# INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.3.2017

(In accordance with International Accounting Standard 34)

Athens,
31 May 2017

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## Interim Consolidated Financial Statements as at 31.3.2017
(In accordance with IAS 34)

# Interim Consolidated Income Statement

(Amounts in thousand of Euro)

| | Note | From 1 January to 31.3.2017 | 31.3.2016* |
|---|---|---|---|
| Interest and similar income | | 632,111 | 697,234 |
| Interest expense and similar charges | | (149,611) | (221,209) |
| Net interest income | | 482,500 | 476,025 |
| Fee and commission income | | 87,557 | 86,581 |
| Commission expense | | (11,827) | (9,463) |
| Net fee and commission income | | 75,730 | 77,118 |
| Dividend income | | 31 | 591 |
| Gains less losses on financial transactions | | 33,489 | 2,970 |
| Other income | | 10,125 | 12,075 |
| | | 43,645 | 15,636 |
| **Total income** | | **601,875** | **568,779** |
| Staff costs | | (117,151) | (126,515) |
| Provision for voluntary separation scheme cost | 12 | | (30,993) |
| General administrative expenses | | (131,346) | (114,611) |
| Depreciation and amortization | 7,8,9 | (25,393) | (25,333) |
| Other expenses | | (5,336) | (3,552) |
| **Total expenses** | | **(279,226)** | **(301,004)** |
| Impairment losses and provisions to cover credit risk | 2 | (246,759) | (255,886) |
| Share of profit/(loss) of associates and joint ventures | | (597) | (1,461) |
| **Profit/(loss) before income tax** | | **75,293** | **10,428** |
| Income tax | 3 | (28,049) | (14,909) |
| **Profit/(loss) after income tax, from continuing operations** | | **47,244** | **(4,481)** |
| Profit /(loss) after income tax, from discontinued operations | 22 | 910 | 2,317 |
| **Profit/(loss) after income tax** | | **48,154** | **(2,164)** |
| **Profit/(loss) attributable to:** | | | |
| **Equity owners of the Bank** | | | |
| - from continuing operations | | 47,222 | (4,524) |
| - from discontinued operations | | 910 | 2,317 |
| | | **48,132** | **(2,207)** |
| Non-controlling interests | | | |
| - from continuing operations | | 22 | 43 |
| **Earnings/(losses) per share:** | | | |
| Basic and diluted (€ per share) | 4 | 0.03 | (0.00) |
| Basic and diluted from continuing operations (€ per share) | 4 | 0.03 | (0.00) |
| Basic and diluted from discontinued operations (€ per share) | 4 | 0.00 | 0.00 |

* *The figures of the Interim Consolidated Income Statement of the comparative period have been restated due to the presentation of Alpha Bank Srbija A.D. as discontinued operation (note 24).*

# Interim Consolidated Balance Sheet

(Amounts in thousand of Euro)

| | Note | 31.3.2017 | 31.12.2016 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash balances with Central Banks | | 1,276,615 | 1,514,607 |
| Due from banks | | 1,921,050 | 1,969,281 |
| Trading securities | 6 | 9,949 | 4,701 |
| Derivative financial assets | | 579,624 | 634,323 |
| Loans and advances to customers | 5 | 44,177,870 | 44,408,760 |
| Investment securities | | | |
| - Available for sale | 6 | 5,487,752 | 5,217,053 |
| - Held to maturity | 6 | 35,730 | 44,999 |
| - Loans and receivables | 6 | 2,376,576 | 2,682,655 |
| Investments in associates and joint ventures | | 21,193 | 21,792 |
| Investment property | 7 | 606,085 | 614,092 |
| Property, plant and equipment | 8 | 783,347 | 793,968 |
| Goodwill and other intangible assets | 9 | 369,220 | 371,314 |
| Deferred tax assets | | 4,479,390 | 4,519,046 |
| Other assets | | 1,444,281 | 1,450,459 |
| | | 63,568,682 | 64,247,050 |
| Assets held for sale | 22 | 549,729 | 625,216 |
| **Total Assets** | | **64,118,411** | **64,872,266** |
| **LIABILITIES** | | | |
| Due to banks | 10 | 18,336,415 | 19,105,577 |
| Derivative financial liabilities | | 1,265,527 | 1,336,227 |
| Due to customers (including debt securities in issue) | | 33,089,881 | 32,946,116 |
| Debt securities in issue held by institutional investors and other borrowed funds | 11 | 566,026 | 616,865 |
| Liabilities for current income tax and other taxes | | 23,670 | 33,778 |
| Deferred tax liabilities | | 21,424 | 21,219 |
| Employee defined benefit obligations | | 92,848 | 91,828 |
| Other liabilities | | 781,508 | 879,185 |
| Provisions | 12 | 332,192 | 321,704 |
| | | 54,509,491 | 55,352,499 |
| Liabilities related to assets held for sale | 22 | 391,189 | 406,354 |
| **Total Liabilities** | | **54,900,680** | **55,758,853** |
| **EQUITY** | | | |
| **Equity attributable to equity owners of the Bank** | | | |
| Share capital | 13 | 463,110 | 461,064 |
| Share premium | | 10,801,029 | 10,790,870 |
| Reserves | | 437,609 | 400,640 |
| Amounts recognized directly in equity related to assets held for sale | | (69,489) | (68,579) |
| Retained earnings | 13 | (2,458,859) | (2,506,711) |
| | | **9,173,400** | **9,077,284** |
| **Non-controlling interests** | | **29,199** | **20,997** |
| **Hybrid securities** | 14 | **15,132** | **15,132** |
| **Total Equity** | | **9,217,731** | **9,113,413** |
| **Total Liabilities and Equity** | | **64,118,411** | **64,872,266** |

The attached notes (pages 9-55) form an integral part of these interim consolidated financial statements

# Interim Consolidated Statement of Comprehensive Income

(Amounts in thousand of Euro)

| | | From 1 January to | |
|---|---|---|---|
| | **Note** | **31.3.2017** | **31.3.2016*** |
| **Profit/(Loss), after income tax, recognized in the income statement** | | **48,154** | **(2,164)** |
| **Other comprehensive income recognized directly in equity:** | | | |
| **Amounts that may be reclassified to the income statement** | | | |
| Net change in available for sale securities reserve | | 28,212 | (94,146) |
| Net change in cash flow hedge reserve | | 25,415 | (99,252) |
| Exchange differences on translating and hedging the net investment in foreign operations | | (594) | (2,311) |
| Income tax | 3 | (16,122) | 54,499 |
| **Amounts that may be reclassified in the income statement from continuing operations** | | **36,911** | **(141,210)** |
| **Amounts that may be reclassified in the income statement from discontinued operations** | | **(910)** | **(1,198)** |
| **Amounts that may not be reclassified in the income statement from continuing operations** | | | |
| Net change in actuarial gains / (losses) of defined benefit obligations | | (25) | |
| Income tax | | 8 | |
| | | **(17)** | - |
| **Total of other comprehensive income recognized directly in equity, after income tax** | 3 | **35,984** | **(142,408)** |
| **Total comprehensive income for the period, after income tax** | | **84,138** | **(144,572)** |
| **Total comprehensive income for the period attributable to:** | | | |
| **Equity owners of the Bank** | | | |
| - from continuing operations | | 84,170 | (145,712) |
| - from discontinued operations | | | 1,119 |
| | | **84,170** | **(144,593)** |
| Non controlling interests | | | |
| - from continuing operations | | (32) | 21 |

* *The figures of Interim Consolidated Comprehensive Income of the comparative period have been restated due to the presentation of Alpha Bank Srbija A.D. as discontinued operation and the completion of the valuation of net assets of acquired subsidiary company (note 24).*

# 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 1.1.2016** | | **461,064** | **10,790,870** | **308,920** | **(2,546,885)** | **9,013,969** | **23,998** | **15,232** | **9,053,199** |
| **Changes for the period 1.1 - 31.3.2016** | | | | | | | | | |
| Profit/(loss) for the period, after income tax | | | | | (2,207) | (2,207) | 43 | | (2,164) |
| Other comprehensive income recognized directly in equity, after income tax | | | | (142,386) | | (142,386) | (22) | | (142,408) |
| **Total comprehensive income for the period, after income tax** | | **-** | **-** | **(142,386)** | **(2,207)** | **(144,593)** | **21** | **-** | **(144,572)** |
| Share capital increase expenses, after income tax | | | | | (689) | (689) | | | (689) |
| Purchases/Sales and change of ownership interests in subsidiaries | | | | | 174 | 174 | | | 174 |
| (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** | **166.588** | **(2,549,721)** | **8,868,801** | **24,019** | **15,132** | **8,907.952** |
| **Changes for the period 1.4 - 31.12.2016** | | | | | | | | | |
| Profit/(loss) for the period, after income tax | | | | | 44,347 | 44,347 | 119 | | 44,466 |
| Other comprehensive income recognized directly in equity, after income tax | | | | 171,594 | (7,588) | 164,006 | 10 | | 164,016 |
| **Total comprehensive income for the period, after income tax** | | - | - | **171,594** | **36,759** | **208,353** | **129** | - | **208,482** |
| Purchases/sales and change of ownership interests in subsidiaries | | | | (8,826) | 8,652 | (174) | (3,151) | | (3,325) |
| (Purchases), (redemptions)/ sales of hybrid securities, after income tax | | | | | 121 | 121 | | | 121 |
| Appropriation of reserves | | | | 2,705 | (2,705) | - | | | - |
| Other | | | | | 183 | 183 | | | 183 |
| **Balance 31.12.2016** | | **461,064** | **10,790,870** | **332,061** | **(2,506,711)** | **9,077,284** | **20,997** | **15,132** | **9,113,413** |

The attached notes (pages 9-55) form an integral part of these interim consolidated financial statements

(Amounts in thousand of Euro)

| | Note | Share capital | Share premium | Reserves | Retained earnings | Total | Non controlling interests | Hybrid securities | Total Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance 1.1.2017** | | **461,064** | **10,790,870** | **332,061** | **(2,506,711)** | **9,077,284** | **20,997** | **15,132** | **9,113,413** |
| **Changes for the period 1.1-31.3.2017** | | | | | | | | | |
| Profit/(loss) for the period, after income tax | | | | | 48,132 | 48,132 | 22 | | 48,154 |
| Other comprehensive income recognized directly in equity, after income tax | | | | 36,055 | (17) | 36,038 | (54) | | 35,984 |
| **Total comprehensive income for the period, after income tax** | | **-** | **-** | **36,055** | **48,115** | **84,170** | **(32)** | **-** | **84,138** |
| Share capital increase expenses, after income tax | 13 | | | | (122) | (122) | | | (122) |
| Conversion of convertible bond issue to shares | 13 | 2,046 | 10,159 | | | 12,205 | | | 12,205 |
| Purchases/sales and change of ownership interests in subsidiaries | | | | | | - | 8,234 | | 8,234 |
| Appropriation of reserves | | | | 4 | (4) | - | | | - |
| Other | | | | | (137) | (137) | | | (137) |
| **Balance 31.3.2017** | | **463,110** | **10,801,029** | **368,120** | **(2,458,859)** | **9,173,400** | **29,199** | **15,132** | **9,217,731** |

# Interim Consolidated Statement of Cash Flows

(Amounts in thousand of Euro)

| | | From 1 January to | |
|---|---|---|---|
| | Note | 31.3.2017 | 31.3.2016 |
| **Cash flows from continuing operating activities** | | | |
| Profit / (loss) before income tax | | **75,293** | **10,428** |
| **Adjustments for gains/(losses) before income tax for:** | | | |
| Depreciation/impairment/write-offs of fixed assets | | 14,376 | 14,481 |
| Amortization/impairment/write-offs of intangible assets | | 14,626 | 10,853 |
| Impairment losses from loans, provisions and staff leaving indemnity | | 265,901 | 306,443 |
| (Gains)/losses from investing activities | | (7,526) | 76 |
| (Gains)/losses from financing activities | | 1,079 | 13,227 |
| Share of (profit)/loss of associates and joint ventures | | 597 | 1,461 |
| | | **364,346** | **356,969** |
| **Net (increase)/decrease in assets relating to continuing operating activities:** | | | |
| Due from banks | | 191,855 | (59,304) |
| Trading securities and derivative financial assets | | 49,450 | (8,780) |
| Loans and advances to customers | | 92,658 | 127,417 |
| Other assets | | 11,100 | 35,630 |
| **Net increase/(decrease) in liabilities relating to continuing operating activities:** | | | |
| Due to banks | | (769,163) | (263,731) |
| Derivative financial liabilities | | (45,285) | 10,248 |
| Due to customers | | 143,079 | (513,727) |
| Other liabilities | | (102,258) | 10,531 |
| **Net cash flows from continuing operating activities before taxes** | | **(64,218)** | **(304,747)** |
| Income taxes and other taxes paid | | (14,299) | (10,959) |
| **Net cash flows from continuing operating activities** | | **(78,517)** | **(315,706)** |
| **Net cash flows from discontinued operating activities** | | **(42,449)** | **(53,453)** |
| **Cash flows from continuing investing activities** | | | |
| Investments in associates and joint ventures | | - | (51) |
| Amounts received from disposal of subsidiary | | 11 | - |
| Dividends received | | 31 | 591 |
| Acquisition of fixed and intangible assets | 7, 8, 9 | (20,294) | (42,625) |
| Disposals of fixed and intangible assets | | 7,521 | 9,829 |
| Net (increase)/decrease in investement securities | | 55,189 | 74,488 |
| **Net cash flows from continuing investing activities** | | **42,458** | **42,232** |
| **Net cash flows from discontinued investing activities** | | **36,810** | **15,769** |
| **Cash flows from continuing financing activities** | | | |
| Repayments of debt securities in issue and other borrowed funds | | (55,804) | (18,140) |
| Share capital increase expenses | 13 | (172) | (970) |
| **Net cash flows from continuing financing activities** | | **(55,976)** | **(19,110)** |
| Effect of exchange rate differences on cash and cash equivalents | | (2,331) | (2,540) |
| **Net increase/(decrease) in cash flows from continuing activities** | | **(94,366)** | **(295,124)** |
| **Net increase/(decrease) in cash flows from discontinued activities** | | **(5,639)** | **(37,684)** |
| **Cash and cash equivalents at the beginning of the period** | | **974,888** | **1,328,133** |
| **Cash and cash equivalents at the end of the period** | | **874,883** | **995,325** |

* *The figures of the Interim Consolidated Statement of Cash Flows of the comparative period have been restated due to the presentation of Alpha Bank Srbija A.D as discontinued operation (note 24).*

The attached notes (pages 9-55) form an integral part of these interim consolidated financial statements

# Notes to the Interim Consolidated Financial Statements

## GENERAL INFORMATION

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

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

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

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

The Board of Directors as at 31 March 2017, consists of:

**CHAIRMAN (Non Executive Member)**

Vasileios T. Rapanos

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

Evangelos J. Kaloussis */***

**EXECUTIVE MEMBERS**

**MANAGING DIRECTOR**

Demetrios P. Mantzounis

**DEPUTY MANAGING DIRECTORS**

Spyros N. Filaretos (COO)

Artemios Ch. Theodoridis

George C. Aronis

**NON-EXECUTIVE MEMBERS**

Efthimios O. Vidalis **/****

**NON-EXECUTIVE INDEPENDENT MEMBERS**

Ibrahim S. Dabdoub **/****

Carolyn Adele G. Dittmeier *

Richard R. Gildea **/***

Shahzad A. Shahbaz ***/****

Jan Oscar A. Vanhevel */***

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

The Greek State, without an appointed representative

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

Spyridon - Stavros A. Mavrogalos - Fotis */**/***/****

**SECRETARY**

Georgios P. Triantafyllidis

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 FTSE Med100 and the FTSE4Good Emerging Index.

