



ALPHA BANK

SEMI ANNUAL FINANCIAL REPORT

For the period from 1st January to 30th June 2015

(In accordance with Law 3556/2007)



Athens,
31 October 2015

TABLE OF CONTENTS

Statement by the Members of the Board of Directors	5
Board of Directors' Semi-Annual Management Report	7
Independent Auditors' Report on Review of Interim Financial Information (on Group Interim Financial Statements).....	17
Interim Consolidated Financial Statements as at 30.6.2015 (In accordance with IAS 34)	
Interim Consolidated Income Statement	19
Interim Consolidated Balance Sheet	20
Interim Consolidated Statement of Comprehensive Income	21
Interim Consolidated Statement of Changes in Equity	22
Interim Consolidated Statement of Cash Flows	24
Notes to the Interim Consolidated Financial Statements	
General Information	25
Accounting policies applied	
1.1 Basis of presentation	27
1.2 Estimates, decision making criteria and significant sources of uncertainty	27
Income Statement	
2. Impairments losses and provisions to cover credit risk	31
3. Income tax	31
4. Earnings/(losses) per share	35
Assets	
5. Loans and advances to customers	36
6. Investment and held for trading securities	38
7. Investment property	39
8. Property, plant and equipment	40
9. Goodwill and other intangible assets	41
Liabilities	
10. Due to banks	42
11. Debt securities in issue held by institutional investors and other borrowed funds	42
12. Other liabilities	44
13. Provisions	45
Equity	
14. Share capital and Retained earnings	46
15. Hybrid securities	46
Additional Information	
16. Contingent liabilities and commitments	47
17. Group consolidated companies	51
18. Disclosures Law 4261/5.5.2014	54
19. Operating segments	57
20. Exposure in credit risk from debt issued by the peripheral Eurozone countries	58

21.	Disclosures relevant to the fair value of financial instruments.....	59
22.	Capital adequacy	63
23.	Comprehensive assessment - Recapitalisation framework	63
24.	Related-party transactions	65
25.	Acquisition of the Retail Banking operations of Citibank and Diners Club Greece A.E.P.P... ..	67
26.	Assets held for sale and other discontinued operations.....	68
27.	Corporate events	70
28.	Restatement of financial statements.....	70
29.	Events after the balance sheet date.....	74

Independent Auditors' Report on Review of Interim Financial Information

(on Bank's Interim Financial Statements).....	75
---	----

Interim Financial Statements as at 30.6.2015

(In accordance with IAS 34)

Interim Income Statement	77
---------------------------------------	----

Interim Balance Sheet	78
------------------------------------	----

Interim Statement of Comprehensive Income	79
--	----

Interim Statement of Changes in Equity	80
---	----

Interim Statement of Cash Flows	81
--	----

Notes to the Interim Financial Statements

General Information	82
----------------------------------	----

Accounting policies applied

1.1 Basis of presentation	84
1.2 Estimates, decision making criteria and significant sources of uncertainty	84

Income Statement

2. Impairment losses and provisions to cover credit risk	88
3. Income tax.....	88
4. Earnings/(losses) per share	91

Assets

5. Loans and advances to customers	92
6. Investment and held for trading securities	93
7. Investment property	94
8. Property, plant and equipment	95
9. Goodwill and other intangible assets	96

Liabilities

10. Due to banks	97
11. Debt securities in issue and other borrowed funds	97
12. Other liabilities	99
13. Provisions	100

Equity

14. Share capital and Retained earnings	101
---	-----

Additional Information

15. Contingent liabilities and commitments	102
16. Operating segment	105

17.	Exposure in credit risk from debt issued by the peripheral Eurozone countries	106
18.	Disclosures relevant to the fair value of financial instruments	107
19.	Capital adequacy.....	110
20.	Comprehensive assessment - Recapitalisation framework	111
21.	Related-party transactions	113
22.	Investments in subsidiaries, associates and joint ventures.....	115
23.	Acquisition of the Retail Banking operations of Citibank and Diners Club Greece A.E.P.P	116
24.	Assets held for sale and discontinued operations.....	118
25.	Corporate events	120
26.	Restatement of financial statements	121
27.	Events after the balance sheet date.....	124

Financial Information of Alpha Bank A.E. and the Group for the period from 1st January to 30th June 2015 (In accordance with decision 4/507/28.4.2009 of the Board of Directors of the Capital Market Commission).....	125
---	-----

Statement by the Members of the Board of Directors

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

To the best of our knowledge, the interim financial statements that have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity and financial performance of Alpha Bank A.E. and of the group of companies included in the consolidated financial statements taken as a

whole, as provided in article 5 paragraphs 3-5 of Law 3556/2007, and the Board of Directors' semi-annual management report presents fairly the information required by article 5 paragraph 6 of Law 3556/2007 and the related decisions of the Hellenic Capital Market Commission.

Athens, 31 October 2015

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

THE MANAGING DIRECTOR

THE EXECUTIVE DIRECTOR

VASILEIOS T. RAPANOS
ID. No AI 666242

DEMETRIOS P. MANTZOUNIS
ID. No I 166670

ARTEMIS CH. THEODORIDIS
ID. No AB 281969

Board of Directors Semi Annual Management Report

THE GREEK ECONOMY

After six years of recession, the Greek Economy in 2014 entered a phase of modest recovery. In the first half 2015, according to the press release of the preliminary data of ELSTAT, the economy grew by 1.1% yoy. In particular, the growth rate of the economic activity in the second quarter of 2015 turned positive, 1.6% yoy (seasonally adjusted), compared to an increase of 0.2% in the second quarter of 2014. On a quarterly basis, GDP increased by 0.9% in second quarter 2015 compared to a marginal increase by 0.1% in first quarter 2015 and a marginal decrease (-0.1%) in second quarter 2014.

However, the imposition of capital controls and the introduction of fiscal measures prerequisites in July triggered a new recessionary disturbance for 2015 - 2016. In particular, the European Commission, after the imposition of capital controls estimated that the rate of real GDP growth will range between -4% and -2% in 2015, compared to a small rise of 0.7% recorded in 2014. However, the positive growth rate of GDP in the second quarter of 2015 is a positive sign, giving evidence that the real GDP growth, although negative in 2015, will be better than expected.

Additionally, some economic indicators recorded an improvement during the first months of 2015. In particular, manufacturing production increased in the first half of 2015, net employment flows increased significantly in March-June due to the start of the tourist season. Tourism receipts and tourist arrivals also move at a satisfactory level, whilst it is indicative that after the new Loan Agreement bookings increased.

The high degree of uncertainty intensified in recent months by the prolonged negotiations and the difficulty to predict the outcome. The loss of confidence exacerbated the economic sentiment indicators and private sector financing conditions, causing a significant deposit outflow of Euro 42.27 billion (end-September 2014-June 2015).

The new Loan Agreement with the partners is, however, an important step towards reducing uncertainty and restoring confidence. Achieving agreement deterred the imminent threat of uncontrolled bankruptcy, reducing drastically uncertainty. The needed structural reforms are carried on and fiscal achievements are secured. Moreover, the Agreement allows for a more lenient fiscal adjustment, which is based on lower and more realistic targets for the General Government primary surplus, thus enhancing growth prospects.

Greece could take advantage of the favorable international environment - determined by the decline in oil prices and the weak euro - and benefit from the highly supportive ECB quantitative easing program as well as from exploiting the possibility of speeding up the absorption and of substantive use of EU

funds. The removal of uncertainty may in turn, release the growth potentials of the Greek economy. These favorable developments, given the gradual restoration of the financing conditions of the economy, may lay the basis for achieving positive growth rate from 2017.

WORLD ECONOMY

The recent economic data indicate that global growth is showing signs of low acceleration, after unfavourable economic conditions, during the first quarter. However, it remains unclear what will be the extent of growth by the end of the year, since just before the end of the first semester, financial markets were faced with two challenges. First, the negotiation of the Greek government with its European creditors and second with the sharp adjustment of China's stock indices, as result of the extreme financial leverage and the devaluation of yuan. The unexpected move by the Central Bank of the People's of China reinforced investors' fears regarding the economy's condition, while at the same time, incurred significant losses both on commodity prices and emerging market currencies. The developed economies' contribution is becoming increasingly important in the world economy's recovery. World economy is characterized by very low inflationary pressures in most developed countries, high unemployment in the European Union and the continuation of geopolitical risks (Ukraine, Middle East).

International trade in goods and services is expected to register a significant increase by 4.1% in the current year, which will accelerate further to 4.4% in the next year. Unlike previous years, the recovery in global trade is expected to be more balanced, as the increase in imports and exports in advanced economies will not be considerably below the one of developing economies.

According to the latest projections by the International Monetary Fund (October 2015), world GDP is expected to grow by 3.1% in 2015, compared with 3.4% in 2014 and by 3.6% in 2016. Regarding developed economies as a whole, IMF envisages economic growth to reach 2.0% in 2015 from 1.8% in 2014.

In the US, adverse weather conditions in Q1 2015 affected domestic demand and exports, while economic activity contracted. The momentum of economic growth recovered in Q2 2015, as the impact of transitory factors diminished. However, economic activity is estimated to be lower than initially expected. In particular, the GDP growth rate in the US is expected to reach 2.6% in 2015 from 2.4% in 2014.

The Japanese economy is expected to expand at 0.6% in 2015, compared with a negative growth rate of 0.1% in 2014, even though the pace is lower than previous forecasted due to less favourable expectations regarding wages and private consumption.



In the Eurozone, GDP is expected to grow by 1.5% in 2015, compared with 0.9% in 2014, and to increase further by 1.6% in 2016. Eurozone recovery is spreading across most member states and is mainly supported by domestic demand. The accommodative monetary policy pursued by the European Central Bank, as well as the decline of Euro, contribute positively to economic activity.

In developing economies, economic activity is expected to decrease to 4.0% in 2015 from 4.6% in 2014, and increase by 4.5% in 2016.

In China, a slowdown in GDP growth is expected, to 6.8% in 2015 from 7.3% in 2014, as a result of investment reduction and the attempts make domestic consumption the locomotive of economic growth.

In Q2 2015 the countries of Southeastern Europe recorded an increase in economic activity, according to latest available data. The largest growth rates were posted by Romania (3.2%) and Bulgaria (2.2%). The economy of Cyprus saw a positive growth rate of 1.2% for the second consecutive quarter after fourteen consecutive quarters of negative readings. The latter resulted from the secondary sector production shrinking and the difficulties in the financial industry. At the same time, the Serbian economy registered GDP growth (0.9%) after five consecutive quarters of negative performance, due to the natural disasters of May 2014. The average growth rate in Southeast Europe (excluding Turkey) is projected to reach 1.7% in 2015 from 1.0% in 2014.

A key feature of global economic activity is the prevalence of relatively low inflation. This phenomenon occurs more in developed economies, where inflation is expected to remain stagnant in 2015 and accelerate (1.2%) in 2016.

The low inflationary pressures are mainly due to falling energy and commodity prices. In advanced economies low inflation allows the continuation of expansionary monetary policy in order to strengthen recovery and improve the financial conditions of the private sector. In developing markets, although inflation is higher, a decelerating trend is discerned.

Monetary policy continues to be expansionary in developed economies, supporting recovery efforts and the return of inflation to the targeted levels set by the Central Banks. In particular, the Bank of Japan postponed achieving its 2.0% inflation for April-October 2016 provided that oil prices will rise. The Bank of Japan will continue to strengthen the monetary base by ¥ 80 trillion (\$ 679 billion) per year for as long as it is necessary in order to meet its inflation target (2.0%).

The world economy is expected to remain on a recovery path though minor or even major disturbances cannot be excluded. Among the challenges for maintaining the growth of the world economy are geopolitical risks, the rise of interest rates in the US, the performance of the financial sector in China and the fiscal adjustment in Europe and Japan.

Financial statements analysis

On 16.1.2015 the sale of the Bank's participation in the insurance company "Alpha Insurance Ltd" in Cyprus was completed.

On 23.1.2015 the Bank proceeded to the sale of the total number of shares of the joint venture Cardlink A.E.

On 27.3.2015 the merger of Alpha Bank Cyprus Ltd and Emporiki Bank Cyprus Ltd was completed through absorption of the second from the first.

On 2.6.2015 the merger of Diners Club Greece A.E.P.P. from Alpha Bank was completed through absorption of the second from the first.

The total equity of the Group as at 30.6.2015 amounted to € 6.3 billion while the equity Index and the Common Equity Tier 1 stood at 11.1%.

In terms of balance sheet figures in the categories Assets held for Sale and Liabilities associated with Assets held for sale were recognized the Bank's Branch figures in Bulgaria, following the agreement announcement of 17.7.2015 between the Bank and Eurobank for the transfer of the Bulgarian Branch operations at Eurobank's subsidiary in Bulgaria (Postbank).

At the end of June 2015, loans of Group before impairment amounted to € 58.7 billion, while the Group's total deposits amounted to € 31.1 billion presenting a decrease compared to 31.12.2014 by 27.5%, configuring the loans to deposits ratio of the Group at 189%, deteriorated compared to 31.12.2014 which amounted to 136%, as a result of unstable economic and political conditions.

As a result of the deposits reductions was the increase in Bank's funding by the Eurosystem, which amounted to € 27.8 billion, 88% higher compared to 31.12.2014. Furthermore the political developments of the first half brought about the shift of Bank's funding from the European Central Bank to the Emergency Liquidity Assistance mechanism of the Bank of Greece (ELA).

The impairment losses and provisions to cover credit risk amounted to € 2,097.2 million compared to € 740.7 million in the first semester of 2014, presenting an increase which is due to the special circumstances as at 30.06.2015 and until the date of approval of these interim financial statements which are analyzed thoroughly in note 2.

