to	
	31.3.2016	31.3.2015
Current	3,070	4,724
Deferred	11,837	4,497
Total	14,907	9,221

¹ Until 31.3.2015 the tax rate was 21%.



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	
	31.3.2016	31.3.2015
Debit difference of Law 4046/2012	11,138	9,986
Write-offs, depreciation and impairment of fixed assets	3,359	4,782
Valuation/impairment of loans	(13,278)	(28,833)
Valuation of loans due to hedging	(292)	(216)
Defined benefit obligation and insurance funds	19,038	17,291
Valuation of derivatives	(3,484)	6,786
Effective interest rate	(192)	(521)
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	1,207	(1,373)
Valuation/impairment of bonds and other securities	704	6,792
Tax losses carried forward	1,023	(15,963)
Other temporary differences	(7,386)	5,766
Total	11,837	4,497

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

	From 1 January to			
	31.3.2016		31.3.2015	
	%		%	
Profit/(loss) before income tax		12,802		(106,762)
Income tax (weighted average nominal tax rate)	52.27	6,691	23.11	(24,673)
Increase/(decrease) due to:				
Non taxable income	(2.76)	(353)	0.22	(230)
Non deductible expenses	125.14	16,020	(12.75)	13,616
Tax losses carried forward	(0.84)	(108)	0.34	(367)
Effect of change of tax rates	(0.16)	(21)		
Other temporary differences	(57.19)	(7,322)	(19.55)	20,875
Income tax (effective tax rate)	116.44	14,907	(8.64)	9,221

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 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 performed with the approval of the General Meeting of Shareholders and relates to tax assets

arising from 2016 onwards, and refers to the fiscal year 2015 and onwards, while there is provision for the termination of inclusion with the same procedure and after obtaining relevant approval from the regulatory authority.

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

On 31.3.2016 the amount of deferred tax assets which is estimated to be within the scope of the aforementioned Law amounts to €3,405,917 (31.12.2015: €3,417,055).

Income tax of comprehensive income recognized directly in Equity

Amounts that may be reclassified to the Income Statement	From 1 January to					
	31.3.2016			31.3.2015		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Net change in available for sale securities' reserve	(94,506)	25,633	(68,873)	(200,290)	52,524	(147,766)
Net change in cash flow hedge reserve	(99,252)	29,150	(70,102)	(90,199)	23,452	(66,747)
Foreign exchange differences on translating and hedging the net investment in foreign operations	(3,194)	(287)	(3,481)	2,394	1,882	4,276
Total	(196,952)	54,496	(142,456)	(288,095)	77,858	(210,237)

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

During the first quarter of 2015, "Retained earnings" includes deferred tax liability amount of €269, which derives from the purchases/redemptions/sales of securities.

5. 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:

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

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

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to the presumed conversion amount of all dilutive potential ordinary shares. The Group 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.

Profit/(losses) attributable to equity owners of the Bank	From 1 January to	
	31.3.2016	31.3.2015
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) per share (in €)	(0.0014)	(0.4541)



	From 1 January to	
	31.3.2016	31.3.2015
Profit/(losses) from continuing operations attributable to equity owners of the Bank	(2,148)	(116,119)
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) from continuing operations per share (in €)	(0.0014)	(0.4547)

	From 1 January to	
	31.3.2016	31.3.2015
Profit/(losses) from discontinued operations attributable to equity owners of the Bank	(59)	145
Weighted average number of outstanding ordinary shares	1,536,881,200	255,381,197
Basic and diluted earnings/(losses) from discontinued operations per share (in €)	0.0000	0.0006

The weighted average number of the ordinary shares as at 31.3.2015, 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

6. Loans and advances to customers

	31.3.2016	31.12.2015
Individuals		
Mortgages	20,136,004	20,171,970
Consumer:		
- Non-Securitized	4,054,403	4,063,791
- Securitized	1,321,123	1,299,934
Credit cards:		
- Non-Securitized	703,464	720,016
- Securitized	554,763	565,583
Other	2,421	2,601
Total	26,772,178	26,823,895
Companies		
Corporate loans:		
- Non-Securitized	27,794,910	27,547,074
- Securitized	1,946,876	2,126,179
Finance leases (Leasing):		
- Non-Securitized	240,035	245,981
- Securitized	446,350	447,618
Factoring	590,738	599,387
Total	31,018,909	30,966,239
Other receivables	327,429	417,737
	58,118,516	58,207,871
Less:		
Allowance for impairment losses ¹	(12,292,390)	(12,021,755)
Total	45,826,126	46,186,116

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

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

The Bank proceeded on 8.7.2015 to cancel an amount of €3.75 billion of covered bonds which had been issued and secured with mortgage loans. As at 31.3.2016, the balance of the covered bonds amounts to €5 million (note 12). The book value of mortgage loans provided as coverage for the above mentioned bonds amounted to €16.8 million.

¹ In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of €5,187 (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 €12,297,577 (31.12.2015: €12,026,468).

**Allowance for impairment losses**

Balance 1.1.2015	8,830,277
Impairment losses for the period from continuing operations (note 3)	428,603
Impairment losses for the period from discontinued operations	360
Change in present value of impairment losses from continuing operations	130,778
Change in present value of impairment losses from discontinued operations	1,435
Loans written-off during the year	(18,135)
Foreign exchange differences from continuing operations	69,250
Foreign exchange differences from discontinued operations	(24)
Balance 31.3.2015	9,442,544
Changes for the period 1.4. - 31.12.2015	
Impairment losses for the period from continuing operations	2,618,704
Change in present value of impairment losses from continuing operations	417,218
Transfer of accumulated provisions to assets held for sale	(111,714)
Loans written-off during the year	(330,528)
Foreign exchange differences	(14,469)
Balance 31.12.2015	12,021,755
Changes for the period 1.1. - 31.3.2016	
Impairment losses for the period (note 3)	259,468
Change in present value of impairment losses	160,674
Sales of impaired loans ¹	(3,634)
Loans written-off during the year	(134,883)
Foreign exchange differences	(10,990)
Balance 31.3.2016	12,292,390

It is noted that the balance of allowance for impairment losses of 31.3.2015 includes amounts for Bulgaria Branch and Alpha Bank Skopje, for the period prior to their classification as discontinued operations (note 23).

The finance lease receivables by duration are as follows:

	<u>31.3.2016</u>	<u>31.12.2015</u>
Up to 1 year	394,940	396,490
From 1 year to 5 years	141,461	136,893
Over 5 years	252,271	265,009
	788,672	798,392
Non accrued finance lease income	(102,287)	(104,793)
Total	686,385	693,599

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

	<u>31.3.2016</u>	<u>31.12.2015</u>
Up to 1 year	378,685	380,421
From 1 year to 5 years	96,893	91,614
Over 5 years	210,807	221,564
Total	686,385	693,599

¹ Sales of impaired loans concern the sale transaction executed by the subsidiary "Alpha Bank Romania".

7. Investment and held for trading securities

i. Held for trading securities

Securities held for trading amounted to €4.2 million on 31.3.2016 (31.12.2015: €2.8 million) of which Greek government bonds €2 million (31.12.2015: €1.9 million) and other government bonds €0.9 million (31.12.2015: €0 million).

ii. Investment securities

a. Available for sale

The available for sale portfolio amounts to €5.6 billion as at 31.3.2016 (31.12.2015: €5.8 billion). This amount includes securities issued by the Greek State that amount to €3.7 billion as at 31.3.2016 (31.12.2015: €3.9 billion) out of which €2 billion (31.12.2015: €2.1 billion) relate to Greek Government treasury bills. The Group during the quarter of 2016 has recognized impairment losses for shares amounting to €467 and for mutual funds amounting to €898 which are included in "Gain less losses on financial transactions".

b. Held to maturity

The held to maturity portfolio amounts to €78.4 million as at 31.3.2016 (31.12.2015: €79.7 million).

c. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (E.F.S.F.) at a nominal value of

€3,960,544 received by the Bank as a result of the share capital increase which was completed on 6.6.2013 and of nominal value €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 Macedonia, Evia and Dodecanese in December 2013. The total carrying amount of these bonds as at 31.3.2016 amounted to €4.3 billion (31.12.2015: €4.3 billion).