Apart from the Greek listing, the shares of the Bank are traded over the counter in New York (ADRs).

Total ordinary shares in issue as at 31 March 2017 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

* *Member of the Audit Committee*

** *Member of the Remuneration Committee*

*** *Member of the Risk Management Committee*

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

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.

To be noted, that the Board of Directors during a meeting held on 23.2.2017, decided to increase its share capital by €2,045,454.30 due to the conversion of the convertible bond of €150,000,000 that was issued on 1.2.2013, under the agreement with Credit Agricole S.A. and Crédit Agricole Corporate and Investment Bank. As a result, 6,818,181 new ordinary, registered, voting, paperless shares of the Bank with a nominal value of €0.30 each, were registered to Athens Stock Exchange on 18.4.2017.

Upon completion of the share capital increase, total ordinary shares in issue are 1,543,699,381, while the percentage of the total of ordinary shares issued by the Bank, possessed by HFSF is set at 10,96%.

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 2017, the average daily volume per session for shares was €7,600,691 and for warrants €4,176.

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

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

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

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. 3556/30.4.2007", the obligation to publish Data and Information arising from the quarterly and half-yearly financial statements, as previously stated by the No.4/507/28.4.2009 decision of the Hellenic Capital Market Commission Board of Directors, was abolished.

**The financial statements have been approved by the Board of Directors on 31 May 2017.**

# ACCOUNTING POLICIES APPLIED

## 1.1 Basis of presentation

The Group has prepared the condensed interim financial statements as at 31.3.2017 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, until its conversion into shares, which took place in the first quarter of this year, was 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 31.12.2016.

The adoption by the European Union, by 31.12.2017, 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 1.1.2017, may affect retrospectively the periods presented in these interim financial statements.

Regarding the new accounting standard IFRS 9, the application of which is mandatory from 1.1.2018, it is noted that the Group has started a Programme for the implementation of the new standard, as it is specifically mentioned in note 1.1 of the annual financial statements of 31.12.2016. The progress of the project is evolving according to plan, while most of the individual projects identified are in the implementation phase.

## 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 31.3.2017. 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 unstable economic environment in Greece and abroad and to the liquidity levels of the Hellenic Republic and the banking system, as specifically analysed in Note 1.31.1 of the annual financial statements as at 31.12.2016. In addition, regarding the progress of the Hellenic Republic financial support programme, it is noted that following the enactment of law 4472/19.5.2017 prerequisite measures and actions were put in place, a fact that was welcomed by the Eurogroup of 22 May 2017 and that is expected to significantly facilitate the completion of the second evaluation of the programme in the near future.

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

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

The Group's total exposure to Greek Government securities and loans related to the Hellenic Republic is presented in note 18. 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.

As far as the debt sustainability is concerned and in accordance with the relevant framework set out by the Eurogroup of 9.5.2016, in the meeting of the same body held in 24.5.2016 measures for enhancing the Greek debt sustainability were broadly described, separately for the short, the medium and the long term. In accordance with this framework, based on the baseline scenario, the gross financing needs of the Greek government should be less than the 15% of GPD after the completion of the programme in the medium term while subsequently they should be less than the 20% of GPD. From the above measures of debt relief only the short-term have been specified and put in place. The discussion for the Greek debt and the specification of further measures for the enhancement of its sustainability continued in the recent Eurogroup meeting of 22.5.2017 without, however, reaching to a final agreement.

The specialization of medium-term debt relief measures is important as it will enable the European Central Bank (ECB) to prepare its relevant sustainability study, which is the prerequisite for including Greece in the quantitative easing programme. It is noted that Greece's participation in the above programme is expected to have a downward impact on the performance of the 10-year Greek Government Bonds and will significantly increase the probability of the country's exit to the markets by August 2018. Significant delays in the specification of debt alleviation measures put in risk the timely participation of our country in the ECB's quantitative easing programme.

The discussions among the institutions for the debt will continue in order to come to a definite conclusion in the next Eurogroup meeting that is programmed for June 2017.

By taking the above measures (short-term, medium-term and long-term), it is assumed that the debt service capacity of the Hellenic Republic will be improved.

Based on the above, the Group has not recognized impairment losses on the Greek Government securities that it holds as at 31.3.2017, 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 31.3.2017 has not change significantly compared to the respective amount as at 31.12.2016. Therefore, what is stated in note 1.31.3 of the annual financial statements of 31.12.2016 regarding the main categories of deferred tax assets recognized is also applicable to these financial statements.

In addition, regarding the methodology applied for the recoverability assessment, what is stated in the aforementioned note of the annual financial statements is also applicable, taking into consideration alongside elements that formed the results of the current period.

## INCOME STATEMENT

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

| | From 1 January to | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| Impairment losses on loans and advances to customers (note 5) | 253,191 | 260,190 |
| Provisions to cover credit risk relating to off balance sheet items (note 12) | (1,449) | 519 |
| Recoveries | (4,983) | (4,823) |
| **Total** | **246,759** | **255,886** |

### 3. 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.

For the Bank's subsidiaries and branches operating in other countries, the applicable nominal tax rates for accounting periods 2016 and 2017 are as follows:

| | |
|---|---|
| Cyprus | 12,5 |
| Bulgaria | 10 |
| Serbia | 15 |
| Romania | 16 |
| FYROM | 10 |
| Albania | 15 |
| Jersey | 10 |
| United Kingdom | 19 [1] (from 1.4.2017) |
| Ireland | 12,5 |

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 the first ten days of the seventh month after the end of the audited financial year, as well as, electronically to the Ministry of Finance, no later than the end of the seventh month after the end of the audited financial year. For fiscal years 2011 up to 2015 the Bank and its local subsidiaries have obtained the relevant tax certificate without any qualifications on the tax issues covered. In accordance with article 56 of Law 4410/3.8.2016 for the fiscal years from 1.1.2016 and onwards, the issuance of tax certificate is optional. The intention of the group entities is to continue to obtain the tax certificate.

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 22.

| | From 1 January to | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| Current | 4,191 | 3,070 |
| Deferred | 23,858 | 11,839 |
| **Total** | **28,049** | **14,909** |

[1] *Until 31.3.2017 the tax rate was 20%.*

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 | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| Debit difference of Law 4046/2012 | 11,139 | 11,138 |
| Write-offs, depreciation and impairment of fixed assets | 1,304 | 3,359 |
| Valuation/impairment of loans | (18,420) | (13,278) |
| Valuation of loans due to hedging | (62) | (292) |
| Defined benefit obligation and insurance funds | 19,217 | 19,038 |
| Valuation of derivatives | 6,787 | (3,484) |
| Effective interest rate | 435 | (192) |
| Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge | (39,472) | 1,207 |
| Valuation/impairment of bonds and other securities | 9,969 | 704 |
| Tax losses carried forward | 46,849 | 1,023 |
| Other temporary differences | (13,888) | (7,384) |
| **Total** | **23,858** | **11,839** |

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 4340/1.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of Finance" the above were amended regarding the time of the application which is postponed for a year. In addition, the amount of the relevant deferred tax asset which is included in the same legislation and relates to provisions for credit risk, limited to the amount of provisions which were accounted until 30 June 2015.

According to article 43 of Law 4465/4.4.2017 "Integration of Directive 2014/92/EU of the European Parliament and Council held on 23.7.2014 for the comparability of charges related to payment accounts, the change of payment account and the access to payment accounts with basic characteristics and other provisions, into national law", the articles 27 and 27a of the Income Tax Code were amended (Law 4172/2013). According to the new legislation, the debit difference, that will arise from the write-off of debtors' debts and the loss from the sale of loans of the legal entities supervised by the Bank of Greece, is recognised as a deduction from gross income and is amortized over a period of 20 years. The deferred tax asset which will be recognized for the abovementioned debit difference as well as of any accounting write-offs of loans or credits, not converted into debit difference until the end of the year when the accounting write-off took place, which relate to write-offs or disposals are converted into a definite and cleared claim against the State, based on the abovementioned terms and conditions. The total amount of deferred tax asset, included in the same legislation, is limited to the total tax amount attributed to the temporary differences from accumulated provisions and other losses due to credit risk, recognised until 30 June 2015.

This amendment ensures that the loan write-offs and disposals, aiming to decrease the non performing loans, will not result in the loss of regulatory capital.

The above apply from 1.1.2016.

On 31.3.2017 the amount of deferred tax assets which is estimated to be within the scope of the aforementioned Law amounts to €3,330,664 (31.12.2016: €3,341,802).

According to article 82 of Law 4472/19.5.2017 "Public Pension Provisions and amendment of provisions of Law 4387/2016, measures for the implementation of budgetary targets and reforms, social support measures and labor regulations, Medium-term Fiscal Strategy Framework 2018-2021 and other provisions" credit institutions and other entities that fall under the provisions of article 27A of Law 4172/2013, are required to pay an annual commission to the Greek State for the amount of the guaranteed deferred tax asset that results from the differrence between the tax rate currently in force (29%) and the tax rate that was in force until 31.12.2014 (26%).

On first application of the above, the commission is paid until 30.6.2017.

Additionally, article 14 of the aforementioned law provides a reduction in the tax rate, from 29% currently in force, to 26%, implied to profits from business activity acquired by legal entities keeping double-entry books. This reduction refers to income earned in the tax year beginning on 1.1.2019, provided that according to the estimation of the International Monetary Fund and the European Commission there is no divergence from the medium-term budgetary targets. With explicit reference to the law, this reduction does not apply to credit institutions for which the tax rate remains 29%.

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

| | From 1 January to | | | |
|---|---|---|---|---|
| | 31.3.2017 | | 31.3.2016 | |
| | % | | % | |
| **Profit/(loss) before income tax** | | **75,293** | | **10,428** |
| Income tax (weighted average nominal tax rate) | 37.27 | 28,059 | 52.26 | 5,450 |
| **Increase/(decrease) due to:** | | | | |
| Non taxable income | (0.34) | (254) | (3.39) | (353) |
| Non deductible expenses | 1.69 | 1,269 | 153.62 | 16,020 |
| Tax losses carried forward | | | (1.04) | (108) |
| Effect of change of tax rates | | | (0.20) | (21) |
| Other temporary differences | (1.36) | (1,025) | (58.29) | (6,079) |
| **Income tax (effective tax rate)** | **37.25** | **28,049** | **142.97** | **14,909** |

**Income tax of other comprehensive income recognized directly in Equity**

| | From 1 January to | | | | | |
|---|---|---|---|---|---|---|
| | 31.3.2017 | | | 31.3.2016 | | |
| | Before income tax | Income tax | After income tax | Before income tax | Income tax | After income tax |
| **Amounts that may be reclassified to the Income Statement** | | | | | | |
| Net change in available for sale securities reserve | 27,611 | (8,747) | 18,864 | (94,506) | 25,633 | (68,873) |
| Net change in cash flow hedge reserve | 25,415 | (7,370) | 18,045 | (99,252) | 29,150 | (70,102) |
| Foreign exchange differences on translating and hedging the net investment in foreign operations | (903) | (5) | (908) | (3,147) | (286) | (3,433) |
| **Total** | **52,123** | **(16,122)** | **36,001** | **(196,905)** | **54,497** | **(142,408)** |
| **Amounts that will not be reclassified to the Income Statement from continuing operations** | | | | | | |
| Net change in actuarial gains/(losses) of defined benefit obligations | (25) | 8 | (17) | | | |
| **Total** | **52,098** | **(16,114)** | **35,984** | **(196,905)** | **54,497** | **(142,408)** |

In the above analysis, the income tax on discontinued operations is zero (31.3.2016: debit tax € 2).

During the first quarter of 2017, "Retained earnings" includes a credit tax amount of €50 which derives from the share capital increase expenses on 23.2.2017 (Note 13).

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.

## 4. 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.

### b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to the presumed conversion amount of all dilutive potential ordinary shares. The Bank does not have such shares, therefore there is no reason for differentiating its diluted earnings/(losses) per share from the basic ones.

| | From 1 January to | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| **Profit/(losses) attributable to equity owners of the Bank** | **48,132** | **(2,207)** |
| Weighted average number of outstanding ordinary shares | 1,539,608,472 | 1,536,881,200 |
| Basic and diluted earnings/(losses) per share (in €) | 0.0313 | (0.0014) |

| | From 1 January to | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| **Profit/(losses) from continuing operations attributable to equity owners of the Bank** | **47,222** | **(4,524)** |
| Weighted average number of outstanding ordinary shares | 1,539,608,472 | 1,536,881,200 |
| Basic and diluted earnings/(losses) from continuing operations per share (in €) | 0.0307 | (0.0029) |

| | From 1 January to | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| **Profit/(losses) from discontinued operations attributable to equity owners of the Bank** | **910** | **2,317** |
| Weighted average number of outstanding ordinary shares | 1,539,608,472 | 1,536,881,200 |
| Basic and diluted earnings/(losses) from discontinued operations per share (in €) | 0.0006 | 0.0015 |

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank increased its share capital, due to the conversion of the convertible bond that was issued on 1.2.2013, under the agreement with Credit Agricole SA for the acquisition of former Emporiki Bank. From the conversion, 6,818,181 new common shares were issued, which represent 0.44% of total shares. These shares where taken into account for the calculation of weighted average number of outstanding ordinary shares of the period 1.1-31.3.2017.