Non-performing loan coverage was 67.4% remaining stable compared to 31.12.2014, while accumulated provisions correspond to 24.4% of the loan portfolio.

Analyzing the results for the first semester, net interest income amounted to € 957 million, positively affected by the gradual decrease of the term deposits interest rates which observed throughout the first semester 2015. Negative impact was due to the increased cost of raising funds from the Eurosystem because of participation in the Emergency Liquidity Assistance (ELA) mechanism.

Net income from commissions amounted to € 162.9 million,

presenting a slight decrease by 0.5% compared to the first semester of 2014 which amounted to € 163.7 million and they were negatively affected by the reduced supplies of loan products, which was partially offset by the increase in credit card fees, mutual fund management, and purchase of securities, mainly due to the acquisition of the operations of Citibank Retail Banking including Diners Club Greece A.E.P.P.

Gains less losses on financial transactions recorded a gain of € 36.3 million, having mainly positively affected by valuation of derivative financial instruments.

Group's total expenses, amounted to € 559.7 million reduced by 10.3% compared to the first semester of 2014 which amounted to € 624.2 million, mainly due to the decrease of staff cost by 19.1%, as a result of the successful completion of the Voluntary Separation Scheme during the fourth quarter of 2014.

The results of the first half after income tax from continuing operations amounted to losses of € 1,163.2 million and the results after income tax from discontinued operations amounted to losses of € 88.9 million, including negative valuation difference of Bulgaria Branch Assets amounting to € 85.5 million.

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

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

- The issuance of senior debt securities guaranteed by the Greek State amounting to € 9.8 billion.
- The borrowing of special securities issued by the Greek State amounting to € 1.6 billion.

These securities are pledged to the European Central Bank to obtain liquidity.

Other information

The Bank's Ordinary General Meeting of the Shareholders on 26.6.2015 decided the following:

- (i) Not to distribute dividend to the common shareholders.
- (ii) The non payment to the Greek State as defined by Article 1 paragraph 3 of Law 3723/2008 of the preference shares owned by the Greek State until 17.4.2014.

According to the paragraph 1 of article 5 of Law 3556/2007 (FEK A' 91) the deadline for the publication of the semi -annual financial statements is till 31st August 2015, date at which it has not been determined the context of the actions that should be performed in order to ensure the financial stability and the enhancement of sustainability of the credit institutions and also the context for the way of recapitalisation. Furthermore there has not been completed the assessment of the credit institutions, according to which the way and the process of recapitalization will be determined.

As a result and with the purpose of maintaining the financial

stability, the deadline for the publication of the semi- annual financial statements was postponed by the Minister of Economics initially till 30.9.2015 and subsequently till 31.10.2015 (FEK 1841/26.8.2015 and 2100/25.9.2015)

Risk Management

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

The final objective of the Group is to improve the internal corporate governance within the current crucial and variable macroeconomic and financial environment.

The main pursuit of the Group in 2014 was to maintain the high quality internal governance and compliance with regulatory and supervisory risk management provisions in order to ensure confidence in the conduct of its business operations by providing appropriate financial services.

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

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

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

In this new regulatory and supervisory risk management framework, Alpha Bank Group further strengthens the internal governance and strategy of risk management and redefining its business model in order to achieve full compliance with the increased regulatory requirements and the extensive guidelines relating to the governance of data risks, the collection of these data and their incorporation in the required reports towards the management and supervisory authorities.

The new momentum approach of the Group set up a solid foundation for the continuous redefinition of Risk Management strategy through (a) the determination of the extent to which the Bank is willing to undertake risks (risk appetite) (b) the assessment of potential impacts of activities development strategy in defining the Risk Management limits, in so that the relevant decisions to combine the anticipated profitability with the potential losses and (c) the development of appropriate monitoring procedures of implementation of this strategy through a



mechanism which allocates Risk Management responsibilities between the Bank units.

More specifically, the Group, taking into consideration the nature, the scale and the complexity of its business as well as the risk profile develops risk management strategy around the three following lines of defense, which constitute a key factor of the efficient operation:

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

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

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

They constitute the second line of defence and their function is complementary in conducting banking business of the first line of defense in order to ensure objectivity in decision making, measuring the effectiveness of these decisions in terms of risk conditions and compliance with the existing legislative and institutional framework involving internal regulations and ethical standards and the total view and evaluation of the total exposure of the Bank and the Group to risk.

- Internal audit Units, which are separated from the first and second line of defense.

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

Credit Risk

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

The primary objective of the Group's strategy for the credit risk management, in order to achieve the maximization of the adjusted relative to the performance risk, ensuring the conduct of daily business within a clearly defined framework of granting credit, which is supported by strict credit criteria, is the continuous, timely and systematic monitoring of the loan book and the maintenance of credit risks within the framework of acceptable overall risk appetite limits.

The framework of the Group's credit risk management is devel-

oped based on a series of credit policy processes and systems and measurement, monitoring and auditing models of credit risk which are subject to an ongoing review process in order to ensure full compliance with the new institutional and regulatory framework and international best practices and their adaptation to the requirements of respective financial circumstances and the nature and extent of the Group's business.

The indicative actions below represent the development and improvement that occurred in 2014 with respect to the aforementioned framework:

- Ongoing upgrade of Wholesale and Retail Banking Credit Policies in Greece and abroad to adapt to the given macro-economic and financial conditions, to the Group's risk profile as well as each acceptable maximum risk appetite limits totally for each kind of risk.
- Ongoing update of the credit rating models for corporate and retail banking in Greece and abroad in order to ensure their proper and effective operation.
- Update the policy of depreciation of doubtful receivables and group write-offs.
- Updating the provisioning policy for Wholesale and Retail Banking.
- Centralized and automated approval process for retail banking applications in Greece and abroad.
- Complete centralization of the collections policy mechanisms for retail banking (mortgage loans, consumer loans, credit cards, retail banking corporate loans) in Greece and abroad.
- Systematic and periodic quality inspection of Corporate and Retail Banking credit.
- Systematic estimation and evaluation of credit risk per counterparty and per sector of economic activity.
- Periodic stress tests as a tool of assessment of consequences of various macroeconomic scenarios to establish the business strategy, business decisions and capital position of the Group. The stress tests are performed according to the requirements of the regulatory framework and concern fundamental parameter of the Group's credit risk management Policy.

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

- Initiation of the transition process for the Bank and the Group companies, including the portfolios of the former Emporiki Bank, in Greece, in the Advanced Method for the Calculation of Capital Requirements against Credit Risk. For the purpose of the above mentioned transition, the Advanced Internal Ratings Based Approach method will be used with regards to corporate loan portfolios, retail banking, leasing and factoring.
- Determining a specific framework for the management of overdue and non-performing loans, alongside with the ap-

plicable obligations which arise from the Executive Committee Act 2015/227 on 9 January 2015 of the European Committee for amending Executive Committee Act (EU) No. 680/2014 of the Committee for establishing executive technical standards regarding the submission of supervisory reports by institutions in accordance with regulation (EU) No. 575/2013 of the European Parliament and the Council and Executive Committee Act of Bank of Greece, P.E.E. 42/30.5.2014 and the amendment of this with the Executive Committee Act of Bank of Greece, P.E.E. 47/9.2.2015 which define the framework of supervisory commitments for the management of overdue and non-performing loans from credit institutions.

This framework is developing based on the following pillars:

- (a) The introduction of independent operation management for the "Troubled assets" (Troubled Asset Committee). This is achieved by the representation of the Administrative Bodies in the Evaluation and Monitoring of De-nounced Customers Committee as well as in the Arrears Councils,
- (b) Establishing separate management strategy for these loans, and
- (c) Improving IT systems and processes in order to comply with the required periodic reporting to management and supervisory bodies.
- Continuous upgrade of databases on an ongoing basis in order to perform statistical tests in the Group's credit risk rating models. Upgrade and automation of the above mentioned process in relation to Wholesale and Retail banking by using specialized statistical software. Gradual implementation of an automatic interface of credit risk rating systems with the central systems (core banking systems I-flex) for all Group companies abroad.
- Reinforcing a mechanism for completeness and quality inspections of crucial areas of Wholesale and Retail Credit for monitoring, measuring and control of credit risk.

Liquidity, interest rate and foreign exchange risk of banking portfolio

The first half of 2015 was characterized by major events that have affected the economic environment of the country and by extension of the Bank. The notice of national elections on 25 January of 2015 contributed to the increased political uncertainty and to the cause of insecurity on the part of depositors resulting in significant outflows of deposits from the bank system. Furthermore, it became very perceptible the reduction of investment interest by foreign investors, which was evident through the non-renewal of the positions held in Greek securities and of the money market acts. In addition, on 15.1.2015 the Central Bank of Switzerland decided to disconnect the Swiss Franc from the fixed exchange rate with the euro resulting in the liquidity of the Bank at the amount of € 500 million

as a result of the increase of the margin call. The result of all the above facts was the appeal of the Bank one day after the elections to the Special Liquidity Support Mechanism (ELA) where extra liquidity amounted to € 1 billion was pumped.

Furthermore, in February 2015 the Council of the European Central Bank decided that it will not accept Greek government bonds as well as bonds of other issuers, guaranteed by the Greek State. The consequence of this decision was that the Bank transferred the guarantees used for direct financing from the ECB to ELA with negative result the increase in financing costs.

In the remaining period of the semester, the outflow of deposits continued with a decreasing rate which was not able to reduce the financing of the system by the ELA mechanism. Instead throughout the semester the balance of ELA was increased in proportion to the coverage of the system's needs. However, the announcement of referendum at the end of June caused a significant increase in outflows of deposits that led to the closure of the banks and the imposition of restrictions on the capital movements (capital controls).

During the semester, the increase of the Bank's financing by the Euro-system amounted to € 13.02 billion. In particular, on 31.12.2014 the financing of the Bank by the ECB amounted to € 14.8 billion while the balance of the ELA mechanism was nil. Respectively on 30.6.2015, the financing by the ECB amounted to € 4.82 billion while funding from the ELA mechanism amounted to € 23 billion.

In the first half of 2015, the subsidiaries as well as the branches abroad made a systematic effort to be harmonized with the Group's policies on issues regarding the Liquidity Buffer & Liquidity Stress, Contingency Funding Plan, Recovery Plan, ICAAP and ILAAP.

More specifically, in this context, our subsidiaries abroad through the relevant Committees have approved the Group's policy "Liquidity Buffer and Liquidity Stress Scenario" and present the relevant results on a monthly basis to the local Management Committees Assets – Liabilities. Moreover, due to the conditions of the Greek economy, most units were asked by the Local Supervisors, to revise the Contingency Funding Plan and Recovery Plan during the first half of the year resulting in daily monitored liquidity ratios which indicate the need to enable these Schemes. Finally, the Group's contribution in the preparation of the ICAAP / ILAA Reports and to the judgment scenarios, which were presented in these reports on as many units as supervisory required to submit them, was significant.

The constant updating of an ALM system is essential for development and growth of the Bank's product structure taking into account the competition's current structure and economic conditions. Specifically, the monitoring and finalization of the conventions of re-pricing and movements of Non Maturing assets-liabilities, in collaboration with the Asset-Liabilities division, is



under the efficient and effective management of asset-liability risk.

The interbank financing (short-term, medium-long term) of the Bank, of its subsidiaries and foreign branches of the group is monitored on a daily basis with a corresponding production of reports, while major daily variations reported competently.

Regular stress tests are conducted for liquidity purposes to assess potential output (contractual or contingent) to determine the level of immediate liquidity available to meet Bank's needs.

In addition, stress tests carried out for the purpose of interest rate risk in the banking portfolio in order to estimate the volatility of net interest income of the banking portfolio and the economic value of customer loans and deposits.

Market and Counterparty Risk

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

The valuation of bonds and derivative positions are monitored on an ongoing basis and on a regular basis stress tests are conducted in order to assess the impact on the results and equity of various scenario in conditions in the markets where the Group operates.

Detailed structure for transaction limits, counterparty investment positions and country limits have been adopted and implemented, which involves regular monitoring of trigger events in order to perform extra revisions. The control limits are monitored on an ongoing basis and any violations are reported officially.

Hedging relationships with derivatives is in effect to limit market risk in the banking book and hedge effectiveness is tested on a regular basis.

Operational Risk

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

More specifically, the RCSA method of operational risk self-assessment has been implemented during the year in accordance with the general plan for selected divisions as well as, for domestic and foreign Bank subsidiaries. It is noted that this method provides the recognition and assessment of potential operational risks through the implementation of audits (residual risks).

Further to the above the respective divisions proceed with the appropriate actions in order to hedge against negative results.

The events of operational risk, the self-assessment results as well as, other current issues of operational risk are systematically monitored to all the Group Companies by the competent Operational Risk Management Committees with increased responsibilities relating to the review of relevant information as well as the adoption of Operational Risk mitigation measures.

Future prospects

The bank holiday and the capital controls imposition deteriorated sharply investors' confidence in the Greek economy, hindering recovery prospects in the medium term. The depth of the recessionary disturbance of 2015 will depend on the impact of capital controls imposition and the increase of tax rates on a wide range of goods and services. In 2016, a new downturn in economic activity is expected, though at a slower pace, due to, among other factors, the carry-over effect of the intense recessionary disturbance of the second half of 2015, before the economy returns to growth in 2017. The economic activity decline is expected to dampen loan demand, thus negative credit growth is expected to continue in 2015 and 2016 as well, though at a slower pace compared to the previous years. However, the expected positive growth rate in 2017 and the strengthening of domestic demand may result in positive credit growth and easing of financial conditions in the banking sector.