In April 2016 the subscription agreement between the European Financial Stability Fund (EFSF), the Hellenic Financial Stability Fund (HFSF) and the Bank was revised. The revision refers to the terms of use of the bonds issued by EFSF that the Bank has classified in Loans and receivables. These bonds under the original contract could only be used as collateral to obtain liquidity from the Eurosystem or from interbank counterparties in repos. 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 applicable decision, a total up to 50% of each EFSF issue can be purchased until the completion of the program in March 2017. Until 27.5.2016, the Bank has already completed sale transactions of EFSF securities with nominal amount of €350 million under this program.



8. Investment property

	<u>Land and Buildings</u>
Balance 1.1.2015	
Cost	693,486
Accumulated depreciation and impairment losses	(126,274)
1.1.2015 - 31.3.2015	
Net book value 1.1.2015	567,212
Additions	3,271
Reclassification to "Asset held for sale"	(110)
Reclassification from "Property, plant and equipment"	3,650
Foreign exchange differences	1,658
Disposals/Write-offs	(2,137)
Depreciation for the period from discontinued operations	(9)
Depreciation for the period from continuing operations	(2,680)
Net book value 31.3.2015	570,855
Balance 31.3.2015	
Cost	697,807
Accumulated depreciation and impairment losses	(126,952)
1.4.2015 - 31.12.2015	
Net book value 1.4.2015	570,855
Additions	18,272
Additions from companies consolidated for the first time in 2015	90,941
Reclassification from "Property, plant and equipment"	495
Reclassification to "Asset held for sale"	(939)
Reclassification of investment assets of discontinued operations to "Assets held for sale"	(1,268)
Foreign exchange differences	(2,427)
Disposals/Write-offs	(11,699)
Depreciation for the period from continuing operations	(8,284)
Impairment losses	(32,284)
Net book value 31.12.2015	623,662
Balance 31.12.2015	
Cost	800,910
Accumulated depreciation and impairment losses	(177,248)
1.1.2016 - 31.3.2016	
Net book value 1.1.2016	623,662
Additions	4,840
Foreign exchange differences	1,764
Disposals/Write-offs	(8,977)
Depreciation for the period from continuing operations	(3,138)
Net book value 31.3.2016	618,151
Balance 31.3.2016	
Cost	779,054
Accumulated depreciation and impairment losses	(160,903)

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

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

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

9. Property, plant and equipment

	Land and Buildings	Leased equipment	Equipment	Total
Balance 1.1.2015				
Cost	1,410,759	4,302	518,133	1,933,194
Accumulated depreciation and impairment losses	(404,958)	(3,152)	(441,736)	(849,846)
1.1.2015 - 31.3.2015				
Net book value 1.1.2015	1,005,801	1,150	76,397	1,083,348
Foreign exchange differences	572	5	183	760
Additions	1,751		3,425	5,176
Disposals/Write-offs	(945)		(50)	(995)
Reclassification to "Investment property"	(3,650)			(3,650)
Reclassification to "Equipment" from "Land and buildings"	(9)		9	
Reclassification from "Other assets"			23	23
Depreciation charge from continuing operations	(6,795)	(154)	(4,839)	(11,788)
Depreciation charge from discontinued operations	(404)		(291)	(695)
Net book value 31.3.2015	996,321	1,001	74,857	1,072,179
Balance 31.3.2015				
Cost	1,413,616	4,337	522,074	1,940,027
Accumulated depreciation and impairment losses	(417,295)	(3,336)	(447,217)	(867,848)
1.4.2015 - 31.12.2015				
Net book value 1.4.2015	996,321	1,001	74,857	1,072,179
Foreign exchange differences	(591)	(6)	(45)	(642)
Additions	5,908	102	14,035	20,045
Additions from companies consolidated for the first time in 2015			949	949
Disposals/Write-offs	(2,766)	(7)	(77)	(2,850)
Reclassification to "Investment property"	(495)			(495)
Reclassification of assets from discontinued operations to "Assets held for sale"	(4,941)		(2,840)	(7,781)
Reclassification to "Assets held for sale"	(164,166)		(3,088)	(167,254)
Reclassification from "Equipment" to "Land and buildings"	58	615	(673)	
Reclassification to "Other assets"	(14,102)	(18)	(563)	(14,683)
Depreciation charge from continuing operations	(20,670)	(246)	(15,398)	(36,314)
Impairment losses	(1,929)		(324)	(2,253)
Net book value 31.12.2015	792,627	1,441	66,833	860,901
Balance 31.12.2015				
Cost	1,169,294	4,090	472,059	1,645,443
Accumulated depreciation and impairment losses	(376,667)	(2,649)	(405,226)	(784,542)
1.1.2016 - 31.3.2016				
Net book value 1.1.2016	792,627	1,441	66,833	860,901
Foreign exchange differences	(203)	4	11	(188)
Additions	1,418		4,447	5,865
Disposals/Write-offs	(520)		(22)	(542)
Reclassifications to "Other assets" and "Assets held for sale"	(432)		286	(146)
Depreciation charge from continuing operations	(6,467)	(94)	(5,249)	(11,810)
Net book value 31.3.2016	786,423	1,351	66,306	854,080
Balance 31.3.2016				
Cost	1,166,190	4,121	475,368	1,645,679
Accumulated depreciation and impairment losses	(379,767)	(2,770)	(409,062)	(791,599)

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".

**10. Goodwill and other intangible assets**

	Software	Other	Total
Balance 1.1.2015			
Cost	488,347	155,103	643,450
Accumulated amortization and impairment loss	(278,559)	(33,467)	(312,026)
1.1.2015 - 31.3.2015			
Net book value 1.1.2015	209,788	121,636	331,424
Additions	12,162		12,162
Reclassification	(1)	1	
Foreign exchange differences	25	(1)	24
Amortization from continuing operations	(5,438)	(5,710)	(11,148)
Amortization from discontinued operations	(153)	-	(153)
Net book value 31.3.2015	216,383	115,926	332,309
Balance 31.3.2015			
Cost	500,803	155,182	655,985
Accumulated amortization and impairment loss	(284,420)	(39,256)	(323,676)
1.4.2015 - 31.12.2015			
Net book value 1.4.2015	216,383	115,926	332,309
Additions	48,693	72	48,765
Reclassification of assets of discontinued operations to "Assets held for sale"	(4,231)		(4,231)
Reclassification	23	(1)	22
Foreign exchange differences	173		173
Amortization from continuing operations	(17,587)	(17,200)	(34,787)
Net book value 31.12.2015	243,454	98,797	342,251
Balance 31.12.2015			
Cost	544,009	152,363	696,372
Accumulated amortization and impairment loss	(300,555)	(53,566)	(354,121)
1.1.2016 - 31.3.2016			
Net book value 1.1.2016	243,454	98,797	342,251
Additions	32,011		32,011
Foreign exchange differences	(19)	1	(18)
Reclassification to "Assets held for sale"	23		23
Amortization from continuing operations	(6,342)	(4,573)	(10,915)
Net book value 31.3.2016	269,127	94,225	363,352
Balance 31.3.2016			
Cost	575,654	152,259	727,913
Accumulated amortization and impairment loss	(306,527)	(58,034)	(364,561)

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

LIABILITIES

11. Due to banks

	31.3.2016	31.12.2015
Deposits:		
- Current accounts	93,642	112,482
- Term deposits		
Central Banks	24,054,702	24,404,828
Other credit institutions	33,266	17,408
Cash collateral for derivative margin accounts	47,365	56,960
Sale of repurchase agreements (Repos)	376,222	269,292
Borrowing funds	251,145	252,123
Deposits redeemable at notice:		
- Other credit institutions	2,630	2,270
Total	24,858,972	25,115,363

Deposits from Central Banks refer to liabilities of the Group to the Eurosystem.

12. Debt securities in issue and other borrowed funds

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

Under the programme for the enhancement of the Greek's economy's liquidity, according to Law 3723/2008, during the first quarter of 2016, the Bank did not proceed to the issuance of senior debt securities while the redemptions for the same period amounted to €2.7 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 31.3.2016 amounts to €6.52 billion (31.12.2015: €9.22 billion).