# ASSETS

## 5. Loans and advances to customers

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| **Individuals** | | |
| Mortgages | 19,637,305 | 19,670,133 |
| Consumer: | | |
| - Non-Securitized | 4,159,692 | 4,041,109 |
| - Securitized | 1,181,313 | 1,272,572 |
| Credit cards: | | |
| - Non-Securitized | 722,683 | 718,425 |
| - Securitized | 526,683 | 540,376 |
| Other | 898 | 705 |
| **Total** | **26,228,574** | **26,243,320** |
| **Companies** | | |
| Corporate loans: | | |
| - Non-Securitized | 26,743,640 | 26,595,645 |
| - Securitized | 2,306,407 | 2,514,014 |
| Finance leases (Leasing): | | |
| - Non-Securitized | 358,477 | 347,810 |
| - Securitized | 311,412 | 324,773 |
| Factoring | 517,221 | 528,618 |
| **Total** | **30,237,157** | **30,310,860** |
| **Other receivables** | 357,471 | 412,833 |
| | **56,823,202** | **56,967,013** |
| Less: | | |
| Allowance for impairment losses [1] | (12,645,332) | (12,558,253) |
| **Total** | **44,177,870** | **44,408,760** |

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.

As at 31.03.2017, the balance of the covered bonds amounts to €5 million (note 11). The book value of mortgage loans provided as coverage for the above mentioned bonds amounted to €15.2 million.

*(1) In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of € 1,745 (31.12.2016: € 3,195) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to €12,647,077 (31.12.2016: € 12,561,448).*

### Cummulative allowance for impairment losses

| | |
|---|---|
| **Balance 1.1.2016** | **12,021,755** |
| **Changes for the period 1.1. - 31.3.2016** | |
| Impairment losses for the period from continuing operations (note 2) | 260,190 |
| Impairment losses for the period from discontinued operations | (722) |
| Sales of impaired loans | (3,634) |
| Change in present value of impairment losses | 160,674 |
| Foreign exchange differences | (10,990) |
| Loans written-off during the period | (134,883) |
| **Balance 31.3.2016** | **12,292,390** |
| **Changes for the period 1.4. - 31.12.2016** | |
| Impairment losses for the period from continuing operations | 938,522 |
| Impairment losses for the period from discontinued operations | (4,242) |
| Transfer of accumulated provisions to assets held for sale | (171,580) |
| Use of accumulated provisions for other movements | (16,425) |
| Sales of impaired loans | (14,161) |
| Change in present value of impairment losses | 253,161 |
| Foreign exchange differences | 18,883 |
| Loans written-off during the period | (738,295) |
| **Balance 31.12.2016** | **12,558,253** |
| **Changes for the period 1.1. - 31.3.2017** | |
| Impairment losses for the period (note 2) | 253,191 |
| Sales of impaired loans | (9,557) |
| Change in present value of impairment losses | 82,782 |
| Foreign exchange differences/other movements | 2,583 |
| Loans written-off during the period | (241,920) |
| **Balance 31.3.2017** | **12,645,332** |

The finance lease receivables by duration are as follows:

| | **31.3.2017** | **31.12.2016** |
|---|---|---|
| Up to 1 year | 317,012 | 324,206 |
| From 1 year to 5 years | 213,433 | 202,472 |
| Over 5 years | 223,870 | 237,799 |
| | **754,315** | **764,477** |
| Non accrued finance lease income | (84,426) | (91,894) |
| **Total** | **669,889** | **672,583** |

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

| | **31.3.2017** | **31.12.2016** |
|---|---|---|
| Up to 1 year | 303,408 | 309,997 |
| From 1 year to 5 years | 178,872 | 165,083 |
| Over 5 years | 187,609 | 197,503 |
| **Total** | **669,889** | **672,583** |

## 6. Investment and held for trading securities

### i. Held for trading securities

Securities held for trading amounted to € 9.9 million on 31.3.2017 (31.12.2016: €4.7 million) of which Greek government bonds € 3.4 million (31.12.2016: €2.3 million).

### ii. Investment securities

#### a. Available for sale

The available for sale portfolio amounts to €5.5 billion as at 31.3.2017 (31.12.2016: €5.2 billion). These amounts include securities issued by the Greek State that amount to €3.5 billion as at 31.3.2017 (31.12.2016: €3.6 billion) out of which €1.4 billion (31.12.2016: €1.5 billion) relate to Greek Government treasury bills.

This account also includes bonds issued by European Financial Stability Facility (EFSF) that amount to €260.5 million (31.12.2016: €0 million), resulting from the bond exchange agreement signed in March 2017 between the European Financial Stability Fund (EFSF), the Hellenic Financial Stability Fund (FSF), the Greek State and the Greek Systemic Banks, as detailed in Loans and receivables.

The Group during the quarter of 2017 has recognized impairment losses for shares amounting to €198 which are included in the caption "Gain less losses on financial transactions".

#### b. Held to maturity

The held to maturity portfolio amounts to €35.7 million as at 31.3.2017 (31.12.2016: €45 million). The variation compared to prior period, is mainly due to a recall of a corporate bond with a book value of €9.2 million.

#### c. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (EFSF), which based on the original agreement could only be used as collateral to obtain liquidity from the Eurosystem or from interbank counterparties in the form of repos.

In April 2016 the subscription agreement between the European Financial Stability Facility (EFSF), the Hellenic Financial Stability Fund (HFSF) and the Bank was revised. The revision refers to the terms of use of the abovementioned securities. 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 programme in March 2017.

During the first quarter of 2017 (until 23.1.2017), the Bank conducted sale transactions of EFSF securities with a nominal value of €140 million under this programme.

In the context of the implementation of short-term measures for public debt relief, the European Stability Mechanism (ESM), the European Financial Stability Facility (EFSF), the Hellenic Financial Stability Fund (HFSF), the Greek State and the four Greek systemic banks signed a bond exchange agreement in March 2017.

Under this contract, floating rate bonds issued by EFSF and held by the Banks are gradually exchanged with long-term fixed rate bonds issued by EFSF with equal nominal value, which will be repurchased within one month from EFSF against cash. For the use of long-term fixed rate bonds the same restrictions apply to these of floating-rate bonds, i.e. they consist eligible instruments for providing financing from the Eurosystem and the participation of the ECB's bond purchase programme (PSPP) and can be pledged as collateral under repurchase transactions with interbank counterparties.

In the context of this contract, the Bank exchanged a floating rate bond of €165.6 million issued by EFSF for a fixed coupon bond issued by EFSF of equal nominal value with a duration of 30 years, which has been classified as available for sale portfolio.

The total book value of these bonds on 31.3.2017 was €2.4 billion (31.12.2016: €2.7 billion).

## 7. Investment property

| | Land and Buildings |
|---|---|
| **Balance 1.1.2016** | |
| 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 | (3,102) |
| Depreciation for the period from discontinued operations | (36) |
| Net book value 31.3.2016 | **618,151** |
| **Balance 31.3.2016** | |
| Cost | 779,054 |
| Accumulated depreciation and impairment losses | (160,903) |
| **1.4.2016 - 31.12.2016** | |
| Net book value 1.4.2016 | 618,151 |
| Additions | 71,229 |
| Additions from companies consolidated for the first time in 2016 | 11,907 |
| Reclassification from "Property, plant and equipment" | 25,312 |
| Reclassification to "Assets held for sale" | (40,233) |
| Reclassification of investment assets of discontinued operations to "Assets held for sale" | (6,338) |
| Foreign exchange differences | (2,303) |
| Disposals/Write-offs | (21,607) |
| Depreciation for the period from continuing operations | (9,835) |
| Impairment losses | (32,191) |
| Net book value 31.12.2016 | **614,092** |
| **Balance 31.12.2016** | |
| Cost | 800,527 |
| Accumulated depreciation and impairment losses | (186,435) |
| **1.1.2017 - 31.3.2017** | |
| Net book value 1.1.2017 | 614,092 |
| Additions | 2,432 |
| Foreign exchange differences | (91) |
| Disposals/Write-offs | (6,818) |
| Depreciation for the period from continuing operations | (3,291) |
| Impairment losses | (239) |
| Net book value 31.3.2017 | **606,085** |
| **Balance 31.3.2017** | |
| Cost | 819,924 |
| Accumulated depreciation and impairment losses | (213,839) |

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

In 2016, an impairment loss amounting to €32.2 million was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2016, as estimated by certified appraisals.

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

## 8. Property, plant and equipment

| | Land and Buildings | Leased equipment | Equipment | Total |
|---|---|---|---|---|
| **Balance 1.1.2016** | | | | |
| 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) |
| Reclassification to "Other Assets" and to "Assets held for sale" | (432) | | 286 | (146) |
| Depreciation from continuing operations | (6,148) | (94) | (5,136) | (11,378) |
| Depreciation from discontinued operations | (319) | | (113) | (432) |
| 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) |
| **1.4.2016 - 31.12.2016** | | | | |
| Net book value 1.4.2016 | 786,423 | 1,351 | 66,306 | 854,080 |
| Foreign exchange differences | (83) | (5) | (48) | (136) |
| Additions | 8,656 | 71 | 15,967 | 24,694 |
| Additions from companies consolidated for the first time in 2016 | | | 278 | 278 |
| Disposals/Write-offs | (2,520) | (3) | (64) | (2,587) |
| Reclassification to "Investment property" | (25,312) | | | (25,312) |
| Reclassification of assets from discontinued operations to "Assets held for sale" | (81) | | 113 | 32 |
| Reclassification to "Assets held for sale" | (19,579) | | (1,387) | (20,966) |
| Reclassification internally from/to "Property,Plant and Equipment" | (77) | (471) | 548 | - |
| Reclassification to "Other assets" | (3,603) | - | (286) | (3,889) |
| Depreciation from continuing operations | (14,456) | (222) | (13,609) | (28,287) |
| Impairment losses | (3,818) | - | (121) | (3,939) |
| Net book value 31.12.2016 | **725,550** | **721** | **67,697** | **793,968** |
| **Balance 31.12.2016** | | | | |
| Cost | 1,097,399 | 3,389 | 462,904 | 1,563,692 |
| Accumulated depreciation and impairment losses | (371,849) | (2,668) | (395,207) | (769,724) |
| **1.1.2017 - 31.3.2017** | | | | |
| Net book value 1.1.2017 | 725,550 | 721 | 67,697 | 793,968 |
| Foreign exchange differences | (104) | (2) | (24) | (130) |
| Additions | 3,605 | | 1,723 | 5,328 |
| Disposals/Write-offs | (526) | | | (526) |
| Reclassifications to "Other assets" | (5,001) | | | (5,001) |
| Depreciation from continuing operations | (5,325) | (70) | (4,826) | (10,221) |
| Impairment losses | | | (71) | (71) |
| Net book value 31.3.2017 | **718,199** | **649** | **64,499** | **783,347** |
| **Balance 31.3.2017** | | | | |
| Cost | 1,091,770 | 3,378 | 463,742 | 1,558,890 |
| Accumulated depreciation and impairment losses | (373,571) | (2,729) | (399,243) | (775,543) |

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

In 2016, an impairment loss of €3.9 million (2015: € 2.3 million) was recognized in "Other Expenses".

## 9. Goodwill and other intangible assets

| | Goodwill | Software | Other intangible | Total |
|---|---|---|---|---|
| **Balance 1.1.2016** | | | | |
| Cost | 2,900 | 544,009 | 152,363 | 699,272 |
| Accumulated amortization and impairment loss | | (300,555) | (53,566) | (354,121) |
| **1.1.2016 - 31.3.2016** | | | | |
| Net book value 1.1.2016 | 2,900 | 243,454 | 98,797 | 345,151 |
| Additions | | 32,011 | | 32,011 |
| Foreign exchange differences | | (19) | 1 | (18) |
| Reclassification to "Assets held for sale" | | 23 | | 23 |
| Amortization from continuing operations | | (6,280) | (4,573) | (10,853) |
| Amortization from discontinued operations | | (62) | | (62) |
| Net book value 31.3.2016 | **2,900** | **269,127** | **94,225** | **366,252** |
| **Balance 31.3.2016** | | | | |
| Cost | 2,900 | 575,654 | 152,259 | 730,813 |
| Accumulated amortization and impairment loss | | (306,527) | (58,034) | (364,561) |
| **1.4.2016 - 31.12.2016** | | | | |
| Net book value 1.4.2016 | 2,900 | 269,127 | 94,225 | 366,252 |
| Additions | | 47,409 | | 47,409 |
| Reclassification to "Assets held for sale" | | (2) | | (2) |
| Reclassification of intangible assets from discontinued operations to "Assets held for sale" | | (1,422) | | (1,422) |
| Foreign exchange differences | | (27) | (1) | (28) |
| Disposals/Write-offs | | (170) | | (170) |
| Amortization from continuing operations | | (20,251) | (13,719) | (33,970) |
| Impairment losses | (2,900) | (3,855) | | (6,755) |
| Net book value 31.12.2016 | - | **290,809** | **80,505** | **371,314** |
| **Balance 31.12.2016** | | | | |
| Cost | | 617,620 | 140,128 | 757,748 |
| Accumulated amortization and impairment loss | | (326,811) | (59,623) | (386,434) |
| **1.1.2017 - 31.3.2017** | | | | |
| Net book value 1.1.2017 | | 290,809 | 80,505 | 371,314 |
| Additions | | 12,534 | | 12,534 |
| Foreign exchange differences | | (4) | 2 | (2) |
| Amortization from continuing operations | | (7,308) | (4,573) | (11,881) |
| Impairment losses | | (2,745) | | (2,745) |
| Net book value 31.3.2017 | - | **293,286** | **75,934** | **369,220** |
| **Balance 31.3.2017** | | | | |
| Cost | | 630,102 | 140,129 | 770,231 |
| Accumulated amortization and impairment loss | | (336,816) | (64,195) | (401,011) |

The additions in the first quarter of 2017 mainly relate to acquisitions of user rights for computer applications. The opening balance of goodwill at 1.1.2016 amounting to €2.9 million relates to the acquired company Asmita Gardens S.R.L., following the completion of valuation of its assets (note 24), which was fully impaired during the forth quarter of 2016.