The main challenges for the Greek banking system concern the management of the large stock of non-performing exposures and the return of deposits withdrawn from the system. The successful recapitalization of banks, which is expected to be completed at the end of 2015, the restoration of political stability in combination with the strict and prompt implementation of reforms, constitute the necessary requirements for the entrenchment of confidence, the lift of capital controls in banking transactions and the return of deposits. The stabilisation of the banking system may be achieved with the return of the largest part of deposits in the banking system, expected by the end of 2017, and in parallel, with the significant decrease of banks' financing through the Emergency Liquidity Assistance. Finally, the inclusion of Greece to the new ECB quantitative easing programme, is expected to have additional important stabilising results.

Related parties

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

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

	Thousands of Euro
Loans and advances to customers	32,150
Due to customers	17,471
Debt securities in issue	1,254
Employee defined benefit obligation	407
Letters of guarantee and approved limits	11,680
Interest and similar income	171
Income from fees and commissions	69
Interest expense and similar charges	137
Fees paid to key management and close family members	1,691

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

A. SUBSIDIARIES

Thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Banks					
1. Alpha Bank London Ltd	23,787	867	174	6	1,740
2. Alpha Bank Cyprus Ltd	134,814	161,376	1,209	259	112,558
3. Emporiki Bank Cyprus Ltd			171	(10)	
4. Alpha Bank Romania S.A.	1,644,272	1,632	12,089	12,425	477,815
5. Alpha Bank AD Skopje	5,794	11	287	(6)	502
6. Alpha Bank Srbija A.D.	169,475	3,672	452	(494)	43,025
7. Alpha Bank Albania SH.A.	16,265	149	96	59	13
Leasing companies					
1. Alpha Leasing A.E.	238,002	526	3,182	102	
2. ABC Factors A.E.	535,795	3,348	11,808		77,000
3. Diners Club Greece A.E.P.P.			79		
Investment Banking					
1. Alpha Finance A.E.P.E.Y.	301	12,119	739	189	56
2. SSIF Alpha Finance Romania S.A.		8			
3. Alpha Ventures A.E.		30,996	3	250	
4. Alpha A.E. Ventures Capital Management – AKES		1,761	2	14	
5. Emporiki Ventures Capital Developed Markets Ltd		125			
6. Emporiki Ventures Capital Emerging Markets Ltd		99			
Asset Management					
1. Alpha Asset Management A.E.D.A.K.	2,908	40,499	5,812	468	
Insurance					
1. Alpha Insurance Agents A.E.		6,171		48	
2. Alpha Insurance Ltd					
3. Alphalife A.A.E.Z.	391	12,942		1,186	
Real estate and hotel					
1. Alpha Astika Akinita A.E.	555	4,480	587	2,696	
2. Ionian Hotel Enterprises A.E.	70,345	5,537	896	163	
3. Oceanos A.T.O.E.E.		2,094		14	
4. Emporiki Development and Real Estate Management A.E.		288		261	
5. Alpha Real Estate Bulgaria E.O.O.D.		235		2	
6. Chardash Trading E.O.O.D.	33	3,794		991	
7. Alpha Investment Property Chalandriou A.E.	18,964	420	175		



Thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
8. Alpha Investment Property Attikis A.E.	6,456	4	84		
9. Alpha Investment Property Attikis II A.E.	1,500	77			
10. Alpha Investment Property Amarousion I A.E.	962	23	3		
11. Alpha Investment Property Amarousion II A.E.	231	11	1		
12. Alpha Investment Property Eleonas A.E.					
13. Stockfort Ltd	22,953	283	230		
14. AGI-RRE Zeus S.R.L.	31,051		281		
15. AGI-RRE Poseidon S.R.L.	12,508		120		
16. AGI-BRE Participations 1 E.O.O.D.	4,426	2	54		
17. AGI-BRE Participations 2 E.O.O.D.	8,580		110		
18. AGI-BRE Participations 2BG E.O.O.D.	5,890		52		
19. AGI-BRE Participations 3 E.O.O.D.	19,708	48	141		
20. AGI-BRE Participations 4 E.O.O.D.					
21. APE Fixed Assets A.E.		113		1	
22. HT-1 E.O.O.D.	185		5		
23. SC Carmel Residential SRL	7,812		6		
24. AGI – RRE Hera S.R.L.	11,976		150		
25. Alpha Investment Property Neas Kifisias A.E.	3,340	3	25		
26. Alpha Investment Property Kallirois A.E.	588	25	4		
27. Alpha Investment Property Leivadias A.E.	4,250	47			
28. Asmita Gardens S.R.L.					
29. Alpha Investment Property Kefalariou A.E.		22			
Special purpose and holding entities					
1. Alpha Credit Group Plc	207,539	1,128,049	8,209	26,476	
2. Alpha Group Jersey Ltd	98				
3. Alpha Group Investments Ltd		13,097			
4. Ionian Holdings A.E.		329,659	1	3,213	
5. Ionian Equity Participations Ltd	775	424			
6. Emporiki Group Finance Plc	40,438	458,647	2,620	7,573	
7. AGI – RRE Participations 1 Ltd		1,448			
8. Alpha Group Ltd		284,962	(1,112)	20,128	
9. Katanalotika Plc	1,171				
10. Epihiro Plc		1,251			
11. Irida Plc	432,429	37,872	565	5	
12. Pisti 2010-1 Plc		142			
13. Alpha Shipping Finance Ltd	6	350,064	1,872	7,065	
14. Umera Ltd	435,043	21,249	814	28	
15. AGI-RRE Poseidon Ltd	39,275		375		
16. AGI-BRE Participations 4 Ltd	3,287		83		
17. AGI-RRE Artemis Ltd	1,549				
18. Zerelda Ltd		1			
19. AGI-Cypre Ermis Ltd	1,809,713	69,473	9,428		259,856
20. AGI-SRE Ariadni DOO					
Other companies					
1. Kafe Alpha A.E.		139	9	88	
2. Alpha Supporting Services A.E.	303	27,737	279	3,905	
3. Real Car Rental A.E.		20			
4. Zerelda Ltd		1			
5. Evisak A.E.		1,090		6	
6. Emporiki Management A.E.		1,244	25	10	

B. JOINT VENTURES

1. Cardlink A.E.					
2. APE Commercial Property A.E.		13,547	1	115	
3. APE Investment Property A.E.	154,093	4,849	2,461	37	
4. Alpha TANE0 A.K.E.S.		828			
5. Rosequeens Properties SRL	10,703		395		

C. ASSOCIATES

1. AEDEP Thessalias and Stereas Ellados		36			
2. Banking Information Systems A.E.		153			
3. Olganos A.E.	3,044		5		

Total	6,143,583	3,039,789	65,057	87,273	972,565
--------------	------------------	------------------	---------------	---------------	----------------

c. Other related party transactions

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

Thousands of Euro

	Assets	Liabilities	Income	Expenses
Employees Supplementary Funds – TAP		27,791		536
Hellenic Financial Stability Fund - HFSF			34	

Athens, 31 October 2015

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

VASILEIOS T. RAPANOS
I.D. No AI 666242

Independent Auditors' Report on Review of Interim Financial Information

To the Shareholders of
ALPHA BANK A.E.

Introduction

We have reviewed the accompanying consolidated balance sheet of ALPHA BANK A.E. (the "Bank") as of June 30, 2015 and the related consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, which comprise the condensed interim financial information and which forms an integral part of the six-month financial report of article 5 of Law 3556/2007. The Bank's management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of matter

Without modifying our conclusion we draw attention to the disclosures made in note 1.2.1 to the consolidated interim condensed financial information, which refer to, the current economic conditions in Greece, the effects of the increased provisions for credit risk on the Group's regulatory capital, the planned actions to restore the capital adequacy of the Group, as well as the material uncertainties regarding the macroeconomic environment, the developments in fiscal aggregates and the framework and process with respect to the recapitalization of the Greek banks. These material uncertainties may cast significant doubt on the Group's ability to continue as a going concern.

Report on other legal and regulatory requirements

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

Athens, 31 October 2015

KPMG Certified Auditors A.E.
AM SOEL 114

Nikolaos Vouniseas
Certified Auditor Accountant
AM SOEL 18701

Ioannis Achilas
Certified Auditor Accountant
AM SOEL 12831

Interim Consolidated Financial Statements as at 30.6.2015

Interim Consolidated Income Statement

(Amounts in thousand of Euro)

	Note	From 1 January to		From 1 April to	
		30.6.2015	30.6.2014*	30.6.2015	30.6.2014*
Interest and similar income		1,525,180	1,651,358	763,610	823,989
Interest expense and similar charges		(568,075)	(709,870)	(281,700)	(347,986)
Net interest income		957,105	941,488	481,910	476,003
Fee and commission income		195,868	186,837	96,941	97,095
Commission expense		(32,996)	(23,172)	(18,830)	(14,659)
Net fee and commission income		162,872	163,665	78,111	82,436
Dividend income		560	945	535	883
Gains less losses on financial transactions		36,253	69,058	10,177	26,674
Other income		31,497	33,119	17,364	18,154
		68,310	103,122	28,076	45,711
Total income		1,188,287	1,208,275	588,097	604,150
Staff costs		(264,841)	(327,497)	(130,578)	(163,158)
General administrative expenses		(240,780)	(246,342)	(122,085)	(120,873)
Depreciation and amortization	7, 8, 9	(51,746)	(45,996)	(26,024)	(22,971)
Other expenses		(2,368)	(4,398)	(1,302)	(2,327)
Total expenses		(559,735)	(624,233)	(279,989)	(309,329)
Impairment losses and provisions to cover credit risk	2	(2,097,187)	(740,720)	(1,672,282)	(347,042)
Share of profit/(loss) of associates and joint ventures		(3,987)	(4,992)	(1,997)	(2,786)
Profit/(loss) before income tax		(1,472,622)	(161,670)	(1,366,171)	(55,007)
Income tax	3	309,429	432,884	318,621	419,415
Profit/(loss) after income tax, from continuing operations		(1,163,193)	271,214	(1,047,550)	364,408
Profit/(loss) after income tax, from discontinued operations	26	(88,890)	(3,798)	(88,695)	(2,857)
Profit/(loss) after income tax		(1,252,083)	267,416	(1,136,245)	361,551
Profit/(loss) attributable to:					
Equity owners of the Bank					
- from continuing operations		(1,163,360)	270,968	(1,047,581)	364,240
- from discontinued operations		(88,890)	(3,798)	(88,695)	(2,857)
		(1,252,250)	267,170	(1,136,276)	361,383
Non-controlling interests					
- from continuing operations		167	246	31	168
Earnings/(losses) per share:					
Basic and diluted (€ per share)	4	(0.10)	0.02	(0.09)	0.03
Basic and diluted from continuing operations (€ per share)	4	(0.09)	0.02	(0.08)	0.03
Basic and diluted from discontinued operations (€ per share)	4	(0.0070)	(0.0003)	(0.0069)	(0.0002)

* The figures of the Consolidated Income Statement of comparative period have been restated due to modification of the presentation of legal expenses and the presentation of Bank's Branch in Bulgaria as a discontinued operation (notes 26 and 28).

Interim Consolidated Balance Sheet

(Amounts in thousand of Euro)

	Note	30.6.2015	31.12.2014
ASSETS			
Cash and balances with Central Banks		1,587,508	2,019,017
Due from banks		2,230,052	2,771,739
Securities held for trading	6	4,751	4,189
Derivative financial assets		930,203	1,148,476
Loans and advances to customers	5	47,722,569	49,556,985
Investment securities			
- Available for sale	6	5,481,550	5,688,286
- Held to maturity	6	244,713	310,818
- Loans and receivables	6	4,294,133	4,299,101
Investments in associates and joint ventures		45,966	46,383
Investment property	7	606,171	567,212
Property, plant and equipment	8	1,056,704	1,083,348
Goodwill and other intangible assets	9	329,740	331,424
Deferred tax assets		4,078,712	3,689,446
Other assets		1,475,494	1,365,066
		<u>70,088,266</u>	<u>72,881,490</u>
Assets held for sale	26	466,787	53,971
Total Assets		70,555,053	72,935,461
LIABILITIES			
Due to banks	10	28,389,450	17,300,114
Derivative financial liabilities		1,825,896	1,948,541
Due to customers (including debt securities in issue)		31,091,267	42,900,633
Debt securities in issue held by institutional investors and other borrowed funds	11	1,186,026	1,523,521
Amounts due for current income tax and other taxes		39,916	61,794
Deferred tax liabilities		33,288	25,502
Employee defined benefit obligations		108,122	105,353
Other liabilities	12	1,101,889	1,091,747
Provisions	13	238,708	212,712
		<u>64,014,562</u>	<u>65,169,917</u>
Liabilities related to assets held for sale	26	287,062	58,994
Total Liabilities		64,301,624	65,228,911
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	14	3,830,718	3,830,718
Share premium		4,858,216	4,858,216
Reserves		(93,084)	105,712
Discontinued operations			(25)
Retained earnings	14	(2,395,640)	(1,142,801)
		<u>6,200,210</u>	<u>7,651,820</u>
Non-controlling interests		23,484	23,266
Hybrid securities	15	29,735	31,464
Total Equity		<u>6,253,429</u>	<u>7,706,550</u>
Total Liabilities and Equity		70,555,053	72,935,461

The attached notes (pages 25 - 74) form an integral part of these interim consolidated financial statements

Interim Consolidated Statement of Comprehensive Income

(Amounts in thousand of Euro)