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

ii. Covered bonds ¹

Covered bonds are not included in caption "Debt securities in issue and other borrowed funds" as these securities are held by the Group. The total balance of covered bonds as at 31.3.2016 amounts to €5 million.

iii. Senior debt securities

Balance 1.1.2016	29,742
Changes for the period 1.1 - 31.3.2016	
Maturities/Repayments	(182)
Fair value change	34
Accrued interest	442
Foreign exchange differences	(119)
Balance 31.3.2016	29,917

¹ Financial disclosures regarding covered bond issues, as determined by the 2620/28.8.2009 directive of Bank of Greece are published at the Bank's website.

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

Balance 1.1.2016	340,272
Changes for the period 1.1 - 31.3.2016	
Maturities/Repayments	(42,483)
Accrued interest	2,327
Foreign exchange differences	(13,883)
Balance 31.3.2016	286,233

The Bank proceeded to a shipping loan securitization transaction, transferring them in a fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd. which raised funding from third parties. The liability of the Group to third parties on 31.3.2016 amounts to €286.2 million.

v. Liabilities from the securitization of other loans

The liabilities arising from the securitisation of consumer loans, corporate loans, credit cards and leasing receivables are not included in caption "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 held by the Bank.

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

Balance 1.1.2016	100,270
Changes for the period 1.1 - 31.3.2016	
(Repurchases)/sales	(18,140)
Accrued interest	183
Balance 31.3.2016	82,313

vii. Convertible bond loan

Balance 1.1.2016	24,600
Changes for the period 1.1 - 31.3.2016	
Fair value change	(4,350)
Balance 31.3.2016	20,250

The convertible bond concerns bond issue with terms that have been analyzed in the note 27 of the Consolidated Financial Statements as at 31.12.2015.

Total of debt securities in issue and other borrowed funds as at 31.3.2016	418,713
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Of the above debt securities in issue amounting to €418,713 an amount of €83,998 (31.12.2015: €94,155) held by Group customers has been reclassified to "Due to customer". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 31.3.2016, amounts to €334,715 (31.12.2015: €400,729).

13. Provisions

	31.3.2016	31.12.2015
Insurance provisions	180,822	168,818
Provisions to cover credit risk and other provisions	158,138	127,196
Total	338,961	296,014

a. Insurance provisions

	31.3.2016	31.12.2015
Life insurance		
Mathematical reserves	180,822	168,629
Outstanding claim reserves		189
Total	180,822	168,818

b. Provisions to cover credit risk and other provisions

Balance 1.1.2015	80,501
Changes for the period 1.1. - 31.3.2015	
Provisions to cover credit risk relating to off-balance sheet items (note 3)	2,843
Other provisions for the period	177
Other provisions used during the period	(2,071)
Foreign exchange differences	45
Balance 31.3.2015	81,495
Changes for the period 1.4. - 31.12.2015	
Reclassification of provisions of Bulgaria branch and Ioniki Hotel Enterprises to "Liabilities related to assets held for sale"	(834)
Provisions to cover credit risk relating to off-balance sheet items	(13,551)
Other provisions for the period	1,923
Other provisions used during the period	(5,992)
Provision for voluntary separation scheme	64,300
Foreign exchange differences	(145)
Balance 31.12.2015	127,196
Changes for the period 1.1. - 31.3.2016	
Provisions to cover credit risk relating to off-balance sheet items (note 3)	474
Other provisions for the period	495
Other provisions used during the period	(960)
Provision for voluntary separation scheme	30,993
Foreign exchange differences	(60)
Balance 31.3.2016	158,138

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

On 31.3.2016 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to €5.2 million and other provisions to €153 million out of which:

- An amount of €28.4 million concerns pending legal cases
- An amount of €64.3 million concerns provisions for voluntary redundancy scheme of Alpha Bank A.E. As analyzed in the 31.12.2015 Annual Financial Report (note 7) Alpha

Bank A.E. has recorded within 2015 that provision within the context of the implementation of the updated restructuring plan and its relevant commitments.

- An amount of €31 million concerns provisions for voluntary redundancy scheme of Alpha Bank Cyprus. Alpha Bank Cyprus, aiming to achieve substantial benefit in operational costs, within the first quarter of 2016 announced a voluntary redundancy scheme of its staff and the participants is expected to leave gradually within the next quarters.



EQUITY

14. Share capital and Retained earnings

a. Share capital

On 31.3.2016 the Bank's share capital amounts to €461,064,360, divided to 1,536,881,200 shares, out of which:

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

As 2015 did not have any distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Board of Directors of the Bank will propose to the Ordinary General Meeting of Shareholders not to distribute any dividends to ordinary shareholders of the Bank.

15. Hybrid securities

	<u>31.3.2016</u>	<u>31.12.2015</u>
Perpetual with 1st call option on 18.2.2015 and annually	15,232	15,232
Securities held by Group companies	(100)	-
Total	15,132	15,232

ADDITIONAL INFORMATION

16. 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 operations of the Group. The Group on 31.3.2016 has recorded a provision for pending legal cases amounting to €28.4 million which is included in the caption "Provisions" in Balance Sheet.

b. Tax issues

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

The Bank's branches in London and Bulgaria have been audited by the tax authorities up to and including the years 2013 and 2007 respectively. From 5 January 2016 in Bulgaria Branch, a tax audit is in progress for the years 2009 up to 2015. Former

Emporiki Bank's branch in Cyprus has not been audited by the tax authorities since the commencement of its operations (fiscal 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 30.9.2014, the acquisition of Retail Banking operations of Citibank International Plc (CIP) in Greece was completed. The acquisition does not affect the tax liabilities of the Bank since any obligations against the State until the date of acquisition remain with CIP.

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

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

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

Name	Year
Banks	
1. Alpha Bank London Ltd (voluntary settlement of tax obligation)	2013
2. Alpha Bank Cyprus Ltd (tax audit is in progress for years from 2008 – 2011)	2007
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank AD Skopje (the years 1998 – 2006 have not been audited by the tax authorities)	2009
5. Alpha Bank Srbija A.D.	2004
6. Alpha Bank Albania SH.A.	2011
Leasing companies	
1. Alpha Leasing A.E. ** (tax audit is in progress for years from 2008 – 2010)	2007
2. Alpha Leasing Romania IFN S.A.	2007
3. ABC Factors A.E.** (tax audit is in progress for the year 2010)	2009
Investment Banking	
1. Alpha Finance A.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
Asset Management	
1. Alpha Asset Management A.E.D.A.K. **/****	2009
2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)	2013
Insurance	
1. Alpha Insurance Brokers A.E. **/****	2009
2. Alpha Insurance Brokers S.R.L.	2005
3. Alphalife A.A.E.Z. **/****	2009

** These companies received tax certificate for the years 2011, 2012, 2013 and 2014 without any qualification. (note 4)

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

* 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 and 2014 without any qualification (note 4).

*** 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
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-Cypre Arsinoe Ltd (commencement of operation 2013)	*
30. AGI-SRE Ariadni Ltd (commencement of operation 2014)	*
31. Zerelda Ltd (commencement of operation 2012)	*
32. AGI-Cypre Alaminos Ltd (commencement of operation 2014)	*
33. AGI-Cypre Tochini Ltd (commencement of operation 2014)	*
34. AGI-Cypre Evagoras Ltd (commencement of operation 2014)	*
35. AGI-Cypre Tersefanou Ltd (commencement of operation 2014)	*
36. AGI-Cypre Mazotos Ltd (commencement of operation 2014)	*
37. AGI-Cypre Ermis Ltd (commencement of operation 2014)	*
Other copmanies	
1. Alpha Bank London Nominees Ltd	****
2. Alpha Trustees Ltd (commencement of operation 2002)	*
3. Flagbright Ltd	****
4. Kafe Alpha A.E. **/****	2009
5. Alpha Supporting Services A.E. ****/**** (tax audit is in progress for the year 2012)	2009
6. Real Car Rental A.E. **/****	2009
7. Evisak A.E. **/****	2009
8. Emporiki Management A.E. ***	2009
9. Alpha Bank Notification Services A.E. (commencement of operation 2015)	*

c. Operating leases

The Group's minimum future lease payments are:

	31.3.2016	31.12.2015
- less than one year	42,266	43,930
- between one and five years	111,495	112,402
- over five years	162,666	164,421
Total	316,427	320,753

The minimum future lease fees are:

	31.3.2016	31.12.2015
- less than one year	11,121	10,423
- between one and five years	41,600	41,694
- over five years	45,621	46,474
Total	98,342	98,591

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

** These companies received tax certificate for the years 2011, 2012, 2013 and 2014 without any qualification (note 4).

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

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



d. Off balance sheet liabilities

The Group as part to its normal operations, is binded by contractual commitments, that in the future may result in changes to its balance sheet. 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 locally or abroad, by undertaking the direct payment on behalf of the third party bounded 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:

	31.3.2016	31.12.2015
Letters of credit	31,465	35,159
Letters of guarantee and other guarantees	3,766,433	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.