# LIABILITIES

## 10. Due to banks

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| Deposits: | | |
| - Current accounts | 37,092 | 35,304 |
| - Term deposits | | |
| Central Banks | 16,970,508 | 18,331,086 |
| Other credit institutions | 20,329 | 21,053 |
| Cash collateral for derivative margin accounts | 21,558 | 25,465 |
| Sale of repurchase agreements (Repos) | 1,080,910 | 411,914 |
| Borrowing funds | 202,512 | 277,404 |
| Deposits redeemable at notice: | | |
| - Other credit institutions | 3,506 | 3,351 |
| **Total** | **18,336,415** | **19,105,577** |

Group's deposits from Eurosystem decreased by €1.4 billion mainly due to the sale of EFSF bonds through the PSPP programme (note 6), and the signing of new repurchase agreements (Repos). The caption "Borrowed funds" mainly includes liabilities due to European Investment Bank and European Bank for Reconstruction and Development amounting to € 202.5 million (31.12.2016: €276.3 million).

In March 2016, the European Central Bank decided to introduce a new programme of four targeted long term refinancing operations (TLTRO-II), carried out from June 2016 untill March 2017, each with a four year duration. The Bank participates in this programme with an amount of €3.1 billion.

## 11. 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 2017, the Bank proceeded with the issuance of senior debt securities guaranteed by the Greek State amounting to €0.3 billion while the maturities/redemptions for the same period amounted to €1 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 31.3.2017 amounts to €0.3 billion (31.12.2016: €1 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 value of covered bonds as at 31.3.2017 amounts to €5 million.

**iii. Senior debt securities**

| | |
|---|---|
| **Balance 1.1.2017** | **26,834** |
| **Changes for the period 1.1 - 31.3.2017** | |
| Maturities/Repayments | (1,570) |
| Accrued interest | 675 |
| **Balance 31.3.2017** | **25,939** |

[(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 1.1.2017** | **252,320** |
| **Changes for the period 1.1 - 31.3.2017** | |
| Maturities/Repayments | (29,823) |
| Accrued interest | 1,936 |
| Foreign exchange differences | (3,592) |
| **Balance 31.3.2017** | **220,841** |

The Bank has proceeded with a shipping loan securitization transaction, transferring them to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd. which raised funding from third parties. The liability of the Group to third parties as at 31.3.2017 amounts to €220.8 million.

### v. Liabilities from the securitization of corporate (SME) loans

| | |
|---|---|
| **Balance 1.1.2017** | **320,053** |
| **Changes for the period 1.1 - 31.3.2017** | |
| Capitalized expenses | (1,411) |
| Accrued interest | 1,430 |
| **Balance 31.3.2017** | **320,072** |

The Bank has proceeded with the securitization of SME's loans, transferring the aforementioned loans to the fully consolidated special purpose entity, Alpha Proodos Designated Activity Company (D.A.C.), which in turn raised funding from third parties and from the Bank. The liability of the Group to third parties on 31.3.2017 amounts to €320 million.

### vi. 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 €4.5 billion have been issued by special purpose entities and held by the Group.

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

| | |
|---|---|
| **Balance 1.1.2017** | **82,338** |
| **Changes for the period 1.1 - 31.3.2017** | |
| Maturities/Repayments | (25,308) |
| Accrued interest | 89 |
| **Balance 31.3.2017** | **57,119** |

The variance compared to prior period mainly relates to the maturity of subordinated debts of € 25.3 million.

### viii. Convertible bond loan

| | |
|---|---|
| **Balance 1.1.2017** | **13,995** |
| **Changes for the period 1.1 – 31.3.2017** | |
| Maturities | (12,205) |
| Fair value change | (1,790) |
| **Balance 31.3.2017** | **-** |

The convertible bond concerns bond issuance with nominal value €150 million issued by the Bank on 1.2.2013 under an agreement with Credit Agricole SA for the acquisition of former Emporiki Bank. The convertible bond matured on 1.2.2017, and on 23.2.2017 following the exercise of the conversion right from the total bondholders, the Bank proceeded to a share capital increase (note 13).

| | |
|---|---|
| **Total of debt securities in issue and other borrowed funds as at 31.3.2017** | **623,971** |

Of the above debt securities in issue amounting to €623,971 an amount of €57,945 (31.12.2016: €78,675) held by Group customers has been reclassified to caption "Due to customer". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 31.3.2017, amounts to €566,026 (31.12.2016: €616,865).

## 12. Provisions

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| Insurance provisions | 231,867 | 219,530 |
| Provisions to cover credit risk and other provisions | 100,325 | 102,174 |
| **Total** | **332,192** | **321,704** |

### a. Insurance provisions

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| **Life insurance** | | |
| Mathematical reserves | 231,257 | 218,996 |
| Outstanding claim reserves | 610 | 534 |
| **Total** | **231,867** | **219,530** |

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

| | |
|---|---|
| **Balance 1.1.2016** | **129,640** |
| **Changes for the period 1.1 - 31.3.2016** | |
| Provisions to cover credit risk relating to off-balance sheet items (note 2) | 519 |
| Provisions to cover credit risk relating to off-balance sheet items from discontinued operations | (45) |
| Other provisions for the period | 495 |
| Other provisions used during the period | (960) |
| Provision for Alpha Bank Cyprus voluntary separation scheme | 30,993 |
| Foreign exchange differences | (60) |
| **Balance 31.3.2016** | **160,582** |
| **Changes for the period 1.4 - 31.12.2016** | |
| Reclassification of provisions of Alpha Bank Srbjia to "Liabilities related to assets held for sale" | (1,094) |
| Provisions to cover credit risk relating to off-balance sheet items | (1,876) |
| Other provisions for the period | 290 |
| Provision for litigation cases and other contingent liabilities | 16,000 |
| Other provisions used during the period | (3,132) |
| Other provisions used during the period from companies consolidated for the first time in 2015 | (2,444) |
| Provision used for Alpha Bank Cyprus voluntary separation scheme | (30,993) |
| Provision used for Alpha Bank A.E. voluntary seperation scheme | (35,262) |
| Foreign exchange differences | 103 |
| **Balance 31.12.2016** | **102,174** |
| **Changes for the period 1.1 - 31.3.2017** | |
| Provisions to cover credit risk relating to off-balance sheet items (note 2) | (1,449) |
| Other provisions for the period | 107 |
| Other provisions used during the period | (2,066) |
| Provision for Alpha Bank A.E. voluntary separation scheme | (150) |
| Provision for litigation cases and other contingent liabilities | 1,718 |
| Foreign exchange differences | (9) |
| **Balance 31.3.2017** | **100,325** |

Provisions for litigation cases and other contingent liabilities are included in "Other Expenses" of the income statement.

On 31.3.2017 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to €1.7 million (31.12.2016:€ 3.2 million) and other provisions to €98.6 million (31.12.2016:€ 99 million) out of which:

- An amount of €39.3 million concerns pending legal cases (31.12.2016:€ 38.6 million).
- An amount of €28.9 million relates to the balance of the provision for the voluntary separation scheme of Alpha Bank A.E, that had been accounted on 31.12.2015 at the amount of €64.3 million. Alpha Bank A.E. recorded that provision within the context of the implementation of the updated restructuring plan and its relevant commitments. During 2016, it was decided to utilize a part of the relevant provision in the context of a consensual separation scheme.

During the year 2016, Alpha Bank Cyprus Ltd performed a voluntary separation scheme, aiming to achieve substantial benefit in operational costs. The Group recognized during the first quarter a provision of amount €31 million for the expected cost, which has been used during the second quarter for the compensations.

The opening balance of the prior year has been restated, due to the recognition of a provision following the finalization to the valuation of the net assets of an acquired subsidiary as also mentioned in note 24. This provision has been used during 2016.

# EQUITY

## 13. Share capital and Retained earnings

### a. Share capital

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank's Board of Directors, approved the share capital increase of €2,045,454.30, due to the conversion of the convertible bond of €150 million that was issued on 1.2.2013, under the agreement with Credit Agricole S.A., Crédit Agricole Corporate and Investment Bank.

As a result of the above the Bank's share capital on 31.3.2017 amounts to €463,109,814.30.

From the conversion, 6,818,181 new ordinary, registered, voting, paperless shares of the Bank with a nominal value of €0.30 each, were issued and registered to Athens Stock Exchange on 18.4.2017.

### b. Share Premium

Following the above share capital increase «Share premium» was increased by €10,159,089.69.

### c. Retained earnings

1. As for the financial year 2016 there are no distributable profits, in accordance with the provisions of article 44a of Codified Law 2190/1920, the Bank's Board of Directors will propose to the Ordinary General Meeting of Shareholders the non distribution of dividend to the ordinary shareholders of the Bank.

2. The caption "Retained Earnings" as of 31.3.2017 includes expenses relating tho the share capital increase, amounting to €0.1 million (31.12.2016: €0.7 million) net of income tax.

## 14. Hybrid securities

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| Perpetual with 1st call option on 18.2.2015 and annually | 15,232 | 15,232 |
| Securities held by Group companies | (100) | (100) |
| **Total** | **15,132** | **15,132** |

# ADDITIONAL INFORMATION

## 15. 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. In the context of managing the operational risk events and on the basis of the accounting principles followed, the Group records all the filed lawsuits or similar actions performed by third parties against the Group and considers any possibility of their success, as well as the possible outcome.

For cases where there is a significant probability of a negative outcome, and the result may be sufficiently estimated, the Group creates a provision that is included in the Balance Sheet under the caption "Provisions". On 31.3.2017 the amount of the provision stood at €39.3 million.

For cases where according to their progress and the evaluation of the Legal department on 31 March 2017, a negative outcome is not probable or the potential outflow cannot be estimated reliably due to the complexity of the cases, the time period they will last and the uncertainty of their outcome, the Group has not recognized a provision. As of 31.3.2017 the legal claims against the Bank for the above cases amount to €210.3 million.

According to the estimations of the Legal department, the ultimate settlement of the claims and lawsuits is not expected to have a material effect on the financial position or the operations of the Group.

### b. Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009. For 2010 a tax audit is currently in progress. For the years 2011 up to 2015 it has obtained a tax certificate with no qualifications. Former Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. For the years 2011 up to 2013 it has obtained a tax certificate with no qualifications.

The Bank's branches in London and Bulgaria have been audited by the tax authorities up to and including the years 2013 and 2016 respectively. For Bulgaria Branch, the tax audit for the year 2016 was completed in February 2017. 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 the Department of Registrar of Companies of Cyprus (August 2015), meanwhile it has ceased its operations from September 2014.

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) | 2014 |
| 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 Srbija A.D. | 2004 |
| 5. Alpha Bank Albania SH.A. | 2011 |
| **Leasing companies** | |
| 1. Alpha Leasing A.E.** | 2010 |
| 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 |

** *These companies received tax certificate for the years 2011 up to and including 2015 without any qualification. (note 3)*

*** *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 |
|---|---|
| **Asset Management** | |
| 1. Alpha Asset Management A.E.D.A.K. **/*** | 2009 |
| 2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation) | 2014 |
| **Insurance** | |
| 1. Alpha Insurance Agents A.E. **/*** | 2009 |
| 2. Alpha Insurance Brokers S.R.L. | 2005 |
| 3. Alphalife A.A.E.Z. **/*** (tax audit is in progress for the year 2010) | 2009 |
| **Real estate and hotel** | |
| 1. Alpha Astika Akinita A.E.** (tax audit is in progress for the year 2010) | 2009 |
| 2. Ionian Hotel Enterprises A.E. ** (the company was transferred on 16.12.2016) | 2011 |
| 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 (the company was transferred on 21.10.2016) | 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. | 2013 |
| 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. Alpha Investment Property Chanion A.E. (ex Anaplasis Plagias A.E.) (commencement of operation 2011) | * |
| 41. Asmita Gardens S.R.L. | 2010 |
| 42. Ashtrom Residents S.R.L. (commencement of operation 2006) | * |
| 43. Cubic Center Development S.A. (commencement of operation 2010) | * |
| 44. AGI-BRE Participations 5 EOOD (commencement of operation 2015) | * |
| 45. AGI-SRE Participations 1 DOO (commencement of operation 2016) | * |
| **Special purpose and holding entities** | |
| 1. Alpha Credit Group Plc (voluntary settlement of tax obligation) | 2014 |
| 2. Alpha Group Jersey Ltd | **** |

* *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 up to and including 2015 without any qualification (note 3).*

*** *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 |
|---|---|
| **Special purpose and holding entities (continued)** | |
| 3. Alpha Group Investments Ltd (commencement of operation 2006) | * |
| 4. Ionian Holdings A.E.**/*** (tax audit is in progress for the year 2010) | 2009 |
| 5. Ionian Equity Participations Ltd (commencement of operation 2006) | * |
| 6. Emporiki Group Finance Plc (voluntary settlement of tax obligation) | 2014 |
| 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) | 2014 |
| 11. Epihiro Plc (voluntary settlement of tax obligation) | 2014 |
| 12. Irida Plc (voluntary settlement of tax obligation) | 2014 |
| 13. Pisti 2010 - 1 Plc (voluntary settlement of tax obligation) | 2014 |
| 14. Alpha Shipping Finance Ltd (commencement of operation 2014) | * |
| 15.Alpha Proodos DAC (commencement of operation 2016) | * |
| 16. AGI-RRE Athena Ltd (commencement of operation 2011) | * |
| 17. AGI-RRE Poseidon Ltd (commencement of operation 2012) | * |
| 18. AGI-RRE Hera Ltd (commencement of operation 2012) | * |
| 19. Umera Ltd (commencement of operation 2012) | * |
| 20. AGI-BRE Participations 2 Ltd (commencement of operation 2011) | * |
| 21. AGI-BRE Participations 3 Ltd (commencement of operation 2011) | * |
| 22. AGI-BRE Participations 4 Ltd (commencement of operation 2010) | * |
| 23. Alpha Real Estate Services LLC (commencement of operation 2010) | * |
| 24. AGI-RRE Ares Ltd (commencement of operation 2010) | * |
| 25. AGI-RRE Venus Ltd (commencement of operation 2012) | * |
| 26. AGI-RRE Artemis Ltd (commencement of operation 2012) | * |
| 27. AGI-BRE Participations 5 Ltd (commencement of operation 2012) | * |
| 28. AGI-RRE Cleopatra Ltd (commencement of operation 2013) | * |
| 29. AGI-RRE Hermes Ltd (commencement of operation 2013) | * |
| 30. AGI-Cypre Arsinoe Ltd (commencement of operation 2013) | * |
| 31. AGI-SRE Ariadni Ltd (commencement of operation 2014) | * |
| 32. Zerelda Ltd (commencement of operation 2012) | * |
| 33. AGI-Cypre Alaminos Ltd (commencement of operation 2014) | * |
| 34. AGI-Cypre Tochni Ltd (commencement of operation 2014) | * |
| 35. AGI-Cypre Evagoras Ltd (commencement of operation 2014) | * |
| 36. AGI-Cypre Tersefanou Ltd (commencement of operation 2014) | * |
| 37. AGI-Cypre Mazotos Ltd (commencement of operation 2014) | * |
| 38. AGI-Cypre Ermis Ltd (commencement of operation 2014) | * |
| 39. AGI-SRE Participations 1 Ltd (commencement of operation 2016) | * |
| **Other companies** | |
| 1. Alpha Bank London Nominees Ltd | **** |
| 2. Alpha Trustees Ltd (commencement of operation 2002) | * |
| 3. Flagbright Ltd | **** |
| 4. Kafe Alpha A.E.**/*** | 2009 |
| 5. Alpha Supporting Services A.E.**/*** (tax audit is in progress for the year 2012) | 2009 |
| 6. Real Car Rental A.E.**/*** | 2009 |
| 7. Evisak A.E.**/*** | 2009 |
| 8. Emporiki Management A.E.*** | 2009 |
| 9. Alpha Bank Notification Services A.E. (commencement of operation 2015) | * |