	Note	From 1 January to		From 1 April to	
		30.6.2015	30.6.2014	30.6.2015	30.6.2014
Profit / (loss), after income tax, recognized in the income statement		(1,252,083)	267,416	(1,136,245)	361,551
Other comprehensive income recognized directly in equity:					
Amounts that may be reclassified to the income statement					
Change in available for sale securities' reserve		(328,119)	147,181	(127,829)	9,743
Change in cash flow hedge reserve		63,745	(96,873)	153,944	(41,740)
Exchange differences on translating and hedging the net investment in foreign operations		1,391	(160)	(1,003)	(38)
Change in the share of other comprehensive income of associates and joint ventures		101	(1,054)	101	(1,054)
Income tax	3	62,563	(8,778)	(15,295)	10,344
Total amounts that may be reclassified to the income statement after income tax		(200,319)	40,316	9,918	(22,745)
Total of other comprehensive income recognized directly in equity, after income tax	3	(200,319)	40,316	9,918	(22,745)
Total comprehensive income for the period, after income tax		(1,452,402)	307,732	(1,126,327)	338,806
Total comprehensive income for the period attributable to:					
Equity owners of the Bank					
- from continuing operations		(1,363,730)	311,287	(1,037,679)	341,501
- from discontinued operations		(88,890)	(3,798)	(88,695)	(2,857)
		(1,452,620)	307,489	(1,126,374)	338,644
Non controlling interests					
- from continuing operations		218	243	47	162

The attached notes (pages 25 - 74) form an integral part of these interim consolidated financial statements



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
Balance 1.1.2014		4,216,872	4,212,062	631,033	(747,572)	8,312,395	23,640	31,700	8,367,735
Changes for the period 1.1 - 30.6.2014									
Profit for the period, after income tax					267,170	267,170	246		267,416
Other comprehensive income recognized directly in equity, after income tax				40,319		40,319	(3)		40,316
Total comprehensive income for the period, after income tax		-	-	40,319	267,170	307,489	243	-	307,732
Share capital increase		553,846	646,154			1,200,000			1,200,000
Redemption of preference shares		(940,000)				(940,000)			(940,000)
Share capital increase expenses, after income tax					(35,764)	(35,764)			(35,764)
Purchases/sales and change of ownership interests in subsidiaries					13	13	(64)		(51)
Appropriation to reserves				1,442	(1,442)				
Other					63	63			63
Balance 30.6.2014		3,830,718	4,858,216	672,794	(517,532)	8,844,196	23,819	31,700	8,899,715
Changes for the period 1.7 - 31.12.2014									
Profit for the period, after income tax					(596,979)	(596,979)	(145)		(597,124)
Other comprehensive income recognized directly in equity, after income tax				(567,011)	(28,427)	(595,438)	(65)		(595,503)
Total comprehensive income for the period, after income tax		-	-	(567,011)	(625,406)	(1,192,417)	(210)		(1,192,627)
Purchases/sales and change of ownership interests in subsidiaries					61	61	(343)		(282)
(Purchases), (Redemptions)/ Sales of hybrid securities, after income tax								(236)	(236)
Appropriation to reserves				(96)	96				
Other					(20)	(20)			(20)
Balance 31.12.2014		3,830,718	4,858,216	105,687	(1,142,801)	7,651,820	23,266	31,464	7,706,550

(Amounts in thousand of Euro)

	Note	Share Capital	Share Premium	Reserves	Retained earnings	Total	Non controlling interests	Hybrid securities	Total
Balance 1.1.2015		3,830,718	4,858,216	105,687	(1,142,801)	7,651,820	23,266	31,464	7,706,550
Changes for the period 1.1 - 30.6.2015						-			-
Profit/(loss) for the period, after income tax					(1,252,250)	(1,252,250)	167		(1,252,083)
Other comprehensive income recognized directly in equity, after income tax				(200,370)		(200,370)	51		(200,319)
Total comprehensive income for the period, after income tax		-	-	(200,370)	(1,252,250)	(1,452,620)	218	-	(1,452,402)
(Purchases), (Redemptions)/ Sales of hybrid securities, after income tax					1,010	1,010		(1,729)	(719)
Appropriation to reserves				1,599	(1,599)	-			-
Balance 30.6.2015		3,830,718	4,858,216	(93,084)	(2,395,640)	6,200,210	23,484	29,735	6,253,429

The attached notes (pages 25 - 74) form an integral part of these interim consolidated financial statements



Interim Consolidated Statement of Cash Flows

(Amounts in thousand of Euro)

	Note	From 1 January to	
		30.6.2015	30.6.2014*
Cash flows from operating activities			
Profit/(loss) before income tax		(1,472,622)	(161,670)
Adjustments for gain/(losses) before income tax for:			
Depreciation of fixed assets	7, 8	29,236	30,149
Amortization of intangible assets	9	22,510	15,847
Impairment losses from loans, provisions and staff leaving indemnity		2,141,155	778,222
(Gains)/losses from investing activities		34,524	(48,277)
(Gains)/losses from financing activities		54,269	59,255
Share of (profit)/loss of associates and joint ventures		3,987	4,992
		813,059	678,518
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks		870,781	(120,792)
Securities held for trading and derivative financial assets		217,710	(58,628)
Loans and advances to customers		(848,257)	806,921
Other assets		(90,138)	(36,222)
Net increase /(decrease) in liabilities relating to continuing operating activities:			
Due to banks		11,092,319	(2,778,847)
Derivative financial liabilities		(58,901)	20,026
Due to customers		(11,644,659)	(436,005)
Other liabilities		(67,871)	32,419
		284,043	(1,892,610)
Income taxes and other taxes paid		(30,601)	(22,381)
Net cash flows from continuing operating activities		253,442	(1,914,991)
Net cash flows from discontinued operating activities		17,123	(959)
Cash flows from continuing investing activities			
Investments in subsidiaries and associates		(344)	1,015
Acquisitions during the period		9,151	
Amounts received from disposal of subsidiary		15,392	
Dividends received		560	945
Acquisition of fixed and intangible assets		(42,738)	(34,871)
Disposals of fixed and intangible assets		6,318	3,869
Net (increase)/decrease in investment securities		(248,452)	1,176,686
Net cash flows from continuing investing activities		(260,113)	1,147,644
Net cash flows from discontinued investing activities		178	381
Cash flows from continuing financing activities			
Dividends paid			(604)
Receipts of debt securities in issue and other borrowed funds			496,750
Repayment of debt securities in issue and other borrowed funds		(89,451)	(64,697)
(Purchases)/sales of hybrid securities		(467)	
Share capital increase			1,200,000
Redemptions of preference shares			(940,000)
Share capital increase expenses			(48,327)
Net cash flows from continuing financing activities		(89,918)	643,122
Effect of exchange rate fluctuations on cash and cash equivalents		1,843	2,449
Net increase/(decrease) in cash flows from continuing operations		(94,746)	(121,776)
Net increase/(decrease) in cash flows – discontinued operations		17,301	(578)
Cash and cash equivalents at the beginning of the period		1,194,244	973,167
Cash and cash equivalents at the end of the period		1,116,799	850,813

* The figures of the Interim Consolidated Statement of Cash Flows of the comparative period have been restated due to a modification of the presentation of legal expenses and the presentation of Bank's Branch in Bulgaria as a discontinued operation (notes 26 and 28).

The attached notes (pages 25 - 74) 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 and financing services, investment banking and brokerage services, insurance services, real estate management, hotel activities.

The parent company of the Group is Alpha Bank A.E. which operates under the brand name of Alpha Bank. The Bank's registered office is 40 Stadiou Street, Athens and is listed in the General Commercial Register with registration number 223701000 (ex record number of Société Anonyme Companies Registry 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 activities mentioned above.

The tenure of the Board of Directors which was elected by the Ordinary General Meeting of Shareholders on 27.6.2014, lasts until 2018.

The Board of Directors as at 30.6.2015, consists of:

CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

VICE CHAIRMAN (Non Executive Independent Member)

Minas G. Tanes */**/*****

EXECUTIVE MEMBERS

MANAGING DIRECTOR (CEO)

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO)

Artemis Ch. Theodoridis

George K. Aronis

NON-EXECUTIVE MEMBERS

Efthymios O. Vidalis

Ioanna E. Papadopoulou ****

NON-EXECUTIVE INDEPENDENT MEMBERS

Paul A. Apostolidis **/*****

Evangelos J. Kaloussis */***

Ioannis K. Lyras */**

Ibrahim S. Dabdoub **

Shahzad A. Shahbaz ***

* Member of the Audit Committee

** Member of the Remuneration Committee

*** Member of the Risk Management Committee

**** Member of Corporate Governance and Nominations Committee

**NON-EXECUTIVE MEMBER**

(in accordance with the requirements of Law 3723/2008)

Marica S. Ioannou - Fragkakis (she replaced Mr Sarantis – Evangelos G. Lolos from 17.3.2015)

NON-EXECUTIVE MEMBER

(in accordance with the requirements of Law 3864/2010)

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

SECRETARY

Georgios P. Triantafyllidis

The Ordinary General Meeting of Shareholders of 26.6.2015, has appointed as auditors for the interim and annual financial statements for 2015 the following:

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

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

of KPMG Certified Auditors A.E.

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 and FTSE Med 100. Also, the shares of the Bank are listed in the London Stock Exchange in the form of international certificates (GDRs) and they are traded over the counter in New York (ADRs).

The share capital of the Bank amounted to € 12,769,059,858 ordinary shares as at 30 June 2015. A number of 4,310,302,518 ordinary shares of the Bank are traded in the Athens Stock Exchange while the Hellenic Financial Stability Fund ("HFSF") pos-

sesses the remaining 8,458,757,340 ordinary, registered, voting, paperless shares or percentage equal to 66.24% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

In addition, on the Athens Stock Exchange there are 1,141,734,167 warrants that are traded and each one incorporates the right of the holder to purchase 7,408683070 new shares owned by the HFSF.

During the first semester of 2015, the average daily volume per session for shares was € 11,988,525 and for warrants € 1,211,572.

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

- Moody's: Caa3 (deposits)/C (Senior Unsecured debt)
- Fitch Ratings: RD
- Standard & Poor's: D

The financial statements have been approved by the Board of Directors on 31 October 2015.

* Member of the Audit Committee

** Member of the Remuneration Committee

*** Member of the Risk Management Committee

**** Member of Corporate Governance and Nominations Committee

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Group has prepared the condensed interim financial statements as at 30.6.2015 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union.

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

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

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

The accounting policies applied by the Group in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2014, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2015:

- **Amendment to International Accounting Standard 19 "Employee Benefits":** Defined benefit Plans: Employee Contributions (Regulation 2015/29/17.12.2014)
- **Improvements to International Accounting Standards:**
 - **cycle 2010-2012** (Regulation 2015/28/17.12.2014)
 - **cycle 2011-2013** (Regulation 1361/18.12.2014)

The adoption of the above amendments by the Group had no impact on its financial statements.

The adoption by the European Union, by 31.12.2015, 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 1.1.2015, may affect retrospectively the periods presented in these interim financial statements.

1.2 Estimates, decision making criteria and significant sources of uncertainty

The Group, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as

income, expenses, assets or liabilities. The use of estimates and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

Fair value of assets and liabilities

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

Impairment losses of financial assets

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

Impairment losses of non – financial assets

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

Income Tax

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



Employee defined benefit obligations

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

Provisions and contingent liabilities

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

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

1.2.1 Going concern principle

The Group applied the going concern principle for the preparation of the financial statements as at 30.6.2015. For the application of this principle, the Group takes into consideration current economic developments in order to make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the adverse economic environment in Greece, and abroad, to the liquidity levels of the Hellenic Republic and the banking system as well as to the completion, within the year, of the process for the coverage of the Group's capital requirements, as these were determined during the recent assessment performed by the European Central Bank.

Specifically, during the first semester and as a result of the uncertainties in the internal economic environment, mainly regarding the outcome of the negotiations of the Hellenic Republic with the European Commission, the European Central Bank and the International Monetary Fund, there were significant outflows of deposits, which for the Bank amounted to € 10.3 billion. In addition, following the decision of the European

Central Bank, on 4.2.2015, to lift the waiver for securities issued or guaranteed by the Hellenic Republic, based on which these instruments were allowed to be used in Eurosystem monetary policy operations despite the fact that they did not fulfill minimum credit rating requirements, the liquidity needs of the credit institutions can be satisfied by the Emergency Liquidity Mechanisms of the Bank of Greece. The maximum funding amount of the credit institutions by the Bank of Greece is short-term and is determined by the European Central Bank by a decision of its Board of Directors that is periodically reviewed. At the end of the first semester, the significant increase in the rate of outflow of deposits in conjunction with the decision of the European Central Bank not to proceed with a corresponding increase in the level of funding from the Emergency Liquidity Mechanisms of the Bank of Greece, as a result of the expiry of the extension of the financial support program of Greece, led to the imposition of capital controls and a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. Capital controls remain in place until the date of approval of the financial statements, a fact which contributed to the stabilization of the deposit base in the third quarter, while the detailed provisions for their application are amended where appropriate by the adoption of a legislative act.

The prolonged recession of the Greek economy as well as the high degree of uncertainty within the internal economic environment hindered the growth prospects and resulted in significant deterioration of the creditworthiness of corporates and individuals, which led to the recognition by the Group of significant impairment losses during the second quarter. These losses have, in turn, burdened significantly the equity and the regulatory capital of the Group.

During the third quarter, the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy were completed on the basis of the announcements at the Euro Summit on 12.7.2015 resulting in an agreement for a new financial support by the European Stability Mechanism. The relative agreement with the European Stability Mechanism, that was signed on 19.8.2015, among others, provides for:

- the coverage of the financing needs of the Hellenic Republic for the medium-term period, provided that the economic reforms that are expected to contribute to the economic stability and the sustainable development of the Greek economy will be implemented,
- an amount of € 10 up to € 25 billion available for the coverage of any recapitalization needs and/ or resolution of credit institutions.