Committed limits that can not be recalled in case where counterparties fail to meet their contractual obligations as at 31.3.2016 amounts to €428 million (31.12.2015: €278.9 million) and are included in the calculation of risk weighted assets.

e. Assets pledged

Assets pledged, as at 31.3.2016 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 in favor 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 €0.04 billion which have been provided for Letter of Credit or Guarantee Letters issued by the Bank in order to facilitate clients' imports.
- Loans and advances to customers:
 - i. an amount of €22.1 billion pledged to central banks for liquidity purposes.
 - ii. a book value of €3.3 billion which relates to corporate, consumer loans, receivables from finance lease agreements and credit cards has been securitized for the issuance of Special Purpose Entities' corporate bonds of a nominal value of €4.2 billion, which are held by the Bank and pledged to central banks for liquidity purposes.
 - iii. iii. a book value of €0.6 billion, which is related to securitized shipping loans, have been entitled from third parties for financing purposes through a Special Purpose Entity amounting to €0.3 billion at 31.3.2016.
 - iv. amount of nominal value €0.2 billion has been given as collateral in terms of other acts of lending
- Securities held for trading and investment securities portfolio out of which:
 - i. An amount of nominal value of €3.53 billion of Greek government securities, of which a nominal amount of €3.49 billion has been pledged to central banks for liquidity purposes, while Greek State securities of a nominal amount of €0.04 billion has been pledged for other loan facilities.
 - ii. An amount of nominal value €3.9 billion relates to securities issued by the European Financial Stability Facility (EFSF), that the Bank received 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 and has been pledged as collateral to Central Banks for participation in main refinancing operations.

In addition, from the amount of €6.5 billion that relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008 and is held by the Bank, an amount of €6.4 billion has been pledged as collateral to Central Banks for raising liquidity and an amount of €0.13 billion has been given as collateral for other loan facilities.

- iii. An amount of €0.4 billion has been given as a collateral for sale and repurchase agreements (repo).

17. 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 %	
		31.3.2016	31.12.2015
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A.	Romania	99.92	99.92
4. Alpha Bank AD Skopje	FYROM	100.00	100.00
5. Alpha Bank Srbija A.D.	Serbia	100.00	100.00
6. Alpha Bank Albania SH.A.	Albania	100.00	100.00
Leasing Companies			
1. Alpha Leasing A.E.	Greece	100.00	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	100.00	100.00
3. ABC Factors A.E.	Greece	100.00	100.00
Investment Banking			
1. Alpha Finance A.E.Π.E.Y.	Greece	100.00	100.00
2. SSIF Alpha Finance Romania S.A.	Romania	100.00	100.00
3. Alpha A.E. Investment Holdings	Greece	100.00	100.00
4. Alpha A.E. Ventures Capital Management – AKES	Greece	100.00	100.00
5. Emporiki Ventures Capital Developed Markets Ltd	Cyprus	100.00	100.00
6. Emporiki Ventures Capital Emerging Markets Ltd	Cyprus	100.00	100.00
Asset Management			
1. Alpha Asset Management A.E.D.A.K.	Greece	100.00	100.00
2. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
Insurance			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Brokers S.R.L.	Romania	100.00	100.00
3. Alphalife A.A.E.Z.	Greece	100.00	100.00
Real estate and hotel			
1. Alpha Astika Akinita A.E.	Greece	93.17	93.17
2. Ionian Hotel Enterprises A.E.	Greece	97.27	97.27
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Emporiki Development and Real Estate Management A.E.	Greece	100.00	100.00
5. Alpha Real Estate D.O.O. Beograd	Serbia	93.17	93.17
6. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	93.17	93.17
7. Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	93.17	93.17
8. Chardash Trading E.O.O.D.	Bulgaria	93.17	93.17
9. Alpha Real Estate Services S.R.L.	Romania	93.17	93.17
10. Alpha Investment Property Chalandriou A.E. ^(24c)	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. ^(24c)	Greece	100.00	100.00
14. Alpha Investment Property Amarousion II A.E. ^(24c)	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
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



Name	Country	Group's ownership interest %	
		31.3.2016	31.12.2015
24. AGI-BRE Participations 2BG E.O.O.D.	Bulgaria	100.00	100.00
25. AGI-BRE Participations 3 E.O.O.D.	Bulgaria	100.00	100.00
26. AGI-BRE Participations 4 E.O.O.D.	Bulgaria	100.00	100.00
27. APE Fixed Assets A.E.	Greece	72.20	72.20
28. SC Cordia Residence S.R.L.	Romania	100.00	100.00
29. HT-1 E.O.O.D.	Bulgaria	100.00	100.00
30. AGI-RRE Venus S.R.L.	Romania	100.00	100.00
31. AGI-RRE Cleopatra S.R.L.	Romania	100.00	100.00
32. AGI-RRE Hermes S.R.L.	Romania	100.00	100.00
33. SC Carmel Residential S.R.L.	Romania	100.00	100.00
34. Alpha Investment Property Neas Kifisias A.E. ^(24c)	Greece	100.00	100.00
35. Alpha Investment Property Kallirois A.E. ^(24c)	Greece	100.00	100.00
36. Alpha Investment Property Livadias A.E.	Greece	100.00	100.00
37. AGI-SRE Ariadni DOO	Serbia	100.00	100.00
38. Asmita Gardens SRL ^(24e)	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. Anaplasia Plagias A.E.	Greece	100.00	100.00
Special purpose and holding entities			
1. Alpha Credit Group Plc	United Kingdom	100.00	100.00
2. Alpha Group Jersey Ltd	Jersey	100.00	100.00
3. Alpha Group Investments Ltd ^(24b, 24c)	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Ionian Equity Participations Ltd	Cyprus	100.00	100.00
6. Emporiki Group Finance Plc	United Kingdom	100.00	100.00
7. AGI – BRE Participations 1 Ltd	Cyprus	100.00	100.00
8. AGI – RRE Participations 1 Ltd ^(24e)	Cyprus	100.00	100.00
9. Alpha Group Ltd	Cyprus	100.00	100.00
10. Katanalotika Plc	United Kingdom		
11. Epihiro Plc	United Kingdom		
12. Irida Plc	United Kingdom		
13. Pisti 2010-1 Plc	United Kingdom		
14. Alpha Shipping finance Ltd	United Kingdom		
15. AGI – RRE Athena Ltd	Cyprus	100.00	100.00
16. AGI – RRE Poseidon Ltd	Cyprus	100.00	100.00
17. AGI – RRE Hera Ltd	Cyprus	100.00	100.00
18. Umera Ltd	Cyprus	100.00	100.00
19. AGI-BRE Participations 2 Ltd	Cyprus	100.00	100.00
20. AGI-BRE Participations 3 Ltd	Cyprus	100.00	100.00
21. AGI-BRE Participations 4 Ltd	Cyprus	100.00	100.00
22. Alpha Real Estate Services Ltd	Cyprus	100.00	100.00
23. AGI-RRE Ares Ltd	Cyprus	100.00	100.00
24. AGI-RRE Venus Ltd	Cyprus	100.00	100.00
25. AGI-RRE Artemis Ltd	Cyprus	100.00	100.00
26. AGI-BRE Participations 5 Ltd	Cyprus	100.00	100.00
27. AGI-RRE Cleopatra Ltd	Cyprus	100.00	100.00
28. AGI-RRE Hermes Ltd	Cyprus	100.00	100.00
29. AGI-RRE Arsinoe Ltd	Cyprus	100.00	100.00
30. AGI-SRE Ariadni Ltd	Cyprus	100.00	100.00
31. Zerelda Ltd	Cyprus	100.00	100.00
32. AGI-Cypre Alaminos Ltd	Cyprus	100.00	100.00