* *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 up to and including 2015 without any qualification (note 3).*

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

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

### c. Operating leases

The Group's minimum future lease payments are:

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| - less than one year | 41,776 | 41,708 |
| - between one and five years | 101,309 | 104,517 |
| - over five years | 140,987 | 146,383 |
| **Total** | **284,072** | **292,608** |

The minimum future lease fees are:

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| - less than one year | 14,048 | 13,419 |
| - between one and five years | 46,778 | 43,754 |
| - over five years | 45,128 | 48,527 |
| **Total** | **105,954** | **105,700** |

### 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.

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| Letters of credit | 47,318 | 47,993 |
| Letters of guarantee and other guarantees | 3,407,890 | 3,519,793 |

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 31.3.2017 amounts to €394.5 million (31.12.2016: €494.7 million) and are included in the calculation of risk weighted assets.

### e. Assets pledged

Assets pledged, as at 31.3.2017 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 € 1.1 billion which have been provided as guarantee for derivative transactions.
- Deposits pledged to credit institutions amounting to € 0.06 billion which have been provided for Letter of Credit or Guarantee Letters issued by the Bank in order to facilitate clients' imports.
- Pledged deposits of € 3.2 million have been provided to the Resolution Fund as irrevocable payment commitment, as part of the 2016 contribution. This commitment must be fully covered by collateral exclusivelly in cash, as decided by Single Resolution Board.
- Loans and advances to customers:
  - i. an amount of nominal value of € 20.9 billion pledged to Central Banks for liquidity purposes.
  - ii. a carrying amount of € 3.09 billion which relates to corporate, consumer loans, receivables from finance lease agreements and credit cards has been securitized for the issuance of the Group's Special Purpose Entities' bonds of a nominal value of € 4.2 billion, which are held by the Bank and pledged to Central Banks at an

amount of €3.8 billion for liquidity purposes, while an amount of €0.37 billion has been given as collateral for repurchase agreements (repo).

iii. a carrying amount of €0.5 billion, which is related to securitized shipping loans, have been entitled from third parties for financing purposes through a Group's Special Purpose Entitiy amounting to €0.2 billion at 31.3.2017.

iv. a carrying amount of €0.6 billion which relates to corporate loans, have been securitized for the issuance of the Group's Special Purpose Entities' bonds which amounts to €0.6 billion on 31.3.2017, of which amount €0.3 billion are held by the Bank.

v. amount of nominal value €0.2 billion, which relates to corporate loans, has been given as collateral in terms of other acts of lending

- Securities held for trading and investment securities portfolio out of which:

i. A nominal value of €3.88 billion of Greek government securities, out of which a nominal amount of €3.34 billion has been pledged to Central Banks for liquidity purposes, an amount of €0.01 billion has been given as collateral in terms of other acts of lending, while a nominal amount of €0.53 billion has been given as collateral for repurchase agreements (repo). The above include an amount of nominal value €0.06 billion which relates to Greek Government securities received as collateral for reverse repos.

ii. An amount of nominal value €2.18 billion relates to securities issued by the European Financial Stability Facility (EFSF), that (a) the Bank received by the HFSF in the context of its participation to the share capital increase that was completed on 6.6.2013, (b) the Bank received by the HFSF due to the coverage of the difference between the values of assets and liabilities transferred from Cooperative Banks, (c) have been acquired in the secondary market and (d) have been acquired in the context of the implementation of short-term measures for public debt relief, out of which an amount of nominal value of €2.08 billion has been pledged to Central Banks with the purpose to participate in main refinancing operations and an amount of nominal value of €0.1 billion has been given as collateral for repurchase agreements (repo).

iii. an amount of € 0.34 billion which relates to other corporate securities, has been given as collateral for repurchase agreements (repo).

iv. an amount of €0.05 billion which relates to bonds issued by third parties, has been given to Central Banks for liquidity purposes.

v. an amount of €12.5 million of other government bonds has been pledged as a collateral for repurchase agreements (repo).

In addition, an amount of nominal value of €0.3 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, has been pledged as collateral for repurchase agreements (repo).

## 16. Group Consolidated Companies

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

### A. SUBSIDIARIES

| | | Group's ownership interest % | |
|---|---|---|---|
| **Name** | **Country** | **31.3.2017** | **31.12.2016** |
| **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 Srbija A.D. (23e) | Serbia | 100.00 | 100.00 |
| 5. Alpha Bank Albania SH.A. | Albania | 100.00 | 100.00 |
| **Leasing Companies** | | | |
| 1. Alpha Leasing A.E. | Greece | 100.00 | 100.00 |
| 2. Alpha Leasing Romania IFN S.A. | Romania | 100.00 | 100.00 |
| 3. ABC Factors A.E. | Greece | 100.00 | 100.00 |
| **Investment Banking** | | | |
| 1. Alpha Finance A.E.P.E.Y. | Greece | 100.00 | 100.00 |
| 2. SSIF Alpha Finance Romania S.A. | Romania | 100.00 | 100.00 |
| 3. Alpha A.E. Investment Holdings | Greece | 100.00 | 100.00 |

| Name | Country | Group's ownership interest % 31.3.2017 | Group's ownership interest % 31.12.2016 |
|---|---|---|---|
| 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. (23b) | Greece | 100.00 | 100.00 |
| **Real estate and hotel** | | | |
| 1. Alpha Astika Akinita A.E. | Greece | 93.17 | 93.17 |
| 2. Oceanos A.T.O.E.E. | Greece | 100.00 | 100.00 |
| 3. Emporiki Development and Real Estate Management A.E. | Greece | 100.00 | 100.00 |
| 4. Alpha Real Estate D.O.O. Beograd | Serbia | 93.17 | 93.17 |
| 5. Alpha Real Estate Bulgaria E.O.O.D. | Bulgaria | 93.17 | 93.17 |
| 6. Chardash Trading E.O.O.D. | Bulgaria | 93.17 | 93.17 |
| 7. Alpha Real Estate Services S.R.L. | Romania | 93.17 | 93.17 |
| 8. Alpha Investment Property Chalandriou A.E. | Greece | 100.00 | 100.00 |
| 9. Alpha Investment Property Attikis A.E. | Greece | 100.00 | 100.00 |
| 10. Alpha Investment Property Attikis II A.E. | Greece | 100.00 | 100.00 |
| 11. Alpha Investment Property Amarousion I A.E. | Greece | 100.00 | 100.00 |
| 12. Alpha Investment Property Amarousion II A.E. | Greece | 100.00 | 100.00 |
| 13. AGI-RRE Participations 1 S.R.L. | Romania | 100.00 | 100.00 |
| 14. AGI-BRE Participations 1 E.O.O.D. (23i) | Bulgaria | 100.00 | 100.00 |
| 15. Stockfort Ltd | Cyprus | 100.00 | 100.00 |
| 16. Romfelt Real Estate S.A. | Romania | 98.86 | 98.86 |
| 17. AGI-RRE Zeus S.R.L. | Romania | 100.00 | 100.00 |
| 18. AGI-RRE Athena S.R.L. | Romania | 100.00 | 100.00 |
| 19. AGI-RRE Poseidon S.R.L. | Romania | 100.00 | 100.00 |
| 20. AGI-RRE Hera S.R.L. | Romania | 100.00 | 100.00 |
| 21. AGI-BRE Participations 2 E.O.O.D. | Bulgaria | 100.00 | 100.00 |
| 22. AGI-BRE Participations 2BG E.O.O.D. | Bulgaria | 100.00 | 100.00 |
| 23. AGI-BRE Participations 3 E.O.O.D. | Bulgaria | 100.00 | 100.00 |
| 24. AGI-BRE Participations 4 E.O.O.D. | Bulgaria | 100.00 | 100.00 |
| 25. APE Fixed Assets A.E. | Greece | 72.20 | 72.20 |
| 26. SC Cordia Residence S.R.L. | Romania | 100.00 | 100.00 |
| 27. HT-1 E.O.O.D. | Bulgaria | 100.00 | 100.00 |
| 28. AGI-RRE Venus S.R.L.* | Romania | 100.00 | 100.00 |
| 29. AGI-RRE Cleopatra S.R.L. | Romania | 100.00 | 100.00 |
| 30. AGI-RRE Hermes S.R.L.* | Romania | 100.00 | 100.00 |
| 31. SC Carmel Residential S.R.L. | Romania | 100.00 | 100.00 |
| 32. Alpha Investment Property Neas Kifisias A.E. | Greece | 100.00 | 100.00 |
| 33. Alpha Investment Property Kallirois A.E. | Greece | 100.00 | 100.00 |
| 34. Alpha Investment Property Livadias A.E. | Greece | 100.00 | 100.00 |
| 35. AGI-SRE Ariadni D.O.O. | Serbia | 100.00 | 100.00 |
| 36. Asmita Gardens SRL | Romania | 100.00 | 100.00 |
| 37. Alpha Investment Property Kefalariou A.E. (23a, 23f) | Greece | 54.17 | 100.00 |
| 38. Ashtrom Residents S.R.L. | Romania | 100.00 | 100.00 |
| 39. AGI-BRE Participations 5 E.O.O.D. | Bulgaria | 100.00 | 100.00 |
| 40. Cubic Center Development S.A. | Romania | 100.00 | 100.00 |
| 41. Alpha Investment Property Neas Erythreas A.E. | Greece | 100.00 | 100.00 |
| 42. Alpha Investment Property Chanion A.E. (former Anaplasis Plagias A.E.) | Greece | 100.00 | 100.00 |
| 43. AGI-SRE Participations 1 D.O.O. | Serbia | 100,00 | 100,00 |

* *These companies do not have financial activity*

| Name | Country | Group's ownership interest % 31.3.2017 | 31.12.2016 |
|---|---|---|---|
| **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 (23a, 23f) | 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 | 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. Alpha Proodos DAC | Ireland | | |
| 16. AGI-RRE Athena Ltd | Cyprus | 100.00 | 100.00 |
| 17. AGI-RRE Poseidon Ltd | Cyprus | 100.00 | 100.00 |
| 18. AGI-RRE Hera Ltd | Cyprus | 100.00 | 100.00 |
| 19. Umera Ltd | Cyprus | 100.00 | 100.00 |
| 20. AGI-BRE Participations 2 Ltd | Cyprus | 100.00 | 100.00 |
| 21. AGI-BRE Participations 3 Ltd | Cyprus | 100.00 | 100.00 |
| 22. AGI-BRE Participations 4 Ltd | Cyprus | 100.00 | 100.00 |
| 23. Alpha Real Estate Services LLC | Cyprus | 93.17 | 93.17 |
| 24. AGI-RRE Ares Ltd | Cyprus | 100.00 | 100.00 |
| 25. AGI-RRE Venus Ltd | Cyprus | 100.00 | 100.00 |
| 26. AGI-RRE Artemis Ltd | Cyprus | 100.00 | 100.00 |
| 27. AGI-BRE Participations 5 Ltd | Cyprus | 100.00 | 100.00 |
| 28. AGI-RRE Cleopatra Ltd | Cyprus | 100.00 | 100.00 |
| 29. AGI-RRE Hermes Ltd | Cyprus | 100.00 | 100.00 |
| 30. AGI-RRE Arsinoe Ltd | Cyprus | 100.00 | 100.00 |
| 31. AGI-SRE Ariadni Ltd | Cyprus | 100.00 | 100.00 |
| 32. Zerelda Ltd | Cyprus | 100.00 | 100.00 |
| 33. AGI-Cypre Alaminos Ltd | Cyprus | 100.00 | 100.00 |
| 34. AGI-Cypre Tochni Ltd | Cyprus | 100.00 | 100.00 |
| 35. AGI-Cypre Evagoras Ltd | Cyprus | 100.00 | 100.00 |
| 36. AGI-Cypre Tersefanou Ltd | Cyprus | 100.00 | 100.00 |
| 37. AGI-Cypre Mazotos Ltd | Cyprus | 100.00 | 100.00 |
| 38. AGI-Cypre Ermis Ltd (23g) | Cyprus | 100.00 | 100.00 |
| 39. AGI-SRE Participations 1 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. Kafe Alpha A.E. | Greece | 100.00 | 100.00 |
| 4. Alpha Supporting Systems A.E. | Greece | 100.00 | 100.00 |
| 5. Real Car Rental A.E. | Greece | 100.00 | 100.00 |
| 6. Evisak A.E. | Greece | 85.71 | 85.71 |
| 7. Emporiki Management A.E. | Greece | 100.00 | 100.00 |
| 8. Alpha Bank Notification Services A.E. | Greece | 100.00 | 100.00 |

**b. Joint ventures**

| | | | |
|---|---|---|---|
| 1. APE Commercial Property A.E. | Greece | 72.20 | 72.20 |
| 2. APE Investment Property A.E. | Greece | 72.80 | 72.80 |
| 3. Alpha TANEO A.K.E.S. | Greece | 51.00 | 51.00 |
| 4. Rosequeens Properties Ltd. | Cyprus | 33.33 | 33.33 |
| 5. Cepal Holdings A.E. (23c) | Greece | 45.00 | 45.00 |

APE Investment Property A.E. constitutes the parent company of the group of companies, in which the subsidiaries SYMET A.E., Astakos Terminal A.E., Akarport A.E. and NA.VI.PE A.E. are included. Furthemore, Rosequeens Properties Ltd. and Cepal Holdings A.E. are the parent companies of the groups companies with subsidiaries the companies Rosequeens S.R.L. and Cepal Hellas Financial Services Societe Anonyme for the Management of Receivables from Loans and Credits respectively. The Group accounts for the above groups of companies under the equity method based on the consolidated financial statements.