In addition, the aforementioned agreement provided for the assessment of the four Greek systemic credit institutions from the Single Supervisory Mechanism, in order to determine the impact from the deterioration of the Greek economy on their

financial position as well as any capital needs. The assessment was performed during the third quarter and included both an Asset Quality Review (AQR) and a stress test. Based on the results of the assessment, which were announced on 31.10.2015, as it is described in detail in note 23, the capital needs for the Group were determined to €262.6 million under the base scenario, taking into consideration the Asset Quality Review, and to €2,743 million under the adverse scenario of the stress test.

The Group, taking into account:

- that the medium-term financing of the Hellenic Republic by the European Stability Mechanism ('ESM'), in the context of the aforementioned program, which will contribute to the improvement of the economic environment within the country, has, under conditions, been ensured,
- the fact that the Bank has access to the liquidity mechanisms of the Eurosystem,
- the expected strengthening of the capital base of the Group by the completion of the Bank's liquidity management transaction, namely the optional offer to the holders of securities issued by subsidiaries of the Bank, under its guarantee, to exchange their securities for shares of the Bank and /or cash (as described in more detail in note 29),
- the fact that under the current institutional framework any mandatory participation of the holders of securities issued by the Group in the recapitalization process is not expected to constitute an event of default in the framework of financing agreements,
- the actions to which the Bank will proceed for the enhancement of its equity, by also attracting investors from the private sector,
- the availability of resources for the recapitalization of the credit institutions that was provided in the agreement of 19.8.2015 between the Greek Government and the ESM,

estimates that the uncertainties related to the coverage of its capital needs, as they were determined by the aforementioned assessment, are significantly reduced and that the conditions for the application of the going concern principle for the preparation of its financial statements are met, noting, however, the negative impact that would have on the application of the going concern principle the unsuccessful completion of the first evaluation of the program for the financing of the Hellenic Republic, a fact that may affect the timely availability of resources for the recapitalization of the credit institutions and finally the completion, within the year, of the process for the coverage of the Group's capital needs as there were determined by the recent assessment performed by the European Central Bank.

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 20. The main uncertainties regarding the estimations for the recoverability of the Group's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

Following the successful outcome of the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy, which were completed with the signing of a relative agreement with the European Stability Mechanism on 19.8.2015, a three-year funding (which could amount to €86 billion) was ensured, provided that specific commitments that relate to the achievement of specific financial targets and the implementation of reforms in the Greek economy will be respected. The signing of the agreement preceded the granting of a bridge loan which was used for the repayment of the overdue debt to IMF and of other obligations of the Hellenic Republic. The financing agreement with the European Stability Mechanism is expected to cover the financing needs of the Hellenic Republic and in parallel to contribute to the development of the Greek economy. It is also noted that in the context of the negotiations it was agreed that measures will be taken for the support of the sustainability of the Greek debt including its restructuring. However, the relative procedures will begin after the first positive assessment of the program and the conditions under which the aforementioned restructuring will be achieved are not known.

Based on the above, the Group has not recognized impairment losses on the Greek Government securities that held as at 30.6.2015, while, for the loans that relate to the Hellenic Republic, the Group applies the credit risk policy which is presented in detail in note 42.1 of the annual financial statements as at 31.12.2014. The Group 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 main categories of deferred tax assets which have been recognized by the Group relate to tax losses carried forward, to losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to deductible temporary differences arising from loans' impairment.

Deferred tax assets on tax losses carried forward arise, to their greater extent, from the Bank and they relate to the



years 2012-2014. Tax losses can be offset against taxable profits within five years from their formation. The Group recognized the aforementioned assets since, according to the estimated future taxable profits of the Bank, for the coming years until the expiry of the right to set-off tax losses, these are recoverable even after the deduction of the temporary differences that are expected to occur within these years. The estimation of future taxable profits was based on forecasts for the development of the accounting results, as these are reflected in the updated business plan of the Bank, which was the basis for the stress test conducted during the third quarter. The existence of significant tax profits in the last decade, with the exception of the years from 2012, because of the unexpected major recession of the Greek economy and the loss from the PSI, was also taken into account.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law 4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the "debit difference" is deductible for tax purposes, gradually in equal installments, within 30 years, a fact which, according to the Group's estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their re-

covery, as it also applies to the other deferred tax assets categories. The Group assessed their recoverability based on estimates for future taxable profits, as these are estimated to be formed on the basis of the aforementioned business plan, after extending the period of estimation for a limited number of years compared to the business plan.

The Group, based on the above, estimates that the total deferred tax assets it has recognized and that has been derived both from temporary differences and from tax losses carried forward is recoverable.

In addition, and regardless of the assessment of the recoverability of deferred tax assets that it is carried out based on what is mentioned above, Law 4303/2014 provides that in case that the after tax accounting result for the period is a loss, deferred tax assets arising from the PSI debit difference and from the accumulated provisions and other general losses due to credit risk are eligible to be converted into a final and settled claim against the Greek State, as described in detail in note 3.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Bank's business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date, the Group reassesses its estimation regarding the recoverability of deferred tax assets in conjunction with the development of the factors that affect it.

INCOME STATEMENT

2. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Impairment losses on loans and advances to customers ^(note 5)	2,107,650	750,239	1,680,121	353,395
Provisions to cover credit risk relating to off balance sheet items ^(note 13)	2,701	856	(145)	749
Recoveries	(13,164)	(10,375)	(7,694)	(7,102)
Total	2,097,187	740,720	1,672,282	347,042

For the preparation of the interim financial statements as of 30 June 2015, the Group took into consideration the special conditions that existed as at 30 June and until the date these interim financial statements were approved, affecting the recoverability estimations of the reference reporting period. These conditions were significantly different from those that existed when the annual financial statements were prepared and led to the recognition of significant impairment losses during the second quarter.

Specifically, in the retail sector, the Group took into account the current financial and macroeconomic conditions that exist in Greece and proceeded with modifications in certain parameters of the collective impairment methodology concerning loans and advances in Greece, the most important of which are the following:

- probability of default of loans for which the initial contract terms have been amended,
- cure rate of both past due exposures and of performing loans of clients facing financial difficulties, for which the initial contract terms have been amended,
- recoverable percentage of the most recent market value if the collateral is brought into liquidation, (sales ratio) and revaluation of future estimates of collateral values at the time of liquidation (index to sale).

The effect of the aforementioned modifications in the parameters used during the collective impairment is estimated at €0.8billion for the retail sector.

For loans of wholesale sector, the Group estimated the expected cash flows taking into account unfavorable forecasts for the course of the financial flows of the customers that operate in sectors of the economy that in the current situation were adversely affected, mainly due to:

- the revised estimate for the growth rate of the Greek economy,
- the reduction in demand in various sectors as well as the deterioration of the terms of collaboration with international suppliers,
- the continuing decrease in real estate property,
- the deterioration of other macroeconomic factors such as the reduction of the Greek's industry turnover, the decline in the imports of goods, the decline in private construction activity and in the volume of retail sales.

In addition, during the third quarter, the Single Supervisory Mechanism performed a comprehensive assessment of the Group which included an Asset Quality Review. The outcome of the assessment is presented in note 23.

3. Income tax

For the subsidiaries and the Bank's branches operating in other countries, the applicable nominal tax rates for years periods 2014 and 2015 are as follows:

Cyprus	12.5
Bulgaria	10
Serbia	15
Romania	16

FYROM	10 ⁽¹⁾
Albania	15
Jersey	10
United Kingdom	21 ⁽²⁾ (from 1.4.2014)

In accordance with article 65A of Law 4174/2013, from 2011, the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme (AE), are obliged to issue an

⁽¹⁾ From 1.1.2015 the tax base for legal entities has changed. The tax rate of 10% is imposed on profits and not on the non deductible expenses or distributable profits. The above apply to the profits of 2014.

⁽²⁾ Until 31.3.2014 the tax rate was 23%.

Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within 10 days from the submission of the corporate income tax return, as well as, electronically to the Ministry of Finance, no later than ten days following the date of the approval of the financial statements from the Ordinary Shareholders General Meeting.

After eighteen months from issuing an Unqualified Tax Compliance Report and on the precondition that no tax violations have been identified by audits performed by the Ministry of Finance, the tax audit for the year is considered as final.

The income tax in the income statement from continuing operations is analyzed on the table below:

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Current	9,477	11,303	4,753	6,081
Deferred	(318,906)	(444,187)	(323,374)	(425,496)
Total	(309,429)	(432,884)	(318,621)	(419,415)

The Group, on 30.6.2014, has recognized a deferred tax asset of €422,034 arising from impairment/valuation of loans derived from the acquisition of Emporiki Bank that has not been recognized on 31.12.2013.

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

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Debit difference of Law 4046/2012	19,973	19,973	9,987	9,987
Revaluation/ impairment of assets	(886)			
Depreciation and write-offs of fixed assets	10,760	4,723	5,092	2,263
Valuation/ impairment of loans	(389,149)	(463,699)	(360,316)	(442,641)
Valuation of loans due to hedging	(550)	19	(334)	20
Employee defined benefit obligations	(418)	22,283	(216)	(173)
Valuation of derivatives	14,012	11,602	7,226	(155)
Effective interest rate	(832)	(1,346)	(311)	(1,234)
Fair value change of liabilities to credit institutions and other borrowed funds due to fair value hedge	(2,433)	(3,200)	(1,060)	(1,532)
Tax losses carried forward	(29,089)	(58,739)	(13,126)	3,073
Fair value change/impairment of bonds and other securities	25,537	17,348	18,745	6,716
Other temporary differences	34,169	6,849	10,939	(1,820)
Total	(318,906)	(444,187)	(323,374)	(425,496)

In accordance with the 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 was increased from 26% to 29%. The increased rate will apply for profits arising in years commencing on or after 1 January 2015 given that there was no explicit definition in the law regarding the retrospective application of income tax rate for profits of year 2014 (note 29a). The effect of the change in the tax rate in the current income tax of the first semester of 2015 is an increase by €761 thousand. Since the change of the tax rate was done as a result in the changes in law which took place after 30 June 2015, this is not an adjusting event for the previous period.

If the rate of 29% was used in preparing these interim financial statements, deferred tax (assets) / liabilities would amount to

€(4,512,520) instead of €(4,045,424) and the difference of €(467,096) would be recorded in the current period's income and equity statement to an amount of €(437,353) and €(29,743) respectively.

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 the supervised by Bank of Greece legal persons of paragraphs 5, 6 and 7 of article 26 of Law 4172/2013 or will be recognized and are due to the debit difference arising from the PSI and the accumulated provisions and other losses due to credit risk, with respect to existing amounts up to 31 December 2014, are converted into final and settled claims against the State, if, the accounting result for the period, after taxes, is a loss, according

to the audited and approved financial statements by the Ordinary Shareholders' General Meeting.

The inclusion in the Law is implemented after a decision from the General Meeting of Shareholders, concerns tax assets created from 2016 onwards, whereas it is envisaged the end of inclusion in the Law with the same procedure and after obtaining relevant approval from the regulatory authority.

A draft legislation was submitted to Parliament on 30th of October 2015, amending the aforementioned regarding the date

of implementation, which is postponed for one year. In addition, the amount of deferred tax asset for credit risk which is included in the same legislation is limited to the amount of provisions for credit risk which were accounted until 30 June 2015. Furthermore, the phrase "resolution process" is deleted from paragraph 3, which provides for the events that convert deferred tax assets into a final and a settled claim against the Greek State.

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

	From 1 January to			
	30.6.2015		30.6.2014	
	%		%	
Profit/(loss) before income tax		(1,472,622)		(161,670)
Income tax (weighted average nominal tax rate)	25.74	(379,069)	20.41	(32,996)
Increase/(decrease) due to:				
Additional tax on income from property			(0.06)	105
Non taxable income	0.16	(2,407)	0.39	(630)
Non deductible expenses	(2.82)	41,508	(5.69)	9,206
Effect of use of tax losses	0.04	(611)		
Other temporary differences	(2.12)	31,150	(8.33)	13,465
Total	21.00	(309,429)	6.72	(10,850)
Deferred tax assets from impairment/valuation of Emporiki Bank's loans that has not been recognized in previous year				(422,034)
Income tax		(309,429)		(432,884)

	From 1 April to			
	30.6.2015		30.6.2014	
	%		%	
Profit/(loss) before income tax		(1,366,171)		(55,007)
Income tax (weighted average nominal tax rate)	25.95	(354,524)	16.40	(9,020)
Increase/(decrease) due to:				
Additional tax on income from property			(0.09)	52
Non taxable income	0.16	(2,177)	0.87	(478)
Non deductible expenses	(2.04)	27,892	(2.90)	1,592
Effect of use of tax losses				
Other temporary differences	(0.75)	10,188	(19.04)	10,473
Total	23.32	(318,621)	(4.76)	2,619
Deferred tax asset from impairment/ valuation of Emporiki Bank's loans that has not been recognized in previous year				(422,034)
Income tax		(318,621)		(419,415)

The tax rate of 25.74% for the first semester of 2015 and 20.41% for the first semester of 2014, is the weighted average nominal tax rate based on the nominal income tax rate and

the profit/loss before tax of the parent company and of each of the Group's subsidiaries.