Name	Country	Group's ownership interest %	
		31.3.2016	31.12.2015
33. AGI-Cypre Tochini Ltd	Cyprus	100.00	100.00
34. AGI-Cypre Evagoras Ltd	Cyprus	100.00	100.00
35. AGI-Cypre Tersefanou Ltd	Cyprus	100.00	100.00
36. AGI-Cypre Mazotos Ltd	Cyprus	100.00	100.00
37. AGI-Cypre Ermis Ltd	Cyprus	100.00	100.00
Other companies			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Flagbright Ltd	United Kingdom	100.00	100.00
4. Kafe Alpha A.E.	Greece	100.00	100.00
5. Alpha Supporting Services A.E.	Greece	100.00	100.00
6. Real Car Rental A.E.	Greece	100.00	100.00
7. Evisak A.E.	Greece	85.71	85.71
8. Emporiki Management A.E.	Greece	100.00	100.00
9. Alpha Bank Notification Services A.E.	Greece	100.00	100.00

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.	Greece	51.00	51.00
4. Rosequeens Properties Ltd.	Cyprus	33.33	33.33
5. Aktua Hellas Holdings A.E. ^(24a)	Greece	45.00	

APE Investment Property prepares consolidated financial statements, in which the subsidiaries SYMET SA, Astakos Terminal SA, Akaport SA and NA.VI.PE SA are included. Furthermore, Rosequeens Properties Ltd and Aktua Hellas Holdings A.E are

group of companies with subsidiaries the companies Rosequeens SRL and Aktua Greece Financial Solutions AE respectively. The aforementioned subsidiaries are not included in this note.

c. Associates

1. AEDEP Thessalias and Stereas Ellados	Greece	50.00	50.00
2. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
3. Banking Information Systems A.E.	Greece	23.77	23.77
4. Propindex A.E.D.A.	Greece	35.58	35.58
5. Olganos A.E.	Greece	30.44	30.44

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

Subsidiaries are fully consolidated, while joint ventures and associates are accounted under the equity method, in ac-

cordance with IAS 28 "Investments in associates and joint ventures" and IFRS 11 "Joint Arrangements".

Consolidated financial statements do not include the Commercial Bank of London Ltd which is a dormant company and Smelter Medical Systems AE, Aris Diomidis Emporiki SA, Metek SA, 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.



18. Operating segment

(Amounts in million of Euro)

	1.1 - 31.3.2016						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Group
Net interest income	255.5	175.4	4.0	(23.7)	71.3	0.4	482.9
Net fee and commission income	26.3	33.6	8.1	2.2	7.8	0.6	78.6
Other income	1.5	2.6	(0.4)	(9.4)	7.3	12.9	14.5
Total income	283.3	211.6	11.7	(30.9)	86.4	13.9	576.0
Total expenses	(159.8)	(37.3)	(6.6)	(7.2)	(55.2)	(11.0)	(277.1)
Impairment losses	(69.3)	(153.9)			(31.9)		(255.1)
Voluntary separation scheme cost					(31.0)		(31.0)
Profit/(Loss) before income tax	54.2	20.4	5.1	(38.1)	(31.7)	2.9	12.8
Income tax							(14.9)
Profit/(Loss) after income tax from continuing operations							(2.1)
Profit/(Loss) from discontinued operations					(0.1)		(0.1)
Profit/(Loss) after income tax							(2.2)
Assets 31.3.2016	25,291.8	16,444.1	489.3	11,586.3	9,590.0	4,805.5	68,207.0
Liabilities 31.3.2016	21,978.5	4,913.0	1,347.7	24,815.5	6,119.4	124.1	59,298.2

(Amounts in million of Euro)

	1.1 - 31.3.2015						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Group
Net interest income	230.1	171.8	4.0	(9.7)	78.7	0.1	475.0
Net fee and commission income	25.5	33.5	15.3	0.9	8.4	0.2	83.8
Other income	1.4	2.5	(0.1)	19.9	(16.0)	29.9	37.6
Total income	257.0	207.8	19.2	11.1	71.1	30.2	596.4
Total expenses	(160.0)	(34.9)	(8.7)	(6.8)	(52.8)	(13.8)	(277.0)
Impairment losses	(144.0)	(230.8)			(51.4)		(426.2)
Profit/(Loss) before income tax	(47.0)	(57.9)	10.5	4.3	(33.1)	16.4	(106.8)
Income tax							(9.2)
Profit/(Loss) after income tax from continuing operations							(116.0)
Profit/(Loss) from discontinued operations					0.1		0.1
Profit/(Loss) after income tax							(115.8)
Assets 31.12.2015	25,189.1	16,711.1	483.5	11,943.3	9,806.2	5,163.1	69,296.2
Liabilities 31.12.2015	22,416.3	4,827.5	1,359.0	25,038.3	6,309.0	291.9	60,241.9

i. Retail Banking

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

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

ii. Corporate Banking

It includes all medium-sized and large companies, corporations with international business activities, enterprises which cooperate with the Corporate Banking Division, as well as shipping corporations operating in Greece and on abroad except for 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 Alpha Leasing A.E. as well as factoring services which are provided by the subsidiary company ABC Factors A.E.

iii. Asset Management/Insurance

It consists of a wide range of asset management services offered through Group's private banking units and its subsidiary,

Alpha Asset Management A.E.D.A.K. In addition, it includes income received from the sale of a wide range of insurance products to individuals and companies through either AXA insurance, which is the corporate successor of the subsidiary Alpha Insurance A.E. or the subsidiary Alphalife A.A.E.Z.

iv. Investment Banking/Treasury

It 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 which operate in the aforementioned services (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

It 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 AD Skopje, are not included anymore in the results of the continuing activities in this sector, the financial results of which are 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.

19. 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	31.3.2016		31.12.2015	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Available for sale	4,519,457	3,720,021	4,659,672	3,930,081
Trading	2,778	1,974	2,783	1,888
Total	4,522,235	3,721,995	4,662,455	3,931,969

In addition, the public entities securities on 31.3.2016 amounted to €161.7 million (31.12.2015: €162.1 million).



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

On balance sheet exposure

	31.3.2016	31.12.2015
	Carrying amount	Carrying amount
Derivative financial instruments – assets	391,356	362,700
Derivative financial instruments – liabilities	(160,919)	(271,711)

Derivative financial liabilities to public sector entities/organizations amounted to €18.7 million on 31.3.2016 (31.12.2015: €16.6 million).

The Group's exposure in loans to public sector entities/organizations on 31.3.2016 amounted €1,284 million (31.12.2015: €1,297.6 million). The Group for the above receivables has recognized impairment amounted to €42.2 million as at 31.3.2016 (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 31.3.2016 amounted to €745 million (31.12.2015: €764 million). For these loans the Group has recognized impairment amounted to €147.3 million as at 31.3.2016 (31.12.2015: €144.3 million).

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

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 €144.4 million (31.12.2015: €96.9 million) and a bond of Cyprus Popular Bank (senior) with a zero book value (31.12.2015: €0 million) after an impairment of €1.6 million and €34.6 million recognized in 2015 and 2013 income statement, respectively.

In addition, the Group holds in its available for sale portfolio, bonds issued by the Italian Republic with a book value of €10.2 million (31.12.2015: €6.9 million) and bonds issued by the Spanish Republic with a book value of €8.3 million (31.12.2015: €8 million).

The Group as at 31.3.2016 had no exposure to bonds issued by Portugal and Ireland.

20. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	31.3.2016		31.12.2015	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets				
Loans and advances to customers	45,653,670	45,826,126	46,107,498	46,186,116
Investments securities				
- Held to maturity	75,538	78,444	78,934	79,709
- Loans and receivables	4,374,501	4,292,271	4,364,715	4,289,482
Financial Liabilities				
Due to customers	30,945,005	30,963,204	31,422,161	31,434,266
Debt securities in issue ¹	308,088	314,465	365,018	376,129

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

The table above presents the fair value and the carrying amount of financial instruments 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 valued at amortized cost does not differ materially from the respective carrying amount.