**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 |
| 6. Alpha Investment Property Elaionas A.E. | Greece | 50.00 | 50.00 |
| 7. Selonda Aquaculture A.E.G.E. | Greece | 21.97 | 21.97 |
| 8. Nireus Aquaculture A.E. | Greece | 20.65 | 20.65 |

During the current period the Bank acquired 47% of the share capital of the company Famar S.A at a price of four euro and seventy cents.

This acquisition of the shares by the Bank as well as by three other Greek banks, lenders of the company, took place within the context of the French pre-bankruptcy procedure, that Famar entered into with a view to its restructuring. At the same time, the banks and a loan management company entered into an agreement, which determines the way of decision making regarding the management of Famar, in order to maximize the recovery potential of the value of the loans granted to the company by the Greek Banks.

In addition, it is noted that according to Famar's Articles of Association, there are corporate issues for which decision making is based on the number of shareholders instead of the percentage of shares held.

The company's shares are pledged for loans granted by the aforementioned Greek banks to the previous shareholder of Famar, both before and after the restructuring agreement.

The Group assesses the overall restructuring agreement and the individual contract documents and agreements between the parties, in order to determine the final classification of the acquired shares under this agreement, in conjuction with the loan restructuring process concerning the previous shareholder, which is in progress.

Consolidated financial statements do not include Commercial Bank of London Ltd which is a dormant company and Smelter Medical Systems A.E., Aris Diomidis Emporiki S.A., Metek S.A. and Flagbright Ltd, which have been fully impaired and are in the process of liquidation. The Group hedges the foreign exchange risk arising from the net investment in subsidiaries through the use of derivatives in their functional currency.

## 17. Operating segment

(Amounts in million of Euro)

| | 1.1 - 31.3.2017 | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Retail Banking** | **Corporate Banking** | **Asset Management/ Insurance** | **Investment Banking/ Treasury** | **South Eastern Europe** | **Other** | **Group** |
| Net interest income | 241.4 | 159.7 | 3.3 | 16.5 | 60.7 | 0.9 | 482.5 |
| Net fee and commission income | 25.8 | 29.8 | 11.2 | 2.4 | 6.1 | 0.4 | 75.7 |
| Other income | 2.4 | 3.2 | 0.6 | 29.1 | 3.3 | 4.5 | 43.1 |
| **Total income** | **269.6** | **192.7** | **15.1** | **48.0** | **70.1** | **5.8** | **601.3** |
| **Total expenses** | **(158.7)** | **(39.2)** | **(7.6)** | **(7.0)** | **(41.6)** | **(25.1)** | **(279.2)** |
| Impairment losses | (132.1) | (78.4) | | | (36.3) | | (246.8) |
| **Profit/(Loss) before income tax** | **(21.2)** | **75.1** | **7.5** | **41.0** | **(7.8)** | **(19.3)** | **75.3** |
| Income tax | | | | | | | (28.0) |
| **Profit/(Loss) after income tax from continuing operations** | | | | | | | **47.3** |
| Profit/(Loss) from discontinued operations | | | | | 0.9 | | 0.9 |
| **Profit/(Loss) after income tax** | | | | | | | **48.2** |
| Assets 31.3.2017 | 23,984.5 | 15,990.3 | 389.2 | 9,941.9 | 8,136.2 | 5,676.3 | 64,118.4 |
| Liabilities 31.3.2017 | 22,042.7 | 5,722.1 | 1,519.6 | 19,540.4 | 5,905.9 | 170.0 | 54,900.7 |

(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 | 176.6 | 4.0 | (23.7) | 63.2 | 0.4 | 476.0 |
| Net fee and commission income | 26.3 | 33.7 | 8.1 | 2.2 | 6.3 | 0.5 | 77.1 |
| Other income | 1.5 | 2.6 | (0.4) | (9.5) | 7.0 | 13.0 | 14.2 |
| **Total income** | **283.3** | **212.9** | **11.7** | **(31.0)** | **76.5** | **13.9** | **567.3** |
| **Total expenses*** | **(159.9)** | **(37.4)** | **(6.6)** | **(7.2)** | **(46.5)** | **(12.4)** | **(270.0)** |
| Impairment losses | (69.3) | (152.8) | | | (33.8) | | (255.9) |
| Provision for voluntary separation scheme cost | | | | | (31.0) | | (31.0) |
| **Profit/(Loss) before income tax** | **54.1** | **22.7** | **5.1** | **(38.2)** | **(34.8)** | **1.5** | **10.4** |
| Income tax | | | | | | | (14.9) |
| **Profit/(Loss) after income tax from continuing operations** | | | | | | | **(4.5)** |
| Profit/(Loss) from discontinued operations | | | | | 2.3 | | 2.3 |
| **Profit/(Loss) after income tax** | | | | | | | **(2.2)** |
| Assets 31.12.2016 | 24,887.3 | 15,379.1 | 380.7 | 10,436.6 | 8,813.3 | 4,975.3 | 64,872.3 |
| Liabilities 31.12.2016 | 22,459.0 | 5,809.3 | 1,658.7 | 19,634.3 | 6,125.6 | 72.0 | 55,758.9 |

* *Excluding provision for voluntary separation scheme cost.*

**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, entrerprises 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 the subsidiary company Alpha Leasing A.E. as well as factoring services which are provided by the subsidiary company ABC Factors A.E.

**iii. Asset Management/Insurance**

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 subsidiaries, Alpha Bank AD Skopje and Alpha Bank Srbija A.D., are not included anymore in the results of the continuing activities in this sector, the financial results of which are included in the caption "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.

The assets of the operating segments "Retail" and "Corporate Banking" include the following figures of the Bank's loans, and the loans of ABC Factors SA και Alpha Leasing SA which are being managed by the non performing loans retail and wholesale banking units, based on Bank's internal procedures. The relevant figures for the foreign subsidiaries are included in the operating segment South-Eastern Europe.

| | 31.3.2017 | | | 31.12.2016 | | |
|---|---|---|---|---|---|---|
| | **Balance before Impairment** | **Accumulated Impairment** | **Balance after Impairment** | **Balance before Impairment** | **Accumulated Impairment** | **Balance after Impairment** |
| Mortgages | 7,692,272 | 2,330,927 | 5,361,345 | 7,655,203 | 2,032,511 | 5,622,692 |
| Consumer | 4,379,910 | 2,356,165 | 2,023,745 | 4,336,599 | 2,394,214 | 1,942,385 |
| Corporate Loans | 13,927,988 | 7,649,178 | 6,278,810 | 14,030,221 | 7,785,885 | 6,244,336 |
| **Total** | **26,000,170** | **12,336,270** | **13,663,900** | **26,022,023** | **12,212,610** | **13,809,413** |

## 18. 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:

| | 31.3.2017 | | 31.12.2016 | |
|---|---|---|---|---|
| **Portfolio** | **Nominal value** | **Carrying amount** | **Nominal value** | **Carrying amount** |
| Available for sale | 4,095,770 | 3,528,192 | 4,175,594 | 3,589,720 |
| Trading | 4,499 | 3,390 | 2,861 | 2,256 |
| **Total** | **4,100,269** | **3,531,582** | **4,178,455** | **3,591,976** |

All Greek Government securities are classified in level 1 based on the quality of inputs used for the estimation of their fair value. Furthermore, the securities issued by public sector entities/organizations amounted to €151.1 million on 31.3.2017 (31.12.2016: €151.9 million).

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

#### On balance sheet exposure

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| | **Carrying amount** | **Carrying amount** |
| Derivative financial instruments – assets | 315,744 | 342,737 |
| Derivative financial instruments – liabilities | (65,871) | (69,299) |

Derivative financial liabilities to public sector entities/organizations amounted to €1.8 million on 31.3.2017 (31.12.2016: €8.4 million).

The Group's exposure in loans to public sector entities/organizations on 31.3.2017 amounted €1,092.7 million (31.12.2016: €1,112 million). The Group for the above receivables has recognized impairment amounted to €48.0 million as at 31.3.2017 (31.12.2016: € 49.1 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 31.3.2017 amounted to €710.5 million (31.12.2016: €720.6 million). For these loans the Group has recognized impairment amounted to €147.8 million as at 31.3.2017 (31.12.2016: €149.2 million).

#### Off balance sheet exposure

| | 31.3.2017 | | 31.12.2016 | |
|---|---|---|---|---|
| | **Nominal value** | **Carrying amount** | **Nominal value** | **Carrying amount** |
| Greek Government Treasury Bills received as guarantee for financing | 56,100 | 55,939 | 56,373 | 57,162 |

### ii. Exposure to other peripheral Eurozone countries debt

The Group holds in its available for sale portfolio, bonds and treasury bills of the Republic of Cyprus with a book value of €143.8 million (31.12.2016: €114.5 million), bonds issued by the Italian Republic with a book value of €9.6 million (31.12.2016: €9.8 million) and bonds issued by the Spanish Republic with a book value of €10.7 million (31.12.2016: €10.8 million).

The Group as at 31.3.2017 had no exposure to securities issued by Portugal and Ireland.

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

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

| | 31.3.2017 | | 31.12.2016 | |
|---|---|---|---|---|
| | Fair value | Carrying amount | Fair value | Carrying amount |
| **Financial Assets** | | | | |
| Loans and advances to customers | 43,854,915 | 44,177,870 | 44,102,220 | 44,408,760 |
| Investments securities | | | | |
| - Held to maturity | 32,978 | 35,730 | 41,859 | 44,999 |
| - Loans and receivables | 2,423,593 | 2,376,576 | 2,743,600 | 2,682,655 |
| **Financial Liabilities** | | | | |
| Due to customers | 33,068,856 | 33,089,881 | 32,913,723 | 32,946,116 |
| Debt securities in issue [1] | 563,611 | 566,026 | 599,743 | 602,870 |

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

The fair value of loans and advances to customers 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 above mentioned 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 by 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

| | 31.3.2017 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total Fair value |
| Derivative financial assets | 3,862 | 571,062 | 4,700 | 579,624 |
| Securities held for trading | | | | |
| - Bonds and treasury bills | 7,558 | | | 7,558 |
| - Shares | 2,391 | | | 2,391 |
| Available for sale securities | | | | |
| - Bonds and treasury bills | 4,764,892 | 553,375 | 16,953 | 5,335,220 |
| - Shares | 59,406 | 20,267 | 43,584 | 123,257 |
| - Other variable yield securities | 29,275 | | | 29,275 |
| Derivative financial liabilities | 1 | 1,265,526 | | 1,265,527 |

[1] *On 31.12.2016 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 convertible bond loan matured on 1.02.2017.*

| | 31.12.2016 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total Fair value** |
| Derivative financial assets | 4,224 | 624,740 | 5,359 | 634,323 |
| Securities held for trading | | | | |
| - Bonds and treasury bills | 2,256 | | | 2,256 |
| - Shares | 2,445 | | | 2,445 |
| Available for sale securities | | | | |
| - Bonds and treasury bills | 4,686,091 | 345,803 | 16,987 | 5,048,881 |
| - Shares | 68,945 | 18,048 | 46,326 | 133,319 |
| - Other variable yield securities | 34,853 | | | 34,853 |
| Derivative financial liabilities | | 1,336,227 | | 1,336,227 |
| Convertible bond loan | | | 13,995 | 13,995 |

The tables above present the hierarchy levels of financial instruments which are measured at fair value 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.

Shares whose fair value is estimated are classified to Level 2 or Level 3, depending on the extent of the contribution of unobservable data to calculate final fair value. 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.

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

Within the period ended 31.3.2017, €11.5 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:

| | 31.3.2017 | | | |
|---|---|---|---|---|
| | **Total fair value** | **Fair value** | **Valuation method** | **Significant non-observable inputs** |
| Derivative financial liabilities | 4,700 | 4,522 | 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 (BCVA adjustment) is calculated with an internal model |
| | | 178 | Discounted cash flows with interest rates being the underlying instrument | Valuation of reserve adequacy for payment of hybrid secutities' dividends |
| Available for sale bonds | 16,953 | 16,953 | Based on issuer price / Discounted cash flows with estimation of credit risk | Issuer price / Credit spread |
| Available for sale shares | 43,584 | 43,584 | Discounted cash flows – Multiples valuation method | Future profitability of the issuer |

| | 31.12.2016 | | | |
|---|---|---|---|---|
| | **Total fair value** | **Fair value** | **Valuation method** | **Significant non-observable inputs** |
| Derivative financial liabilities | 5,359 | 5,226 | 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 (BCVA adjustment) is calculated with an internal model |
| | | 133 | Discounted cash flows with interest rates being the underlying instrument | Valuation of reserve adequacy for payment of hybrid secutities' dividends |
| Available for sale bonds | 16,987 | 16,987 | Based on issuer price / Discounted cash flows with estimation of credit risk | Issuer price / Credit spread |
| Available for sale shares | 46,326 | 46,326 | Discounted cash flows – Multiples valuation method | Future profitability of the issuer |
| Convertible bond loan | 13,995 | 13,995 | Discounted cash flows – Multiples valuation method | Assessment of issuers market price |

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

| | 31.3.2017 | | | |
|---|---|---|---|---|
| | **Assets** | | **Liabilities** | |
| | **Available for sale securities** | **Derivative financial assets** | **Derivative financial liabilites** | **Convertible bond loan** |
| **Opening balance 1.1.2017** | **63,313** | **5,359** | | **(13,995)** |
| Total gain or loss recognized in the income statement | (3) | 191 | | |
| Total gain or loss recognized directly in equity | (325) | | | 1,790 |
| Purchases/issues | 16 | | | |
| Sales/repayments/settlements | (2,454) | | | 12,205 |
| Transfers from level 3 to level 2 | (10) | (850) | | |
| **Balance 31.3.2017** | **60,537** | **4,700** | | **-** |
| Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1–31.3.2017 | (4) | 193 | | |

During the period ended 31.3.2017, a bond amounting to €10 thousand was transferred from Level 3 to Level 2 as observable data were used for its valuation. In addition a transfer of derivative financial assets from Level 3 to Level 2 occurred since the probability of default and loss given default of the counterparty calculated using an internal model due to the credit risk (BCVA adjustment), the above parameter did not contribute significantly in the final valuation of those derivatives.

| | 31.12.2016 | | | |
|---|---|---|---|---|
| | Assets | | Liabilities | |
| | Available for sale securities | Derivative financial assets | Derivative financial liabilites | 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)** |
| **Changes for the period 1.4 - 31.12.2016** | | | | |
| Total gain or loss recognized in the income statement | (525) | (359) | 119 | 6,255 |
| Total gain or loss recognized directly in equity | 3,774 | | | |
| Purchases/Issues | 204 | | | |
| Sales/repayments/settlements | (6,016) | (532) | 638 | |
| Transfers to Level 3 from Level 1 | 4,838 | | | |
| Transfers to Level 3 from Level 2 | | 4,524 | (1,570) | |
| Transfers from Level 3 to Level 1 | (932) | | | |
| Transfers from Level 3 to Level 2 | | (1,360) | 813 | |
| **Balance 31.12.2016** | **63,313** | **5,359** | **-** | **(13,995)** |
| 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 - 31.3.2016 | 139 | (444) | | 4,350 |

In 2016, €4.8 million of shares were transferred from Level 1 to Level 3 as non-observable data were used for their valuation and €0.9 million of shares were transferred from Level 3 to Level 1 as for their valuation observable stock market price was used.