**Income tax of comprehensive income recognized directly in equity**

	From 1 January to					
	30.6.2015			30.6.2014		
	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						
Change in available for sale securities' reserve	(328,119)	77,921	(250,198)	147,181	(34,915)	112,266
Change in cash flow hedge reserve	63,745	(16,586)	47,159	(96,873)	25,187	(71,686)
Foreign exchange differences on translating and hedging the net investment in foreign operations	1,391	1,228	2,619	(160)	950	790
Change in the share of other comprehensive income of associates and joint ventures	101		101	(1,054)		(1,054)
Amounts that may be reclassified in the Income Statement from continuing operations	(262,882)	62,563	(200,319)	49,094	(8,778)	40,316

	From 1 April to					
	30.6.2015			30.6.2014		
	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						
Change in available for sale securities' reserve	(127,829)	25,396	(102,433)	9,743	(1,066)	8,677
Change in cash flow hedge reserve	153,944	(40,038)	113,906	(41,740)	10,852	(30,888)
Foreign exchange differences on translating and hedging the net investment in foreign operations	(1,003)	(653)	(1,656)	(38)	558	520
Change in the share of other comprehensive income of associates and joint ventures	101		101	(1,054)		(1,054)
Amounts that may be reclassified to the Income Statement from continuing operations	25,213	(15,295)	9,918	(33,089)	10,344	(22,745)

In the first semester of 2015 in "Retained Earnings" a debit amount of deferred tax amounting to €251 was recorded concerning purchases, redemptions and sales of hybrid securities.

During the first semester of 2014, in "Retained Earnings"

there was a credit amount of deferred tax of €12,564 arising from the share capital increase costs which were recorded on the same account, related to the share capital increase which was performed during the above-mentioned period.

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 of the Bank during the period, after deducting the weighted average number of shares held by companies of the Group, during the period.

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

- i. The after-tax amount of any dividends of preference shares of non-cumulative dividend approved for distribution during the year.
- ii. The after-tax amount of the dividends for cumulative dividend preference shares relating to the period, whether or not the dividends have been approved.

The Bank had issued non-cumulative dividend preference shares, according to Law 3723/2008 which were repaid on 17.4.2014.

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding during the period to assume conversion of all dilutive potential ordinary shares. The Group does not have dilutive potential

ordinary shares and additionally, based on the preference shares' terms of issuance that held until 17.4.2014 and the convertible bond loan with Credit Agricole S.A., basic and dilutive earnings/(losses) per share should not differ.

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Profit/(loss) attributable to equity owners of the Bank	(1,252,250)	267,170	(1,136,276)	361,383
Weighted average number of outstanding ordinary shares	12,769,059,858	11,891,881,788	12,769,059,858	12,769,059,858
Basic and diluted earnings/(losses) per share (in €)	(0.0981)	0.0225	(0.0890)	0.0283

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Profit/(loss) from continuing operations attributable to the ordinary equity owners of the Bank	(1,163,360)	270,968	(1,047,581)	364,240
Weighted average number of outstanding ordinary shares	12,769,059,858	11,891,881,788	12,769,059,858	12,769,059,858
Basic and diluted earnings/(losses) from continuing operations per share (in €)	(0.0911)	0.0228	(0.0820)	0.0285

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Profit/(loss) from discontinued operations attributable to the ordinary equity owners of the Bank	(88,890)	(3,798)	(88,695)	(2,857)
Weighted average number of outstanding ordinary shares	12,769,059,858	11,891,881,788	12,769,059,858	12,769,059,858
Basic and diluted earnings/(losses) from discontinued operations per share (in €)	(0.0070)	(0.0003)	(0.0069)	(0.0002)

The weighted average number of common shares, on 30.6.2014, is calculated based on the days during which the ordinary shares were in issue compared to the total number

of days of the reporting period, taking into account the new total number of common shares resulting from the share capital increase of Bank on 28.3.2014.

ASSETS

5. Loans and advances to customers

	<u>30.6.2015</u>	<u>31.12.2014</u>
Individuals		
Mortgages		
- Non-Securitized	20,285,455	20,274,246
Consumer:		
- Non-Securitized	3,819,025	3,701,797
- Securitized	1,429,763	1,462,066
Credit cards:		
- Non-Securitized	737,157	773,928
- Securitized	578,431	579,353
Other	4,574	4,401
Total	26,854,405	26,795,791
Companies:		
Corporate loans:		
- Non-Securitized	28,126,642	27,860,246
- Securitized	2,068,259	2,084,171
Finance leases (Leasing):		
- Non-Securitized	268,808	268,880
- Securitized	458,470	459,666
Factoring	680,187	578,763
Total	31,602,366	31,251,726
Other receivables	268,522	339,745
	58,725,293	58,387,262
Less:		
Allowance for impairment losses ⁽¹⁾	(11,002,724)	(8,830,277)
Total	47,722,569	49,556,985

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. guarantees or/and credit enhancement or due to the Bank owing the bonds issued by the special purpose entities), the Bank and Alpha Leasing A.E. retained in all

cases the risks and rewards deriving from the securitized portfolios.

The Bank has proceeded with the issuance of covered bonds, secured by mortgage loans. As at 30.6.2015, the balance of the covered bonds amounts to € 3.7 billion and the book value of mortgage loans provided as coverage for the above mentioned bonds amounted to € 4.4 billion.

⁽¹⁾ In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of € 18,127 (31.12.2014: € 15,551) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to € 11,020,851 (31.12.2014: € 8,845,828).

Allowance for impairment losses

Balance 1.1.2014	6,956,134
Changes for the period 1.1. - 30.6.2014	
Impairment losses for the period from continuing operations (note 2)	750,239
Impairment losses for the period from discontinued operations	3,046
Change in present value of the allowance account	250,961
Foreign exchange differences	3,769
Loans written-off during the period	(59,761)
Balance 30.6.2014	7,904,388
Changes for the period 1.7. - 31.12.2014	
Impairment losses for the period from continuing operations	1,166,525
Impairment losses for the period from discontinued operations	4,258
Change in present value of the allowance account	263,037
Reclassification to provisions from other contingent liabilities	775
Reclassification to assets held for sale	(3,223)
Loans written-off during the period	(505,760)
Foreign exchange differences	277
Balance 31.12.2014	8,830,277
Changes for the period 1.1. - 30.6.2015	
Reclassification to assets held for sale 1.1.2015 (Bulgaria)	(107,179)
Impairment losses for the period (note 2)	2,107,650
Change in present value of the allowance account	257,527
Provisions of companies which are consolidated for the first time	521
Foreign exchange differences	71,640
Loans written-off during the period	(157,712)
Balance 30.6.2015	11,002,724

The finance lease receivables by duration are as follows:

	<u>30.6.2015</u>	<u>31.12.2014</u>
Up to 1 year	417,757	398,910
From 1 year to 5 years	137,790	186,968
Over 5 years	298,167	280,637
	853,714	866,515
Non accrued finance lease income	(126,436)	(137,969)
Total	727,278	728,546

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

	<u>30.6.2015</u>	<u>31.12.2014</u>
Up to 1 year	397,060	376,693
From 1 year to 5 years	81,218	116,121
Over 5 years	249,000	235,732
Total	727,278	728,546



6. Investment and held for trading securities

i. Held for trading securities

Securities held for trading amounted to €4.8 million on 30.6.2015 (31.12.2014: €4.2 million) of which Greek Government Bonds €1 million (31.12.2014: €1.7 million).

ii. Investment securities

a. Available for sale

The available for sale portfolio amounting to €5.5 billion as at 30.6.2015 (31.12.2014: €5.7 billion). This amount includes securities issued by the Greek State that amount to €3.6 billion as at 30.6.2015 (31.12.2014: €3.7 billion) out of which €2.1 billion (31.12.2014: €2.2 billion) relate to Greek Government treasury bills. The Group during the first semester of 2015 recognized impairment loss for other bonds amounting to €1.3 million and for mutual funds amounting to €23 thousand which are included in "Gain less losses on financial transactions".

b. Held to maturity

The held to maturity portfolio amounted to €244.7 million as at 30.6.2015 (31.12.2014: €310.8 million).

c. Loans and receivables

Loans and receivables include bonds of the European Financial Stability Facility (E.F.S.F.) with a nominal value of €3,960,544 received by the Bank as a result of the share capital increase that was completed on 6.6.2013 and bond of nominal value of €284,628 which were transferred to the Bank from the H.F.S.F. for the undertaking of customer deposits from the former Cooperative Banks of West Macedonia, Evia and Dodecanese in December 2013. The total carrying amount of the above mentioned bonds as at 30.6.2015 amounted to €4.3 billion (31.12.2014: €4.3 billion).

7. Investment property

	Land and Buildings
Balance 1.1.2014	
Cost	627,457
Accumulated depreciation and impairment losses	(67,004)
1.1.2014 - 30.6.2014	
Net book value 1.1.2014	560,453
Additions	6,426
Additions from companies consolidated for the first time in the first semester of 2014	9,848
Foreign exchange differences	1,062
Disposals/Write-offs	(815)
Depreciation for the period from continuing operations	(5,279)
Depreciation for the period from discontinued operations	(19)
Net book value 30.6.2014	571,676
Balance 30.6.2014	
Cost	641,853
Accumulated depreciation and impairment losses	(70,177)
1.7.2014 - 31.12.2014	
Net book value 1.7.2014	571,676
Additions	8,114
Additions from companies consolidated for the first time in 2014	42,887
Disposals/Write-offs	(3,273)
Reclassifications to "Asset held for sale" (Property)	109
Reclassification from "Property, plant and equipment"	4,682
Reclassification from "Other assets"	1,926
Reclassification to "Assets held for sale" (Alpha Insurance Ltd)	(1,269)
Foreign exchange differences	(1,390)
Depreciation for the period from continuing operations	(5,763)
Depreciation for the period from discontinued operations	(18)
Impairments	(50,469)
Net book value 31.12.2014	567,212
Balance 31.12.2014	
Cost	693,486
Accumulated depreciation and impairment losses	(126,274)
1.1.2015 - 30.6.2015	
Net book value 1.1.2015	567,212
Additions	4,583
Additions from companies consolidated for the first time in the first semester of 2015	43,306
Reclassification to "Other assets"	(109)
Reclassification from "Property, plant and equipment"	3,800
Reclassification to "Asset held for sale"	(939)
Reclassification of assets of discontinued operations to "Asset held for sale"	(1,277)
Foreign exchange differences	489
Disposals/Write-offs	(5,502)
Depreciation for the period from continuing operations	(5,392)
Net book value 30.6.2015	606,171
Balance 30.6.2015	
Cost	750,342
Accumulated depreciation and impairment losses	(144,171)

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

In 2014, an impairment loss amounting to €50.5 million was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2014, as estimated by certified valuers. The impairment amount was recorded in "Other Expenses".

8. Property, plant and equipment

	Land and buildings	Leased equipment	Equipment	Total
Balance 1.1.2014				
Cost	1,428,120	4,378	515,075	1,947,573
Accumulated depreciation and impairment losses	(390,427)	(2,660)	(432,016)	(825,103)
1.1.2014 - 30.6.2014				
Net book value 1.1.2014	1,037,693	1,718	83,059	1,122,470
Foreign exchange differences	173	6	269	448
Additions	6,434	14	7,387	13,835
Additions from companies consolidated for the first time in first semester of 2014	38		56	94
Disposals/write-offs	(2,803)		(336)	(3,139)
Reclassification to "Other assets"	(681)		239	(442)
Depreciation for the period from continuing operations	(14,595)	(287)	(9,988)	(24,870)
Depreciation for the period from discontinued operations	(725)		(541)	(1,266)
Net book value 30.6.2014	1,025,534	1,451	80,145	1,107,130
Balance 30.6.2014				
Cost	1,424,791	4,435	519,229	1,948,455
Accumulated depreciation and impairment losses	(399,257)	(2,984)	(439,084)	(841,325)
1.7.2014 - 31.12.2014				
Net book value 1.7.2014	1,025,534	1,451	80,145	1,107,130
Foreign exchange differences	(1,654)	(8)	(328)	(1,990)
Additions	9,382		7,045	16,427
Additions from companies consolidated for the first time			417	417
Disposals/Write-offs	(1,819)		(201)	(2,020)
Reclassification from "Intangible assets"			145	145
Reclassification to "Investment property"	(4,682)			(4,682)
Reclassification internally to "Property, plant and equipment"	(216)		216	
Reclassification to "Other assets"	(2,891)		(239)	(3,130)
Reclassification to "Assets held for sale"	(212)		(241)	(453)
Depreciation for the period from continuing operations	(13,923)	(293)	(10,083)	(24,299)
Depreciation for the period from discontinued operations	(717)		(500)	(1,217)
Impairment losses	(3,001)		21	(2,980)
Net book value 31.12.2014	1,005,801	1,150	76,397	1,083,348
Balance 31.12.2014				
Cost	1,417,632	4,302	518,133	1,940,067
Accumulated depreciation and impairment losses	(411,831)	(3,152)	(441,736)	(856,719)
1.1.2015 - 30.6.2015				
Net book value 1.1.2015	1,005,801	1,150	76,397	1,083,348
Foreign exchange differences	211		55	266
Additions	3,941		9,970	13,911
Additions from companies consolidated for the first time in the first half of 2015			7	7
Disposals/Write-offs	(902)		(58)	(960)
Reclassification to "Investment property"	(3,800)			(3,800)
Reclassification of assets of discontinued operations to "Assets held for sale"	(3,924)		(2,545)	(6,469)
Reclassification internally to "Property, plant and equipment"	49		(49)	
Reclassification to "Other assets"	(5,778)	(18)		(5,796)
Reclassification from "Other assets"			41	41
Depreciation for the period from continuing operations	(13,788)	(294)	(9,762)	(23,844)
Net book value 30.6.2015	981,810	838	74,056	1,056,704
Balance 30.6.2015				
Cost	1,394,992	4,080	514,877	1,913,949
Accumulated depreciation and impairment losses	(413,182)	(3,242)	(440,821)	(857,245)

In 2014, an impairment loss of € 3 million was recognized for property, plant and equipment and was recorded in "Other Expenses".