Hierarchy of financial instruments measured at fair value

	31.3.2016			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	3,964	793,373	3,086	800,423
Securities held for trading				
- Bonds and treasury bills	2,838			2,838
- Shares	1,312			1,312
Available for sale securities				
- Bonds and treasury bills	4,721,444	708,084	16,636	5,446,164
- Shares	86,680		45,334	132,014
- Other variable yield securities	34,110			34,110
Derivative financial liabilities	1	1,633,495		1,633,496
Convertible bond loan			20,250	20,250

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

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

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

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

includes securities whose fair value is estimated using significant unobservable inputs.

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



For the valuation of over the counter derivatives the following income 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 used for the estimation of fair value, are significant, the fair value that arises is classified into Level 3 or otherwise in Level 2.

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

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

Within the period, corporate bond of €165 million were transferred from Level 2 to Level 1 due to the satisfaction of the criteria of active market. In addition, within the period, €182.2 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:

31.3.2016				
	Total fair value	Fair value	Valuation method	Significant non-observable inputs
Derivative financial liabilities	3,086	2,952	Discounted cash flows with interest rates being the underlying instruments, taking into account the counterparty's credit risk	The probability of default and the loss given default of the counterparty is calculated with an internal model
		134	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	16,636	16,636	Based on issuer price	Price
Available for sale shares	45,334	45,334	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
Convertible bond loan	20,250	20,250	Discounted cash flows – Multiples valuation method	Future profitability of the issuer

31.3.2015				
	Total fair value	Fair value	Valuation method	Significant non-observable inputs
Derivative financial liabilities	3,530	3,185	Discounted cash flows with interest rates being the underlying instruments, taking into account the counterparty's credit risk	The probability of default and the loss given default of the counterparty is calculated with an internal model
		345	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	19,460	19,460	Based on issuer price	Price
Available for sale shares	43,337	43,337	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
Convertible bond loan	24,600	24,600	Discounted cash flows – Multiples valuation method	Future profitability of the issuer

For all financial instruments measured at fair value and classified in Level 3 due to limited exposure of the Group on those financial instruments, a reasonable variation in non-observable inputs would not affect significantly the results of the Group.

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

	31.3.2016			
	Assets		Liabilities	
	Available for sale securities	Derivative financial assets	Derivative financial liabilities	Convertible bond loan
Opening balance 1.1.2016	62,797	3,530		(24,600)
Total gain or loss recognized in the income statement	139	(444)		4,350
Total gain or loss recognized directly in equity	(870)			
Purchases/issues	252			
Sales/repayments/settlements	(348)			
Balance 31.3.2016	61,970	3,086		(20,250)
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period	139	(444)		4,350

During the period securities amounting to €0.3 million were purchased and classified in Level 3, because no observable parameters were used for valuation purposes. In addition sales amounting to €0.3 million were made.

	31.3.2015			
	Assets		Liabilities	
	Available for sale securities	Derivative financial assets	Derivative financial liabilities	Convertible bond loan
Opening balance 1.1.2015	76,453		(5,393)	
Changes for the period 1.1 - 31.3.2015				
Total gain or loss recognized in the income statement	224		(2,918)	
Total gain or loss recognized directly in equity	734			
Purchases/issues	7,342			
Sales/repayments/settlements	(5,164)			
Balance 31.3.2015	79,589		(8,311)	
Changes for the period 1.4 - 31.12.2015				
Total gain or loss recognized in the income statement	(9,990)	2,566	8,291	
Total gain or loss recognized directly in equity	(3,417)			
Purchases/Issues	7,013			
Sales/repayments/settlements	(10,409)		20	
Transfers to Level 3 from Level 2	11	964		(24,600)
Balance 31.12.2015	62,797	3,530	-	(24,600)
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 31.3.2015	224		(2,918)	

During 2015, corporate bonds amounting to € 11.3 million as well as other securities amounting to € 3 million were purchased that were classified in Level 3, 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, there was 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.



21. Capital adequacy

The policy of the Group is to maintain a strong capital base to ensure investors, shareholders, markets and counterparties confidence and to sustain future development of the Bank.

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

The Group is allowed to purchase treasury shares based on the terms and conditions of law.

The Group's capital adequacy is supervised by the Single Supervising Mechanism of ECB, to which reports are submitted on a quarterly basis. The minimum ratios (Common Equity Tier I capital, Tier I capital and Capital Adequacy Ratio) are determined by the Bank of Greece Governor's Act

The capital adequacy ratio compares the Group's regulatory capital with the risks that it undertakes (risk weighted assets). Regulatory capital includes Tier I capital (share capital, reserves, 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 book and operational risk.

Since January 1, 2014 EU Directive 2013/36/EU dated June 26, 2013 came into force, incorporated into Law 4261/2014, along with the EU Regulation 575/2013/ EU, dated June 26,

2013 "CRD IV", which gradually introduce the new capital adequacy framework (Basel III) for credit institutions.

According to the above regulatory framework, for the calculation of capital adequacy ratio are followed the transitional arrangements as defined. Moreover:

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

In particular:

- from 1.1.2016 a capital buffer of 0.625% exists which will gradually rise to 2.5% on 31.12.2019.
- the Bank of Greece through the acts issued by the Executive Committee settled the following capital buffers:
 - Countercyclical capital buffer rate for the first semester of 2016, "zero percent" (Act 55 / 18.12.2015 & 83 / 18.03.2016)
 - 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.

	31.3.2016 (estimation)	31.12.2015* (restated)	31.12.2015 (published)
Common Equity Tier I	16.3%	16.6%	16.7%
Tier I	16.3%	16.6%	16.7%
Capital adequacy ratio	16.4%	16.8%	16.7%

* 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.

22. Related-party transactions

The Bank and the remaining companies of the Group, enters into a number of transactions with related parties in the normal course of business. These transactions are performed at arm's length and are approved by the respective committees.

a. The outstanding balances of the Group's transactions with key management personnel, which consist of members of the 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:

	31.3.2016	31.12.2015
Assets		
Loans and advances to customers	11,247	11,460
Liabilities		
Due to customers	22,215	26,200
Employee defined benefit obligations	463	453
Total	22,678	26,653
Letters of guarantee and approved limits	10,931	11,689

	From 1 January to	
	31.3.2016	31.3.2015
Income		
Interest and similar income	24	128
Fee and commission income	33	32
Total	57	160
Expenses		
Interest expense and similar charges	20	82
Fees paid to key management personnel and close family members	780	748
Total	800	830

b. The outstanding balances of the Group's transactions with associates and joint ventures and the results related to these transactions are as follows:

	31.3.2016	31.12.2015
Assets		
Loans and advances to customers	161,417	161,890
Other assets	570	527
Total	161,987	162,417
Liabilities		
Due to customers	21,863	21,494

	From 1 January to	
	31.3.2016	31.3.2015
Income		
Interest and similar income	1,417	1,419
Fee and commission income	1	1
Other income	56	203
Total	1,474	1,623
Expenses		
Interest expense and similar charges	47	66
Other expenses	367	407
Total	414	473



c. The Supplementary Fund maintains deposits with the Bank amounting to €5,050 (31.12.2015: €4,590). Periods' Interest expense related to deposits amounts to €10. Also the Supplementary Fund's assets include Alpha Bank's shares of €90 (31.12.2015: €114).

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

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

	From 1 January to	
	31.3.2016	31.3.2015
Income		
Fee and commission income	2	19
Total	2	19

23. Current assets held for sale and discontinued operations

Bank's branch in Bulgaria

On 17.7.2015, the Bank and Eurobank announced, with a joint statement, their agreement, in main terms, for the transfer of the operations of Bulgaria branch to Eurobank's subsidiary in Bulgaria (PostBank). On 6.11.2015 the Bank and Postbank finalized, by signing a relevant contract, the terms of the transfer which provide for 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 direct related liabilities met the criteria to be classified as "held for sale" in accordance with IFRS 5, since on that date the management had already taken the decision to sell the unit and negotiations with the potential buyer had been initiated. In addition, Bulgaria Branch represents a separate geographical area of operations for the Group, which is part of the South-Eastern Europe sector for reporting purposes per operational segment. Following the classification of Bulgaria Branch, which is the only company in the banking sector through which the Group operates in Bulgaria, as held for sale, its operations represent "discontinued operations" for the Group.