A transfer of derivative financial assets from Level 2 to Level 3 occurred as the probability of default and loss given default of the counterparty calculated using an internal model due to the  credit risk (BCVA adjustment) effected significally the final valuation. On 31.12.2016 the above parameter did not contribute significantly in the final valuation of those derivatives resulting in getting transferred to Level 2.

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

| | Significant non-observable inputs | Significant non-observable inputs change | Total effect in income statement | | Total effect in Equity | |
|---|---|---|---|---|---|---|
| | | | Favourable Variation | Unfavourable Variation | Favourable Variation | Unfavourable Variation |
| Derivative Financial Assets | The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model | Increase the probability of default through reduction of internal ratings by 2 scales/ Increase the loss given default by 10% | | (780) | | |
| | Assessment of the adequacy of reserves for the payment of hybrid securities dividends | Increase the probability of dividend payments to 100% | | (119) | | |
| Available for sale bonds | Issuer Price/ Credit spread | Variation +/- 10% | | | 588 | (578) |
| Available for sale shares | Future profitability of the Issuer | Variation +/- 10% in P/B and EV/Sales ratios (multiples valuation method) | | | 1,432 | (1,430) |
| **Total** | | | | **(899)** | **2,020** | **(2,008)** |

## 20. Capital adequacy

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

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

The Group is allowed to purchase treasury shares based on the terms and conditions of the 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) that the Group has to comply with are stipulated by the Bank of Greece Governor's Acts.

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.

On January 1, 2014 the EU Directive 2013/36/EU of the European Parliament and the European Council dated June 26, 2013 came into force, and was transposed into Greek legislation by 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 the effective 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 1.1.2016 and gradually until 31.12.2019.

In particular:

- from 1.1.2017 a capital buffer of 1.25% 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:
  - o Countercyclical capital buffer rate for the first semester of 2017, "zero percent" (Act 107 / 19.12.2016 & Act 115 / 15.03.2017)
  - o 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.

| | **31.3.2017 (estimation)** | **31.12.2016** |
|---|---|---|
| Common Equity Tier I | 17.2% | 17.1% |
| Tier I | 17.2% | 17.1% |
| **Capital adequacy ratio** | **17.2%** | **17.1%** |

On 8 December 2016, the ECB by a relative decision informed Alpha Bank that for 2017 the minimum limit for the Overall Capital Requirement (OCR) is 12,25%. The OCR is composed of the minimum own fund requirements (8%), according to article 92(1) of the CRR and additional own fund requirements (P2R), according to article 16(2)(a) of the Regulation 1024/2013/EU, and also the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU. The above minimum ratio should be maintained on a phase-in basis under applicable transitional rules under CRR/CRD IV, at all times.

## 21. 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:

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| **Assets** | | |
| Loans and advances to customers | 850 | 916 |
| **Liabilities** | | |
| Due to customers | 11,509 | 12,302 |
| Debt securities in issue | | |
| **Employee defined benefit obligations** | 262 | 260 |
| **Total** | **11,771** | **12,562** |
| **Letters of guarantee and approved limits** | **1,500** | **1,500** |

| | From 1 January to | |
|---|---|---|
| | 31.3.2017 | 31.3.2016 |
| **Income** | | |
| Interest and similar income | 8 | 24 |
| Fee and commission income | 2 | 33 |
| **Total** | **10** | **57** |
| **Expenses** | | |
| Interest expense and similar charges | 6 | 20 |
| Fees paid to key management personnel and close family members | 819 | 780 |
| **Total** | **825** | **800** |

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

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| **Assets** | | |
| Loans and advances to customers | 230,576 | 229,559 |
| Other assets | 226 | 229 |
| **Total** | **230,802** | **229,788** |
| **Liabilities** | | |
| Due to customers | 21,511 | 22,642 |

| | From 1 January to | |
|---|---|---|
| | 31.3.2017 | 31.3.2016 |
| **Income** | | |
| Interest and similar income | 1,320 | 1,417 |
| Fee and commission income | 1 | 1 |
| Other income | 53 | 56 |
| **Total** | **1,374** | **1,474** |
| **Expenses** | | |
| Interest expense and similar charges | 20 | 47 |
| Other expenses | | 367 |
| **Total** | **20** | **414** |

**c.** The Employee's Supplementary Fund maintains deposits with the Bank amounting to €235 (31.12.2016: €296).

**d.** The Hellenic Financial Stability Fund (HFSF) exerts significant influence on the Bank. In particular, according to Law 3864/2010 and the Relationship Framework Agreement (RFA) signed on 23.11.2015, which replaced the previous signed in 2013, HFSF has participation 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 | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| **Income** | | |
| Fee and commission income | 2 | 2 |

## 22. Current assets held for sale and discontinued operations

The Bank under the approved from the European Commission Restructuring Plan (Note 42 of the consolidated financial statements 31.12.2016) and the fulfillment of the relevant commitment relating to the deleveraging of part of the assets of its international activities, proceeded to the sale of the operations of its branch in Bulgaria, to the sale of Alpha Bank A.D. Skopje and Ionian Hotel Enterprises S.A., while the Bank also commenced the sale of Alpha Bank Srbija A.D., APE Fixed Assets S.A., APE Commercial Property S.A. and APE Investment Property S.A.

### 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 the Bank's branch in Bulgaria to Eurobank's subsidiary in Bulgaria (PostBank). On 6.11.2015 the Bank and Postbank signed the 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.

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 the caption "Profit/(loss) after tax income from discontinued operations" in the Income Statement.

On 1.3.2016 the disposal and the transfer of shares was completed and the Group adjusted prior recorded loss from the disposal of the Branch with the final net assets as of that date.

### 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.

(Amounts in thousand of Euro)

| | From 1 January to | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| Interest and similar income | | 3,123 |
| Interest expense and similar charges | | (556) |
| Net interest income | - | 2,567 |
| Fee and commission income | | 842 |
| Commission expense | | (74) |
| Net fee and commission income | - | 768 |
| Gains less losses on financial transactions | | 64 |
| Other income | | 79 |
| **Total income** | **-** | **3,478** |
| Staff costs | | (1,575) |
| General administrative expenses | | (2,042) |
| Depreciation and amortization | | (397) |
| Other expenses | | (30) |
| **Total expenses** | **-** | **(4,044)** |
| Impairment losses and provisions to cover credit risk | | 1,563 |
| **Profit/(loss) before income tax** | **-** | **997** |
| Income tax | | |
| **Profit/ (loss) after income tax** | **-** | **997** |
| Loss from the disposal after income tax | | (290) |
| **Profit/(loss) after income tax from discontinued operations** | **-** | **707** |

The amount of cash and cash equivalents of 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 of selling its subsidiary Alpha Bank AD Skopje (ABS). 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").

Based on the above, on 31.12.2015 ABS assets and the related liabilities satisfy the conditions for classification as "held for sale" in accordance with IFRS 5, while its operations, which constitute a distinct geographical area for the Group, included in the Southeast Europe segment for operating segment disclosure purposes, have been classified as "discontinued operations".

The disposal was completed on 10.5.2016 for a total amount of €3.2 million.

### 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.

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

**Income Statement and Statement of Comprehensive Income**

(Amounts in thousand of Euro)

| | From 1 January to | |
|---|---|---|
| | **31.3.2017** | **31.3.2016** |
| Interest and similar income | | 1,096 |
| Interest expense and similar charges | | (296) |
| Net interest income | - | 800 |
| Fee and commission income | | 283 |
| Commission expense | | (128) |
| Net fee and commission income | - | 155 |
| Gains less losses on financial transactions | | 64 |
| Other income | | 24 |
| **Total income** | - | **1,043** |
| Staff costs | | (681) |
| General administrative expenses | | (475) |
| Amortization | | (101) |
| Other expenses | | (52) |
| **Total expenses** | - | **(1,309)** |
| Impairment losses and provisions to cover credit risk | | (521) |
| **Profit/(losses) before income tax** | - | **(787)** |
| Income tax | | 21 |
| **Profit /(losses) after income tax, from discontinued operations** | - | **(766)** |
| Exchange differences on translating and hedging the net investment in foreign operations | | (47) |
| **Amounts that may be reclassified in the Income Statement from discontinued operations** | **-** | **(47)** |
| **Total Comprehensive Income after income tax** | **-** | **(813)** |

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

**Alpha Bank Srbija A.D.**

In the fourth quarter of 2016, the Bank initiated the procedures in order to sell its subsidiary Alpha Bank Srbija A.D. In this context, on 30.1.2017, the Bank agreed with a potential buyer, to sell all the shares owned. The contract was signed on 23.2.2017 while the completion of transaction is subject to obtaining the relevant regulatory approvals. In addition to the transfer of all shares of the subsidiary, the agreement includes the assignment of a subordinated debt contract, which amounts to €27.11 million and was granted to the subsidiary by the Bank.

Based on the above, on 31.12.2016 the total assets of Alpha Bank Srbija A.D. and the related liabilities met the criteria set under IFRS 5 to be classified as assets held for sale, while its business activities, which constitute a distinct geographical area of operation for the Group and are included in South East Europe segment for operating segment disclosure purposes, have been characterized as discontinued operations.

Consequently, for the purpose of the preparation of financial statements for the year ended 31.12.2016, the Group valued the subsidiary's assets and liabilities at the lower of carrying amount and fair value less cost to sell, recognizing a loss of €72,722 in the caption "Profit/(Loss) after tax from discontinued operations". Taking into account the classification of subsidiary as held for sale and the tax laws, at this caption was also recorded a deferred tax income of amount €84,441 which was calculated as the difference between the carrying amount of assets and liabilities and their tax base, resulting in a profit after tax which amounts to €11,719. After the above valuation, on 31.3.2017 the assets of Alpha Bank Srbija A.D. amounted to €436.756 (31.12.2016: €512,403), its liabilities to €390.860 (31.12.2016: €406,058), while the amounts that have been recognized directly in equity amounted to a loss of €69.367 (31.12.2016: €68,457). It should be noted that the amount that has been recognized directly in equity will be reclassified to income statement when the sale of subsidiary takes place.

On 11.4.2017 the transfer of all shares of Alpha Bank Srbija A.D was completed.

The above figures of subsidiary are analyzed as follows:

## Balance sheet

(Amounts in thousand of Euro)

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| **ASSETS** | | |
| Cash and balances with Central Banks | 69,629 | 74,172 |
| Due from banks | 30,497 | 39,041 |
| Loans and advances to customers | 319,558 | 344,244 |
| Investment securities | | |
| - Available for sale | 56,822 | 93,225 |
| Investment property | 5,470 | 5,593 |
| Property, plant and equipment | 19,546 | 19,721 |
| Goodwill and other intangible assets | 1,393 | 1,366 |
| Deferred tax assets | 3,544 | 3,555 |
| Other assets | 3,381 | 3,758 |
| | 509,840 | 584,675 |
| Valuation at fair value | (73,084) | (72,272) |
| **Assets held for sale** | **436,756** | **512,403** |
| **LIABILITIES** | | |
| Due to banks | 7,192 | 16,635 |
| Due to customers (including debt securities in issue) | 377,446 | 385,367 |
| Liabilities for current income tax and other taxes | 58 | 579 |
| Defined benefit obligations to employees | 222 | 222 |
| Other liabilities | 5,183 | 2,332 |
| Provisions | 759 | 923 |
| **Liabilities related to assets held for sale** | **390,860** | **406,058** |
| **Amounts recognized directly in Equity related to assets held for sale** | **(69,367)** | **(68,457)** |

## Income Statement and Statement of Comprehensive Income

(Amounts in thousand of Euro)

| | From 1 January to | |
|---|---|---|
| | 31.3.2017 | 31.3.2016 |
| Interest and similar income | 6,344 | 8,253 |
| Interest expense and similar charges | (1,245) | (1,336) |
| Net interest income | 5,099 | 6,917 |
| Fee and commission income | 1,742 | 1,803 |
| Commission expense | (441) | (345) |
| Net fee and commission income | 1,301 | 1,458 |
| Gains less losses on financial transactions | 616 | 69 |
| Other income | 148 | 279 |
| **Total income** | **7,164** | **8,723** |
| Staff costs | (2,628) | (2,940) |
| General administrative expenses | (3,655) | (3,631) |
| Amortization | | (530) |
| Other expenses | (19) | (16) |
| **Total expenses** | **(6,302)** | **(7,117)** |
| Impairment losses and provisions to cover credit risk | 1,113 | 768 |
| **Profit/(losses) before income tax** | **1,975** | **2,374** |
| Income tax | | 2 |
| **Profit /(losses) after income tax** | **1,975** | **2,376** |
| Valuation result after income tax | (1,065) | |
| **Profit /(losses) after income tax, from discontinued operations** | **910** | **2,376** |
| Net change in the reserve from available for sale securities | (601) | (362) |
| Exchange differences on translating and hedging the net investment in foreign operations | (309) | (789) |
| **Amounts that may be reclassified in the Income Statement** | **(910)** | **(1,151)** |
| **Total Comprehensive Income after income tax** | **-** | **1,225** |

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

In June 2016 consultants were engaged and the liquidation procedure of the Bank's participations in APE Fixed Assets SA, APE Commercial Property SA and APE Investment Property SA began. APE Fixed Assets SA is a Bank's subsidiary, while APE Commercial Property SA and APE Investment Property SA are joint ventures, where the control is exercised jointly by the Bank and the other shareholder.