9. Goodwill and other intangible assets

	Software	Other intangible	Total
Balance 1.1.2014			
Cost	418,490	112,361	530,851
Accumulated amortization and impairment losses	(254,865)	(33,072)	(287,937)
1.1.2014 - 30.6.2014			
Net book value 1.1.2014	163,625	79,289	242,914
Additions	14,688	4	14,692
Disposals/Write-offs	(8)		(8)
Reclassifications	27,808	(27,925)	(117)
Foreign exchange differences	3		3
Amortization for the period from continuing operations	(9,728)	(6,119)	(15,847)
Amortization for the period from discontinued operations	(325)	(5)	(330)
Net book value 30.6.2014	196,063	45,244	241,307
Balance 30.6.2014			
Cost	473,162	70,846	544,008
Accumulated amortization and impairment losses	(277,099)	(25,602)	(302,701)
1.7.2014 - 31.12.2014			
Net book value 1.7.2014	196,063	45,244	241,307
Additions	24,371	(2)	24,369
Additions from companies consolidated for the first time in 2014	9	85,164	85,173
Sale of subsidiary	(1)		(1)
Disposals/Write-offs	(212)		(212)
Reclassifications	(2,805)	2,777	(28)
Reclassification to "Assets held for sale"	(74)		(74)
Foreign exchange differences	(65)		(65)
Amortization for the period from continuing operations	(7,188)	(11,543)	(18,731)
Amortization for the period from discontinued operations	(310)	(4)	(314)
Net book value 31.12.2014	209,788	121,636	331,424
Balance 31.12.2014			
Cost	488,347	155,103	643,450
Accumulated amortization and impairment losses	(278,559)	(33,467)	(312,026)
1.1.2015 - 30.6.2015			
Net book value 1.1.2015	209,788	121,636	331,424
Additions	24,244		24,244
Reclassification of assets of discontinued operations to "Assets held for sale"	(3,432)	1	(3,431)
Foreign exchange differences	13		13
Amortization for the period from continuing operations	(11,090)	(11,420)	(22,510)
Net book value 30.6.2015	219,523	110,217	329,740
Balance 30.6.2015			
Cost	506,086	153,827	659,913
Accumulated amortization and impairment losses	(286,563)	(43,610)	(330,173)

"Additions from companies consolidated for first time in 2014" includes an amount of €25 million regarding the acquired customer relationships from Diners Club and an amount of €60 million regarding the acquired customer relationships and the deposit base from the acquisition of Retail

Banking Operations of Citibank. The range of the useful life of customer relationships was determined between 8 and 9 years, whereas the useful life of deposit base accounts to 7 years.

LIABILITIES LIABILITIES

10. Due to banks

	30.6.2015	31.12.2014
Deposits:		
- Current accounts	157,100	104,066
- Term deposits		
Central Banks	27,825,783	14,819,325
Other credit institutions	2,674	318,128
Cash collateral for derivative margin accounts	102,172	193,064
Sale of repurchase agreements (Repos)	47,085	1,606,716
Borrowing funds	250,393	255,019
Deposits on demand:		
- Other credit institutions	4,243	3,796
Total	28,389,450	17,300,114

The Group's deposits to Eurosystem have increased by € 13 billion during the first semester of 2015 due to the increase of the borrowings from the European System of Central Banks

mainly as a result of the Bank's deposits' outflow amounting to € 10.3 billion due to the adverse economic environment in Greece.

11. Debt securities in issue held by institutional investors 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 semester of 2015, the Bank proceeded to the issuance of senior debt securities of a nominal value of € 9.83 billion with an interest rate of six month Euribor plus a spread of 6% (31.12.2014: 12%), while the maturities for the same period amounted to € 9.83 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 30.6.2015 amounts to € 9.83 billion (31.12.2014: € 9.83 billion).

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

ii. Covered bonds⁽¹⁾

Covered bonds issued by the Bank as at 30.6.2015 amount to € 3.750 billion.

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

The Bank proceeded on 8.7.2015 to the cancellation of an amount of € 3.745 billion of the above covered bonds.

After these cancellations the total outstanding amount of covered bonds amounts to € 5 million.

iii. Short term securities (ECP)

Balance 1.1.2015	26,339
Changes for the period 1.1 - 30.6.2015	
Maturities/Redemptions	(29,894)
Accrued interest	106
Foreign exchange differences	3,449
Balance 30.6.2015	-

⁽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. Senior debt securities

Balance 1.1.2015	1,112,619
Changes for the period 1.1 - 30.6.2015	
(Repurchases)/sales	(137,718)
Maturities/Repayments	(93,449)
Fair value change	602
Accrued interest	9,034
Foreign exchange differences	205
Balance 30.6.2015	891,293

On 30.6.2015, the balance of bond issues relates to Alpha Credit Group PLC and Emporiki Group Finance PLC.

v. Liabilities from the securitization of shipping loans

Balance 1.1.2015	414,446
Changes for the period 1.1 - 30.6.2015	
Maturities/Repayments	(81,100)
Accrued interest	5,326
Foreign exchange differences	35,839
Balance 30.6.2015	374,511

The Bank proceeded to a shipping loan securitization transaction, transferring them in the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd. which raised funding from

third parties. The liability of the Group on 30.6.2015 amounts to € 374.5 million.

vi. Securitization of mortgage loans

Liabilities arising from the securitization of consumer loans, corporate loans, credit cards and finance lease receivables are not included in "Debt securities in issue and other borrowed

funds" since these securities amounting to a nominal value € 4.2 billion and which were issued by special purpose entities are held by the Bank.

vii. Subordinated debt (Lower Tier – II)

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

Balance 1.1.2015	154,042
Changes for the period 1.1 - 30.6.2015	
(Repurchases)/sales	(4,264)
Maturities/Repayments	(7,669)
Accrued interest	2,577
Balance 30.6.2015	144,686

The balance of 30.6.2015 of Subordinated Loan issues relates to from Alpha Credit Group PLC, Alpha Group Jersey and Alpha Bank Cyprus.

2. Convertible bond loan

Balance 1.1.2015	64,600
Changes for the period 1.1 - 30.6.2015	
Fair value change	(49,600)
Balance 30.6.2015	15,000

The convertible bond concerns bond issue 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 decrease in the liability from the convertible bond of the amount of € 49.6 million was recognized in financial income.

Total debt securities in issue and other borrowed funds, not held by the Group as at 30.6.2015	1,425,490
---	------------------

Of the above debt securities in issue amounting to € 1,425,490 an amount of € 239,464 (31.12.2014: € 248,527) held by Bank customers has been reclassified to "Due to customer". There-

fore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 30.6.2015, amounts to € 1,186,026 (31.12.2014: € 1,523,521).

12. Other liabilities

	<u>30.6.2015</u>	<u>31.12.2014</u>
Liabilities to third parties	69,590	102,690
Liabilities to insurance funds	129,292	193,997
Brokerage	13,120	17,271
Deferred income	10,288	10,957
Accrued expenses	73,524	61,529
Liabilities from credit cards	188,746	228,063
Other	617,329	477,240
Total	<u>1,101,889</u>	<u>1,091,747</u>

The caption "Other" includes an amount of €160 million which concerns the valuation of liabilities relating to the Emporiki Bank's acquisition that the Bank will pay to the seller if certain conditions are met.

On 23.7.2015, with the adoption of Law 4335 / 2015, the European Directive 2014/59 that establishes the framework for the recovery and resolution of financial institutions and investment firms was transposed. In particular, Resolution Scheme of the Deposit and Investment Guarantee Fund is established as the national Resolution Fund which should gradually, within ten years (until 31 December 2024), raise financial means equal to at least 1% of covered deposits by the HDIGF. For this purpose, financial institutions will pay contributions at least annually.

In addition, under the same Law, Law 3746/2009 was modified and all assets and liabilities of the Resolution Scheme of the Hellenic Deposit and Investment Guarantee Fund (HDIGF) are transferred into an Account for the Settlement of Past Year's Resolution Measures. However, the above provision of law is repealed by draft legislation that was submitted to the Parliament.

The amount relating to the contribution of the Bank for the period to the Resolution Fund, under the current legislation at 30.6.2015, equals to €15.5 million (31.12.2014:€15.2 million) and is included in "Other".

13. Provisions

	30.6.2015	31.12.2014
Insurance provisions	160,203	132,211
Provisions to cover credit risk and other provisions	78,505	80,501
Total	238,708	212,712

a. Insurance provisions

	30.6.2015	31.12.2014
General insurance		
Outstanding reserves	17	
Life insurance		
Mathematical reserves	160,186	132,177
Outstanding reserves		34
Total	160,186	132,211
Grand total	160,203	132,211

b. Provisions to cover credit risk and other provisions

Balance 1.1.2014	140,183
Changes for the period 1.1. - 30.6.2014	
Provisions to cover credit risk relating to off-balance sheet items (note 2)	856
Other provisions for the period	573
Reclassification to "Other liabilities"	(9,807)
Other provisions used during the period	(941)
Foreign exchange differences	15
Balance 30.6.2014	130,879
Changes for the period 1.7. - 31.12.2014	
Provisions to cover credit risk relating to off-balance sheet items	(52,286)
Other provisions used during the period	4,501
Reclassification to provisions from other contingent liabilities	(775)
Other provisions for the period	(3,607)
Provision for voluntary separation scheme	1,786
Other provisions from the acquisition of Citibank	117
Foreign exchange differences	(114)
Balance 31.12.2014	80,501
Changes for the period 1.1. - 30.6.2015	
Transfer of provisions of Bulgaria Branch to "Liabilities related to assets held for sale"	(780)
Provisions to cover credit risk relating to off-balance sheet items (note 2)	2,701
Other provisions	1,249
Other provisions used during the period	(4,560)
Write-offs	(612)
Foreign exchange differences	6
Balance 30.6.2015	78,505

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

On 30.6.2015 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 18.1 million and other provisions to € 60.4 million out of which € 30.5 million relates to legal cases.



EQUITY

14. Share capital and Retained earnings

a) Share capital

On 30.6.2015 and 31.12.2014, the Bank's share capital amounts to €3,830,718, divided to 12,769,059,858 shares of nominal value €0.30.

In the process of warrant's exercise on the Bank's shares held by Hellenic Financial Stability Fund, held on 15.6.2015, 13,800 warrants were exercised by the common shareholders which corresponded to 102,239 ordinary shares resulting in the increase of issued shares.

b) Retained earnings

Since in 2014 there are no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 26.6.2015 decided:

- the non-distribution of dividends to ordinary shareholders of the Bank and

Thus, on 30.6.2015 and 31.12.2014 the Bank's shares are analyzed as follows:

- 4,310,302,518 (31.12.2014: 4,310,200,279) ordinary, registered, voting, non-paper shares
- 8,458,757,340 (31.12.2014: 8,458,859,579) ordinary, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non paper shares owned by the Hellenic Financial Stability Fund.

- the non payment to the Greek State of the respective return for 2014, under article 1 paragraph 3 of Law 3723/2008, on the preference shares issued by the Bank and owned by the Greek State up to 17.4.2014.

15. Hybrid securities

	<u>30.6.2015</u>	<u>31.12.2014</u>
Perpetual with 1st call option on 18.2.2015 and annually	31,700	31,700
Securities held by Group companies	(1,965)	(236)
Total	29,735	31,464

Based on Alpha Group Jersey announcement at 16.1.2015 and under the terms of the € 600 million (tranche B) CMS linked Non-cumulative Non-voting Preferred Securities (ISIN:DE000A0DX3M2), for which the subordinated guaran-

tee of the Bank has been issued, no (non-cumulative) dividend was distributed or paid to the hybrid securities holders at 18.2.2015.

ADDITIONAL INFORMATION

16. Contingent liabilities and commitments

a) Legal issues

The Group, in the ordinary course of business, is a defendant in claims from customers and other legal proceedings. According to the estimations of the legal department, the ultimate settlement of these matters is not expected to have a

material effect on the financial position or operations of the Group. The Group on 30.6.2015 has recorded a provision for pending legal cases amounting to € 30.5 million which is included in the caption "Provisions" in the balance sheet.

b) Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009. The years 2011 and 2012 are considered audited, while a tax certificate with no qualifications was issued for 2013 and 2014. Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. The years 2011 and 2012 are considered audited, while it has obtained a tax certificate with no qualifications for 2013.

The Bank's branches in London and Bulgaria have been audited by the tax authorities for the years 2011 and 2007 respectively. Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations (2011).

On 30 September 2014, the acquisition of Retail Banking operations of Citibank International Plc (CIP) in Greece was completed. The acquisition does not affect the tax liabilities of the Bank since any obligations against the State until the date of acquisition remain at CIP.