Therefore, during 2015 the Group, for financial reporting purposes, measured the assets and liabilities of Bulgaria Branch at the lower of their carrying amount and fair value less costs to sell and recognized the difference, which amounted to €89,007, as a loss in "Profit/(loss) after tax income from discontinued operations" in the Income Statement. After this valuation, the assets of the Branch as at 31.12.2015 amounted to €387,947 and its liabilities to €277,675.

Income Statement and Statement of Comprehensive Income

The following table presents the results of Bulgaria Branch for the period from 1.1.2016 to the disposal date. It is noted that the results and cash flows arising from the Bulgaria Branch are presented as "discontinued operations" both in the Income Statement and the Statement of Cash Flows, with a corresponding restatement of the comparative period 1.1.2015 to 31.3.2015.

(Amounts in thousand of Euro)

	From 1 January to	
	31.3.2016	31.3.2015
Interest and similar income	3,123	6,621
Interest expense and similar charges	(556)	(1,024)
Net interest income	2,567	5,597
Fee and commission income	842	1,679
Commission expense	(74)	(96)
Net fee and commission income	768	1,583
Gains less losses on financial transactions	64	161
Other income	79	133
Total income	3,478	7,474
Staff costs	(1,575)	(2,460)
General administrative expenses	(2,042)	(3,810)
Depreciation and amortization	(397)	(751)
Other expenses	(30)	(26)
Total expenses	(4,044)	(7,047)
Impairment losses and provisions to cover credit risk	1,563	(104)
Profit/(loss) before income tax	997	323
Income tax		
Profit/ (loss) after income tax	997	323
Loss from the disposal after income tax	(290)	
Profit/(loss) after income tax from discontinued operations	707	323

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

Alpha Bank AD Skopje

The Bank, during the fourth quarter of 2015, began the process for the sale of its subsidiary Alpha Bank Skopje (ABS), under the approved restructuring plan and the fulfillment of the relevant commitment relating to the deleveraging of part of the assets of its international activities. ABS is the smallest subsidiary of the Group in the Balkans and it has an insignificant 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 offers for the acquisition of the 100% of the ABS shares and of the 100% of the hybrid instrument (subordinated loan) granted to the ABS by the parent company (both of them consist the "Perimeter Transaction"). The disposal was completed on 10.5.2016 for a total amount of €3.2 million. Based on the above, from 31.12.2015 ABS assets and related liabilities met the criteria to be classified 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 the 31.12.2015 financial statements, the Group measured the assets and liabilities of the subsidiary at the lower of their carrying amount and fair value less costs to sell, recognizing the difference, which amounted to €14,414, as a loss in the Income Statement in "Profit / (loss) after income tax from discontinued operations". The fair value was determined based on the financial offers which had been received from the potential investors for the Perimeter of the Transaction and the Bank's estimate for the final consideration. Following the above valuation, the assets of Alpha Bank AD Skopje on 31.3.2016 amount to €81,106 (31.12.2015: €84,470), its liabilities to €78,452 (31.12.2015: €80,714), while the amounts recognized directly in equity as losses amount to €8. It should be noted that the amount which has been recognized directly in equity will be reclassified to profit and loss upon the sale of the subsidiary.

The above figures of the subsidiary are analyzed in the following table.

**Balance Sheet**

(Amounts in thousand of Euro)

	31.3.2016	31.12.2015
ASSETS		
Cash and balances with Central Banks	12,007	16,172
Due from banks	8,763	7,003
Loans and advances to customers	58,129	62,133
Investment securities		
-Available for sale	13,681	10,456
Property, plant and equipment	1,790	1,854
Goodwill and other intangible assets	779	826
Other assets	223	226
	<u>95,372</u>	<u>98,670</u>
Assets held for sale	148	214
Valuation at fair value	(14,414)	(14,414)
Assets held for sale	81,106	84,470
LIABILITIES		
Due to banks	8	
Due to customers (including debt securities in issue)	77,461	79,470
Liabilities for current income tax and other taxes	11	102
Deferred tax liabilities	667	690
Other liabilities	305	452
	<u>78,452</u>	<u>80,714</u>
Liabilities related to assets hed for sale	78,452	80,714
Amounts recognized directly in Equity for held for sale items	(8)	8,834

Income Statement and Statement of Comprehensive Income

The results and cash flows from Alpha Bank AD Skopje are presented as "discontinued operations" in the Income Statement, the Statement of Comprehensive Income and the Cash

Flow Statement with a corresponding restatement of the comparative period 1.1.2015 to 31.3.2015.

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

(Amounts in thousand of Euro)

	From 1 January to	
	31.3.2016	31.3.2015
Interest and similar income	1,096	1,256
Interest expense and similar charges	(296)	(289)
Net interest income	800	967
Fee and commission income	283	265
Commission expense	(128)	(129)
Net fee and commission income	155	136
Gains less losses on financial transactions	64	120
Other income	24	22
	<u>1,043</u>	<u>1,245</u>
Total income	1,043	1,245
Staff costs	(681)	(680)
General administrative expenses	(475)	(505)
Amortization	(101)	(106)
Other expenses	(52)	(146)
	<u>(1,309)</u>	<u>(1,437)</u>
Total expenses	(1,309)	(1,437)
Impairment losses and provisions to cover credit risk	(521)	(15)
Profit/(losses) before income tax	(787)	(207)
Income tax	21	29
	<u>(766)</u>	<u>(178)</u>
Profit/(losses) after income tax, from discontinued operations	(766)	(178)
Exchange differences on translating and hedging the net investment in foreign operations	(47)	49
Amounts that may be reclassified in the Income Statement from discontinued operations	(47)	49
	<u>(813)</u>	<u>(129)</u>
Total Comprehensive Income after income tax	(813)	(129)

Ionian Hotel Enterprises AE

The Group, on 17.2.2016, announced its intention to sell Ionian Hotel Enterprises AE through an Invitation for Expressions of Interest. As a result, from 31.12.2015 the assets of the company and the related liabilities meet the criteria to be classified as 'held for sale' in accordance with IFRS 5. Under IFRS 5, the Group proceeded with an estimation of the fair value of the assets and liabilities of Ionian Hotel Enterprises AE, which, however, was not lower than the carrying amount. Assets of Ionian Hotel Enterprises AE as at 31.3.2016

amount to €184,917 (31.12.2015: €185,701) while its liabilities amount to €8,052 (31.12.2015: €8,392). Taking into account that the company is not a separate major line of business for the Group, the criteria to be characterized as 'discontinued operations' are not met. The company is included in "Other" in operating segment analysis.

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

Balance sheet

(Amounts in thousand of Euro)

	31.3.2016	31.12.2015
ASSETS		
Cash and balances with Central Banks	88	85
Due from banks	15	112
Loans and advances to customers	1,057	1,122
Property, plant and equipment	167,899	168,777
Goodwill and other intangible assets	292	302
Deferred tax assets	13,942	13,692
Other assets	1,624	1,611
Assets held for sale	184,917	185,701
LIABILITIES		
Liabilities to current income tax and other taxes	318	314
Defined benefit obligations	2,326	2,294
Other liabilities	5,354	5,730
Provisions	54	54
Total liabilities related to assets held for sale	8,052	8,392

Other assets held for sale

Assets held for sale include also other fixed assets held for sale of the Group of an amount of €4.9 million (31.12.2015: €4.9 million) thereby total amount of Assets held for sale of the Group as at 31.3.2016 amounts to €270,927 (31.12.2015: €663,063).

It is noted that the sale of Bulgaria Branch, Alpha Bank AD Skopje and Ionian Hotel Enterprises A.E. forms part of the commitments the Bank undertook to implement in the approved by the European Commission Restructuring Plan

(note 42 of the 31.12.2015 consolidated financial statements).

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.



24. Corporate events

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

b. 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.

c. 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.