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

According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of book and fair value less cost to sell and they are presented in the balance sheet separately from other assets and liabilities. As regards to the subsidiary APE Fixed Assets SA the Group proceeded to the measurement of the fair value of the assets and liabilities which it consolidates, while with regards to the joint ventures APE Commercial Property SA and APE Investement Property SA., consolidated with the equity method, the Group measured the fair value of its participation and of the loans and receivables of these companies which constitute part of the net investment in them. From the abovementioned measurement during the prior year, losses amounting to €19.3 million arose and were recorded in the caption "Gains less losses on financial transactions" in the Income Statement.

Taking into account that these companies are not a separate major line of business for the Group, the criteria to be classified as "discontinued operations" are not met. The companies included in "Other" for operating segment disclosure purposes.

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

## Balance sheet

(Amounts in thousand of Euro)

| | 31.3.2017 | 31.12.2016 |
|---|---|---|
| **ASSETS** | | |
| Loans and advances to customers | 47,570 | 47,570 |
| Investments in associates and joint ventures | 39,244 | 39,244 |
| Investment properties | 39,872 | 39,872 |
| | 126,686 | 126,686 |
| Valuation at fair value | (19,237) | (19,317) |
| **Assets held for sale** | **107,449** | **107,369** |
| **LIABILITIES** | | |
| Deferred tax liabilities | 294 | 296 |
| Other liabilities | 35 | |
| **Total liabilities related to assets held for sale** | **329** | **296** |
| **Amounts recognized directly in Equity related to assets held for sale** | **(122)** | **(122)** |
| **Non-controlling interest related to assets held for sale** | **10,960** | **10,953** |

### Other assets held for sale

Assets held for sale include also other fixed assets held for sale of the Group of an amount of 5.5 million (31.12.2016: €5.4 million) thereby total amount of Assets held for sale of the Group as at 31.3.2017 amounts to € 549,729 (31.12.2016: € 625,216).

## 23. Corporate events

**a.** On 5.1.2017 the Bank's subsidiary Alpha Group Investments Ltd disposed the 45.84% of the shares of the Group subsidiary AEP Kefalariou S.A. for an amount of €11.

**b.** On 16.1.2017 the Bank participated in the share capital increase of its subsidiary, Alphalife A.A.E.Z with the amount of €25 million.

**c.** On 24.1.2017 the Group's Joint Venture Aktua Hellas Holding SA., was renamed to Cepal Holdings SA.

**d.** On 25.1.2017 the Company Aktua Hellas Financial Solutions S.A., a subsidiary of Cepal Holdings SA was renamed to Cepal Hellas Financial Services Societe Anonyme for the Management of Receivables from Loans and Credits.

**e.** On 30.1.2017 the Bank reached an agreement with the Serbian MK Group for the whole disposal of shares (100%) of its investment in the share capital of Alpha Bank Srbija A.D.

**f.** On 3.2.2017 the Bank's subsidiary, Alpha Group Investments Ltd participated in the share capital increase of its subsidiary AEP Kefalariou S.A. with the amount of €9.75 million.

**g.** On 3.3.2017, following the Group's subsidiary AGI-Cypre Ermis Ltd loan capitalisation, the Bank participated in the share capital increase the subsidiary, acquring the 75% of its share capital.

**h.** On 7.3.2017 following the restructuring plan, the Bank acquired the 47% of the share capital of Famar S.A. (note 16)

**i.** During the second quarter the net investments of the Group company AGI BRE Participation 1 EOOD was sold.

## 24. Restatement of financial statements

The figures of the comparative period were restated as a result of the classification of the Alpha Bank Srbija A.D. as discontinued operations (Note 22).

Below are restated statements of income and cash flows for the period 1.1-31.3.2016 due to this classification.

### Consolidated Income Statement

(Amounts in thousand of Euro)

| | From 1 January to 31.3.2016 | | |
|---|---|---|---|
| | **Published amounts** | **Restatement due to the presentation of Alpha Bank Srbija AD as discontinued operation** | **Restated amounts** |
| Interest and similar income | 705,487 | (8,253) | 697,234 |
| Interest expense and similar charges | (222,545) | 1,336 | (221,209) |
| Net interest income | 482,942 | (6,917) | 476,025 |
| Fee and commission income | 88,384 | (1,803) | 86,581 |
| Commission expense | (9,808) | 345 | (9,463) |
| Net fee and commission income | 78,576 | (1,458) | 77,118 |
| Dividend income | 591 | | 591 |
| Gains less losses on financial transactions | 3,039 | (69) | 2,970 |
| Other income | 12,354 | (279) | 12,075 |
| | 15,984 | (348) | 15,636 |
| **Total income** | **577,502** | **(8,723)** | **568,779** |
| Staff costs | (129,455) | 2,940 | (126,515) |
| Provision for Voluntary Separation Scheme cost | (30,993) | | (30,993) |
| General administrative expenses | (118,242) | 3,631 | (114,611) |
| Amortization | (25,863) | 530 | (25,333) |
| Other expenses | (3,568) | 16 | (3,552) |
| **Total expenses** | **(308,121)** | **7,117** | **(301,004)** |
| Impairment losses and provisions to cover credit risk | (255,118) | (768) | (255,886) |
| Share of profit/(loss) of associates and joint ventures | (1,461) | | (1,461) |
| **Profit/(losses) before income tax** | **12,802** | **(2,374)** | **10,428** |
| Income tax | (14,907) | (2) | (14,909) |
| **Profit/(losses) after income tax** | **(2,105)** | **(2,376)** | **(4,481)** |
| Profit/(losses) after income tax from discontinued operations | (59) | 2,376 | 2,317 |
| **Profit/(losses) after income tax** | **(2,164)** | **-** | **(2,164)** |
| **Profit/(losses) attributable to:** | | | |
| **Equity owners of the Bank** | | | |
| - from continuing operations | (2,148) | (2,376) | (4,524) |
| - from discontinued operations | (59) | 2,376 | 2,317 |
| | **(2,207)** | **-** | **(2,207)** |
| Non-controlling interests | 43 | | 43 |
| **Profit/(losses) per share:** | | | |
| Basic and diluted (€ per share) | (0.00) | | (0.00) |

## Consolidated Cash Flow

(Amounts in thousand of Euro)

| | From 1 January to 31.3.2016 | | |
|---|---|---|---|
| | Published amounts | Restatement due to the presentation of Alpha Bank Srbija AD as discontinued operation | Restated amounts |
| **Cash flows from operating activities** | | | |
| Profit/(loss) before income tax | 12,802 | (2,374) | 10,428 |
| **Adjustments for gain/(losses) before income tax for:** | | | |
| Depreciation/Impairment of fixed assets | 14,948 | (467) | 14,481 |
| Amortization/Impairment of intangible assets | 10,915 | (62) | 10,853 |
| Impairment losses from loans, provisions and staff leaving indemnity | 305,689 | 754 | 306,443 |
| (Gains)/losses from investing activities | 76 | | 76 |
| (Gains)/losses from financing activities | 13,227 | | 13,227 |
| (Gains)/losses ratio from associates and joint ventures | 1,461 | | 1,461 |
| Other adjustments | | | |
| | **359,118** | **(2,149)** | **356,969** |
| **Net (increase)/decrease in assets relating to operating activities:** | | | |
| Due from banks | (87,020) | 27,716 | (59,304) |
| Securities held for trading and derivative financial assets | (8,780) | | (8,780) |
| Loans and advances to customers | 142,384 | (14,967) | 127,417 |
| Other assets | 35,366 | 264 | 35,630 |
| **Net increase /(decrease) in liabilities relating to operating activities:** | | | |
| Due to banks | (256,391) | (7,340) | (263,731) |
| Derivative financial liabilities | (16,284) | 26,532 | 10,248 |
| Due to customers | (513,727) | | (513,727) |
| Other liabilities | 10,451 | 80 | 10,531 |
| **Net cash flows from operating activities before taxes** | **(334,883)** | **30,136** | **(304,747)** |
| Income tax paid and other taxes | (11,293) | 334 | (10,959) |
| **Net cash flows from operating activities** | **(346,176)** | **30,470** | **(315,706)** |
| **Net cash flows from discontinued operating activities** | **(22,983)** | **(30,470)** | **(53,453)** |
| **Cash flows from investing activities** | | | |
| Investments in associates and joint ventures | (51) | | (51) |
| Acquisitions for the period | | | |
| Amounts received from disposal of subsidiaries | | | |
| Dividends received | 591 | | 591 |
| Acquisition of fixed and intangible assets | (42,716) | 91 | (42,625) |
| Disposals of fixed and intangible assets | 9,997 | (168) | 9,829 |
| Net (increase)/decrease in investement securities | 96,898 | (22,410) | 74,488 |
| **Net cash flows from investing activities** | **64,719** | **(22,487)** | **42,232** |
| **Net cash flows from discontinued investing activities** | **(6,718)** | **22,487** | **15,769** |
| **Net cash flows from financing activities** | | | |
| (Repayment)/receipt of debt securities in issue | (18,140) | | (18,140) |
| (Purchases)/sales of hybrid securities | | | |
| Share capital increase expenses | (970) | | (970) |
| **Net cash flows from financing activities** | **(19,110)** | | **(19,110)** |
| Effect of exchange rate fluctuations on cash and cash equivalents | (2,540) | | (2,540) |
| **Net increase/(decrease) in cash flows – continuing activities** | **(303,107)** | **7,983** | **(295,124)** |
| **Net increase/(decrease) in cash flows – discontinued activities** | **(29,701)** | **(7,983)** | **(37,684)** |
| **Cash and cash equivalents at the beginning of the period** | **1,328,133** | **-** | **1,328,133** |
| **Cash and cash equivalents at the end of the period** | **995,325** | **-** | **995,325** |

Within the first semester of 2016 the Group completed the valuation of the fixed assets of Asmita Gardens SRL, which the Group purchased within the Q2 2015. The adjustments to the temporary fair values were recognized retrospectively as if the book value of the purchases had been completed until the date of the acquisition. Therefore, the figures of the statement of financial position as of 31.3.2016 have been restated as follows:

## Consolidated Balance Sheet

(Amounts in thousand of Euro)

| | 31.3.2016 | | |
|---|---|---|---|
| | **Published amounts** | **Finalization of accounting treatment of Asmita Gardens SRL** | **Restated amounts** |
| **ASSETS** | | | |
| Cash and balances with Central Banks | 1,424,979 | | 1,424,979 |
| Due from banks | 2,074,406 | | 2,074,406 |
| Securities held for trading | 4,150 | | 4,150 |
| Derivative financial assets | 800,423 | | 800,423 |
| Loans and advances to customers | 45,826,126 | | 45,826,126 |
| Investment securities | | | |
| - Available for sale | 5,612,288 | | 5,612,288 |
| - Held to maturity | 78,444 | | 78,444 |
| - Loans and receivables | 4,292,271 | | 4,292,271 |
| Investments in associates and joint ventures | 50,286 | | 50,286 |
| Investment property | 618,151 | | 618,151 |
| Property, plant and equipment | 854,080 | | 854,080 |
| Goodwill and other intangible assets | 363,352 | 2,900 | 366,252 |
| Deferred tax assets | 4,441,892 | | 4,441,892 |
| Other assets | 1,495,272 | (1,336) | 1,493,936 |
| | 67,936,120 | 1,564 | 67,937,684 |
| Assets held for sale | 270,927 | | 270,927 |
| **Total Assets** | **68,207,047** | **1,564** | **68,208,611** |
| **LIABILITIES** | | | |
| Due to banks | 24,858,972 | | 24,858,972 |
| Derivative financial liabilities | 1,633,496 | | 1,633,496 |
| Due to customers (including debt securities in issue) | 30,963,204 | | 30,963,204 |
| Debt securities in issue and other borrowed funds | 334,715 | | 334,715 |
| Liabilities of current income tax and other taxes | 29,968 | | 29,968 |
| Deferred tax liabilities | 22,033 | | 22,033 |
| Employee defined benefit obligations | 110,283 | | 110,283 |
| Other liabilities | 920,044 | 35 | 920,079 |
| Provisions | 338,961 | 2,444 | 341,405 |
| | 59,211,676 | 2,479 | 59,214,155 |
| Total Liabilities related to assets held for sale | 86,504 | | 86,504 |
| **Total Liabilities** | **59,298,180** | **2,479** | **59,300,659** |
| **EQUITY** | | | |
| **Equity attributable to equity owners of the Bank** | | | |
| Share capital | 461,064 | | 461,064 |
| Share premium | 10,790,870 | | 10,790,870 |
| Reserves | 167,685 | (1,089) | 166,596 |
| Amounts recognized directly in equity for held for sale items | (8) | | (8) |
| Retained earnings | (2,549,895) | 174 | (2,549,721) |
| | **8,869,716** | **(915)** | **8,868,801** |
| **Non-controlling interests** | **24,019** | | **24,019** |
| **Hybrid securities** | **15,132** | | **15,132** |
| **Total Equity** | **8,908,867** | **(915)** | **8,907,952** |
| **Total Liabilities and Equity** | **68,207,047** | **1,564** | **68,208,611** |

## 25. Events after the balance sheet date

**a.** On 6.4.2017 the Group subsidiaries AEP Amarousion I, AEP Amarousion II, AEP Chalandriou, AEP N.Kifisias and AEP Chanion increased their share capital by €2.1 million, €0.43 million, €16.5 million, €0.5 million and €0.06 million respectively.

**b.** On 10.4.2017, the Bank's subsidiary Alpha Group Investments Ltd founded the Company Alpha Investments Periousias Spaton S.A. for an amount of €24.

**c.** On 11.4.2017 the sale of all shares of the Bank's subsidiary, Alpha Bank Srbija A.D. was completed.

**d.** On 4.5.2017 the Bank participated in the share capital increase of its joint venture, Cepal Securities S.A. with the amount of €8.33 million and on 18.5.2017 the Bank sold approximately 1.2% of the shares.

**e.** On 4.5.2017 the joint venture Cepal Holdings S.A. completed the acquisition of the entity, Kaican Services Ltd, established in Great Britain, paying an amount of €3.6 million.

Athens, 31 May 2017

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