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

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

25. 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:

Restatements

	From 1 January to			
	31.12.2015	30.9.2015	30.6.2015	31.3.2015
Net fee and commission income	(535)	(1,046)	(1,421)	(856)
Other income	(3,523)	(1,838)	(873)	(490)
General administrative expenses	4,058	2,884	2,294	1,346
Total effect	-	-	-	-
	1.10 - 31.12.2015	1.7 - 30.9.2015	1.4 - 30.6.2015	1.1 - 31.3.2015
Net fee and commission income	511	375	(565)	(856)
Other income	(1,685)	(965)	(383)	(490)
General administrative expenses	1,174	590	948	1,346
Total effect	-	-	-	-

Furthermore, the figures of the comparative period were restated as a result of the classification of the Alpha Bank AD Skopje and the Bulgaria Branch as discontinued operations (Note 23).

Below are restated statements of income and cash flows for the period 1.1 – 31.3.2015 from: a) the change of the presen-

tation of figures related to the loyalty Bonus card program, b) the classification of Bulgaria Branch and Alpha Bank Skopje as discontinued operations. In addition, the adjustment of basic and diluted earnings/ (losses) per share that resulted from the aforementioned is presented below.

Income Statement

(Amounts in thousand of Euro)

	From 1 January to 31.3.2015				
	Published amounts	Restatements due to changes in the presentation of figures related to the loyalty bonus card program	Restated amounts	Discontinued operations	Continuing operations
Interest and similar income	768,929		768,929	7,877	761,052
Interest expense and similar charges	<u>(287,400)</u>		<u>(287,400)</u>	<u>(1,314)</u>	<u>(286,086)</u>
Net interest income	481,529		481,529	6,563	474,966
Fee and commission income	100,606	(531)	100,075	1,944	98,131
Commission expense	<u>(14,263)</u>	<u>(325)</u>	<u>(14,588)</u>	<u>(225)</u>	<u>(14,363)</u>
Net fee and commission income	86,343	(856)	85,487	1,719	83,768
Dividend income	25		25		25
Gains less losses on financial transactions	26,237		26,237	280	25,957
Other income	<u>14,243</u>	<u>(490)</u>	<u>13,753</u>	<u>156</u>	<u>13,597</u>
	40,505	(490)	40,015	436	39,579
Total income	608,377	(1,346)	607,031	8,718	598,313
Staff costs	(136,723)		(136,723)	(3,140)	(133,583)
Provision for Voluntary Separation Scheme cost					
General administrative expenses	(122,504)	1,346	(121,158)	(4,315)	(116,843)
Amortization	(26,473)		(26,473)	(857)	(25,616)
Other expenses	<u>(1,069)</u>		<u>(1,069)</u>	<u>(172)</u>	<u>(897)</u>
Total expenses	(286,769)	1,346	(285,423)	(8,484)	(276,939)
Impairment losses and provisions to cover credit risk	(426,264)		(426,264)	(118)	(426,146)
Netagive goodwill from acquisitions					
Share of profit/(loss) of associates and joint ventures	<u>(1,990)</u>		<u>(1,990)</u>		<u>(1,990)</u>
Profit/(losses) before income tax	(106,646)		(106,646)	116	(106,762)
Income tax	<u>(9,192)</u>		<u>(9,192)</u>	<u>29</u>	<u>(9,221)</u>
Profit/(losses) after income tax	(115,838)		(115,838)	145	(115,983)
Profit/(losses) attributable to:					
Equity owners of the Bank	(115,974)		(115,974)	145	(116,119)
Non-controlling interests	136		136		136
Profit/(losses) per share:					
Basic and diluted (€ per share)	(0.45)		(0.45)	(0.00)	(0.45)



Cash Flow

(Amounts in thousand of Euro)

	From 1 January to 31.3.2015		
	Published amounts	Restated amounts from discontinued operations	Restated amounts with discontinued operations
Cash flows from operating activities			
Profit/(loss) before income tax	(106,646)	(116)	(106,762)
Adjustments for gain/(losses) before income tax for:			
Depreciation/Impairment of fixed assets	15,172	(704)	14,468
Amortization/Impairment of intangible assets	11,301	(153)	11,148
Impairment losses from loans, provisions and staff leaving indemnity	437,413	(119)	437,294
Fair value adjustments recognized in the income statement	5,320		5,320
(Gains)/losses from investing activities	(15,303)		(15,303)
(Gains)/losses from financing activities	22,750		22,750
(Gains)/losses ratio from associates and joint ventures	1,989		1,989
	371,996	(1,092)	370,904
Net (increase)/decrease in assets relating to operating activities:			
Due from banks	257,131	40,146	297,277
Securities held for trading and derivative financial assets	(205,630)		(205,630)
Loans and advances to customers	(677,740)	1,864	(675,876)
Other assets	(12,360)	(909)	(13,269)
Net increase /(decrease) in liabilities relating to operating activities:			
Due to banks	6,894,284	(144,871)	6,749,413
Derivative financial liabilities	501,996	1,517	503,513
Due to customers	(6,991,667)	84,612	(6,907,055)
Other liabilities	(6,072)	(1,993)	(8,065)
	131,938	(20,726)	111,212
Income tax paid and other taxes	(28,287)	87	(28,200)
Net cash flows from operating activities	103,651	(20,639)	83,012
Net cash flows from discontinued operating activities			20,639
Cash flows from investing activities			
Investments in associates and joint ventures	8,050		8,050
Acquisition of the Retail Banking operations of Citibank	9,151		9,151
Dividends received	25		25
Acquisition of fixed and intangible assets	(20,609)	273	(20,336)
Disposals of fixed and intangible assets	2,899	(14)	2,885
Net (increase)/decrease in investment securities	(82,781)	(7,369)	(90,150)
	(83,265)	(7,110)	(90,375)
Net cash flows from discontinued investing activities			7,110
(Repayment)/receipt of debt securities in issue	(10,076)		(10,076)
(Purchases)/sales of hybrid securities	(652)		(652)
	(10,728)		(10,728)
Effect of exchange rate fluctuations on cash and cash equivalents	9,340		9,340
Net increase/(decrease) in cash flows – continuing activities	18,998	(27,749)	(8,751)
Net increase/(decrease) in cash flows – discontinued activities			27,749
Cash and cash equivalents at the beginning of the period	1,194,244		1,194,244
Cash and cash equivalents at the end of the period	1,213,242		1,213,242

26. Events after the balance sheet date

a. Within the framework of the agreement about the sale of 100% of Visa Europe share capital to Visa Inc., it has been disclosed the amendment of the initial agreement terms, which have been described in the note 49 of the Consolidated Financial Statements as of 31.12.2015. The transaction completion is expected to take place during the forthcoming quarters of the current year, upon receiving the necessary regulatory approvals.

b. On 22.4.2016 the Bank participated in the share capital increase of the joint venture, Aktua Hellas Holding SA, paying € 45 thousand.

c. 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 € 1,0 thousand.

d. On 10.5.2016 the sale of all shares of the Bank's subsidiary, Alpha Bank A.D. Skopje (note 23) was completed.

e. 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.

f. On 17.5.2016 Alpha Bank, Eurobank and KKR Credit

reached a binding agreement to assign the management of credit and equity exposures to a selected number of Greek companies into a platform managed by Pillarstone.

g. According to the Law "Urgent provisions for the implementation of fiscal targets agreement, structural reforms and other provisions" from 1.6.2016 the VAT rate will increase from 23% to 24%. Also, from 1.1.2016 factors for calculating the main forum for the Single Property Tax Property (EN.F.I.A.) on land as well as the additional tax will increase from 5 ‰ to 5,5 ‰. Finally, additional tax was imposed to the Property Plant and Equipment used for business purposes with rate of 1 ‰. In addition, from 1.6.2016 the tax rates for investment funds, investment companies in real estate, real estate mutual funds and UCITS are increased.

In case of distribution of profits, the withholding tax increased from 10% to 15% and concerns dividends recognized from 1.1.2017 onwards.

The Group is examining the impact of these changes on its results.

Athens, 31 May 2016

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE
OFFICER

THE GENERAL MANAGER AND
CHIEF FINANCIAL OFFICER

THE ACCOUNTING AND
TAX MANAGER

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