On 2.6.2015, the merge via absorption of Diners Club of Greece A.E.P.P was completed. The company has been audited by the tax authorities for the years up to and including 2010. The years 2011 and 2012 are considered audited while a tax certificate with no qualifications was issued for 2013. 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)	2011
2. Alpha Bank Cyprus Ltd (tax audit is in progress for years from 2008 – 2011)	2007
3. Emporiki Bank Cyprus Ltd (tax audit is in progress for years from 2003 – 2011)	2002
4. Alpha Bank Romania S.A.	2006
5. Alpha Bank AD Skopje (the years 1998 – 2006 have not been audited by the tax authorities)	2009
6. Alpha Bank Srbija A.D.	2004
7. Alpha Bank Albania SH.A.	2011
Leasing	
1. Alpha Leasing A.E. **	2007
2. Alpha Leasing Romania IFN S.A.	2007
3. ABC Factors A.E.** (tax audit is in progress for year 2010)	2009
4. Diners Club Greece A.E.P.P. **	2010
Investment Banking	
1. Alpha Finance A.E.P.E.Y. **/**	2009
2. SSIF Alpha Finance Romania S.A. (tax audit is in progress for years from 2003 – 2007)	2002
3. Alpha A.E. Investment Holdings **/**	2009
4. Alpha A.E. Ventures Capital Management - AKES **/**	2009
5. Emporiki Ventures Capital Developed Markets Ltd	2007
6. Emporiki Ventures Capital Emerging Markets Ltd	2008
Asset Management	
1. Alpha Asset Management A.E.D.A.K. **/**	2009
2. ABL Independent Financial Advisers Ltd (voluntary settlement of tax obligation)	2011
Insurance	
1. Alpha Insurance Agents A.E. **/**	2009

** These companies received tax certificate for the years 2011, 2012 and 2013 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
2. Alpha Insurance Brokers S.R.L.	2005
3. Alphalife A.A.E.Z. **/****	2009
Real estate and hotel	
1. Alpha Astika Akinita A.E.**	2009
2. Ioniki Hotel Enterprises A.E. **	2010
3. Oceanos A.T.O.E.E. **/****	2009
4. Emporiki Development and Real Estate Management A.E.	2008
5. Alpha Real Estate D.O.O. Beograd	2008
6. Alpha Astika Akinita D.O.O.E.L. Skopje	2007
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.	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 Amaroussion I A.E. (commencement of operation 2012)	**
14. Alpha Investment Property Amaroussion 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 2010)	2011
17. Stockfort Ltd (commencement of operation 2010)	*
18. Romfelt Real Estate SA (commencement of operation 1991)	*
19. AGI – RRE Zeus S.R.L. (commencement of operation 2012)	*
20. AGI – RRE Athena S.R.L. (commencement of operation 2012)	*
21. AGI – RRE Poseidon S.R.L. (commencement of operation 2012)	*
22. AGI – RRE Hera S.R.L. (commencement of operation 2012)	*
23. AGI - BRE Participations 2 E.O.O.D. (commencement of operation 2012)	*
24. AGI – BRE Participations 2BG E.O.O.D. (commencement of operation 2012)	*
25. AGI – BRE Participations 3 E.O.O.D. (commencement of operation 2012)	*
26. AGI – BRE Participations 4 E.O.O.D. (commencement of operation 2012)	*
27. APE Fixed Assets A.E.****	2009
28. SC Cordia Residence S.R.L.	2011
29. HT-1 E.O.O.D	*
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 2014)	*
34. Alpha Investment Property Neas Kifisias 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. Asmita Gardens SRL (commencement of operation 2015)	*
39. Alpha Investment Property Kefalariou A.E. (commencement of operation 2015)	*
Special purpose and holding entities	
1. Alpha Credit Group Plc (voluntary settlement of tax obligation)	2011
2. Alpha Group Jersey Ltd	****
3. Alpha Group Investments Ltd (commencement of operation 2007)	*
4. Ionian Holdings A.E.**/****	2009
5. Ionian Equity Participations Ltd (commencement of operation 2006)	2007
6. Emporiki Group Finance Plc	2011
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)	2011
11. Epihiro Plc (voluntary settlement of tax obligation)	2011
12. Irida Plc (voluntary settlement of tax obligation)	2011
13. Pisti 2010 - 1 Plc (voluntary settlement of tax obligation)	2011

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

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

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

Name	Year
14. Alpha Shipping Finance Ltd (commencement of operation 2014)	*
15. AGI – RRE Athena Ltd (commencement of operation 2011)	*
16. AGI – RRE Poseidon Ltd (commencement of operation 2012)	*
17. AGI – RRE Hera Ltd (commencement of operation 2012)	*
18. Umera Ltd (commencement of operation 2012)	*
19. AGI – BRE Participations 2 Ltd (commencement of operation 2011)	*
20. AGI – BRE Participations 3 Ltd (commencement of operation 2011)	*
21. AGI – BRE Participations 4 Ltd (commencement of operation 2010)	*
22. Alpha Real Estate Services Ltd (commencement of operation 2010)	*
23. AGI – RRE Ares Ltd (commencement of operation 2010)	*
24. AGI – RRE Venus Ltd (commencement of operation 2012)	*
25. AGI – RRE Artemis Ltd (commencement of operation 2012)	*
26. AGI – BRE Participations 5 Ltd (commencement of operation 2012)	*
27. AGI-RRE Cleopatra Ltd (commencement of operation 2013)	*
28. AGI-RRE Hermes Ltd (commencement of operation 2013)	*
29. AGI-Cypre Arsinoe Ltd (commencement of operation 2013)	*
30. AGI-SRE Ariadni Ltd (commencement of operation 2014)	*
31. Zerelda Ltd (commencement of operation 2012)	*
32. AGI-Cypre Alaminos Ltd (commencement of operation 2014)	*
33. AGI-Cypre Tochini Ltd (commencement of operation 2014)	*
34. AGI-Cypre Evagoras Ltd (commencement of operation 2014)	*
35. AGI-Cypre Tersefanou Ltd (commencement of operation 2014)	*
36. AGI-Cypre Mazotos Ltd (commencement of operation 2014)	*
37. AGI-Cypre Ermis Ltd (commencement of operation 2014)	*
Other 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.**/****	2009
6. Real Car Rental A.E.**/****	2009
7. Evisak A.E.**/****	2009
8. Emporiki Management A.E.***	2009

c) Operating leases

The Group's minimum future lease payments are:

	30.6.2015	31.12.2014
- less than one year	44,812	46,350
- between one and five years	111,008	118,782
- over five years	141,740	176,372
Total	297,560	341,504

The minimum future lease revenues are:

	30.6.2015	31.12.2014
- less than one year	10,214	11,029
- between one and five years	40,645	36,633
- over five years	38,486	39,996
Total	89,345	87,658

It is noted that the comparative data of minimum future payments and revenues of Group does not include Bulgaria Branch due to presentation as discontinued operation.

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

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

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



d) Off balance sheet liabilities

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

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the

transfer of goods locally or abroad, by undertaking the direct payment on behalf of the third party bound by the agreement on behalf of the Group's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Group for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

The outstanding balances are as follows:

	<u>30.6.2015</u>	<u>31.12.2014</u>
Letters of credit	54,563	53,731
Letters of guarantee and other guarantees	4,063,908	3,933,314

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

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 30.6.2015 amounts to €274.5 million (31.12.2014: €367.5 million) and are included in the calculation of risk weighted assets.

e) Assets pledged

Assets pledged, as at 30.6.2015 analyzed as follows:

- Deposits pledged amounting to €1.1 billion concerning the Group's obligation to maintain deposits in Central Banks according to percentages determined by the respective country.
- Deposits pledged amounting to €0.2 billion concerning guarantees granted and provided for on behalf of the Greek State.
- Deposits pledged to credit institutions amounting to €1.2 billion which have been provided as guarantee for derivative transactions.
- Loans and advances to customers:
 - i. An amount of nominal value of €17.2 billion pledged to central banks for liquidity purposes.
 - ii. An amount of €2.1 billion granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State amounting to €1.6 billion in accordance with Law 3723/2008, that have been pledged to central banks for liquidity purposes.
 - iii. A carrying amount of €4.4 billion which relates to mortgage loans granted as collateral to the Greek State in order for the Bank to receive securities issued amounting to €3.7 billion, pledged to Central banks liquidity purpose.
 - iv. A carrying amount of €3.6 billion which relates to corporate, consumer loans leasing and credit cards has been securitized for the issuance of Special Purpose Entities' bonds of a nominal value of €4.2 billion, which are held by the Bank and pledged to central banks for liquidity purposes.
 - v. A carrying amount of €0.7 billion which relates to shipping loans, has been securitized for the purpose of financing the Bank through a Special Purpose Entity of the Group which amounts to €0.4 billion at 30.6.2015.
 - vi. An amount of nominal value of €0.2 billion has been granted as collateral in the context of other financing transactions.
- Securities held for trading and investment securities portfolio out of which:
 - i. An amount of nominal value of €3.6 billion of Greek government securities, of which a nominal amount of €3.55 billion has been pledged to central banks in order to participate in main refinancing operations, while Greek State securities of a nominal amount of €0.05 billion have been pledged for other loan facilities.
 - ii. An amount of nominal value €4.3 billion relates to securities issued by the European Financial Stability Facility (EFSF), that the Bank received by the HFSF in the context of a) its participation to the share capital increase that was completed on 6.6.2013 and b) due to the coverage of the difference between the values of assets and liabilities transferred from Cooperative Banks, of which an amount of nominal value €4.1 billion is pledged as collateral to Central Banks for participation in main refinancing operations.

In addition an amount of nominal value €9.8 billion that relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008 and are held by the Bank, are pledged as collateral to Central Banks for participation in main refinancing operations.

17. Group Consolidated Companies

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

A. Subsidiaries

Name	Country of incorporation	Group's ownership interest %	
		30.6.2015	31.12.2014
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd ^(27g)	Cyprus	100.00	100.00
3. Emporiki Bank Cyprus Ltd ^(27g)	Cyprus		100.00
4. Alpha Bank Romania S.A.	Romania	99.92	99.92
5. Alpha Bank AD Skopje	FYROM	100.00	100.00
6. Alpha Bank Srbija A.D.	Serbia	100.00	100.00
7. 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
4. Diners Club Greece A.E.P.P. ^(27e)	Greece		100.00
Investment Banking			
1. Alpha Finance A.E.Π.E.Y.	Greece	100.00	100.00
2. SSIF Alpha Finance Romania S.A.	Romania	100.00	100.00
3. Alpha A.E. Investment Holdings	Greece	100.00	100.00
4. Alpha A.E. Ventures Capital Management – AKES	Greece	100.00	100.00
5. Emporiki Ventures Capital Developed Markets Ltd	Cyprus	100.00	100.00
6. Emporiki Ventures Capital Emerging Markets Ltd	Cyprus	100.00	100.00
Asset Management			
1. Alpha Asset Management A.E.D.A.K.	Greece	100.00	100.00
2. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
Insurance			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Ltd ^(27a)	Cyprus		100.00
3. Alpha Insurance Brokers S.R.L.	Romania	100.00	100.00
4. Alphalife A.A.E.Z.	Greece	100.00	100.00
Real estate and hotel			
1. Alpha Astika Akinita A.E.	Greece	93.17	93.17
2. Ioniki Hotel Enterprises A.E.	Greece	97.27	97.27
3. Oceanos A.T.O.E.E.	Greece	100.00	100.00
4. Emporiki Development and Real Estate Management A.E.	Greece	100.00	100.00
5. Alpha Real Estate D.O.O. Beograd	Serbia	93.17	93.17
6. Alpha Astika Akinita D.O.O.E.L. Skopje	FYROM	93.17	93.17
7. Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	93.17	93.17
8. Chardash Trading E.O.O.D.	Bulgaria	93.17	93.17
9. Alpha Real Estate Services S.R.L.	Romania	93.17	93.17
10. Alpha Investment Property Chalandriou A.E.	Greece	100.00	100.00
11. Alpha Investment Property Attikis A.E.	Greece	100.00	100.00
12. Alpha Investment Property Attikis II A.E.	Greece	100.00	100.00
13. Alpha Investment Property Amaroussion I A.E.	Greece	100.00	100.00
14. Alpha Investment Property Amaroussion II A.E.	Greece	100.00	100.00
15. AGI-RRE Participations 1 S.R.L.	Romania	100.00	100.00
16. AGI-BRE Participations 1 E.O.O.D.	Bulgaria	100.00	100.00
17. Stockfort Ltd	Cyprus	100.00	100.00
18. Romfelt Real Estate S.A. ^(26j)	Romania	98.86	95.89
19. AGI-RRE Zeus S.R.L.	Romania	100.00	100.00



Name	Country of incorporation	Group's ownership interest %	
		30.6.2015	31.12.2014
20. AGI – RRE Athena S.R.L.	Romania	100.00	100.00
21. AGI – RRE Poseidon S.R.L.	Romania	100.00	100.00
22. AGI – RRE Hera S.R.L.	Romania	100.00	100.00
23. AGI-BRE Participations 2 E.O.O.D.	Bulgaria	100.00	100.00
24. AGI-BRE Participations 2BG E.O.O.D.	Bulgaria	100.00	100.00
25. AGI-BRE Participations 3 E.O.O.D.	Bulgaria	100.00	100.00
26. AGI-BRE Participations 4 E.O.O.D.	Bulgaria	100.00	100.00
27. APE Fixed Assets A.E.	Greece	72.20	72.20
28. SC Cordia Residence S.R.L.	Romania	100.00	100.00
29. HT-1 E.O.O.D.	Bulgaria	100.00	100.00
30. AGI-RRE Venus S.R.L.	Romania	100.00	100.00
31. AGI-RRE Cleopatra S.R.L.	Romania	100.00	100.00
32. AGI-RRE Hermes S.R.L.	Romania	100.00	100.00
33. SC Carmel Residential S.R.L.	Romania	100.00	100.00
34. Alpha Investment Property Neas Kifisias A.E.	Greece	100.00	100.00
35. Alpha Investment Property Kallirois A.E.	Greece	100.00	100.00
36. Alpha Investment Property Livadias A.E.	Greece	100.00	100.00
37. AGI-SRE Ariadni DOO ^(27c)	Serbia	100.00	
38. Asmita Gardens SRL ⁽²⁷ⁱ⁾	Romania	100.00	
39. Alpha Investment Property Kefalariou A.E. ^(27h)	Greece	100.00	
Special purpose and holding entities			
1. Alpha Credit Group Plc	United Kingdom	100.00	100.00
2. Alpha Group Jersey Ltd	Jersey	100.00	100.00
3. Alpha Group Investments Ltd	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. AGI – RRE Athena Ltd	Cyprus	100.00	100.00
16. AGI – RRE Poseidon Ltd ⁽²⁷ⁱ⁾	Cyprus	100.00	100.00
17. AGI – RRE Hera Ltd	Cyprus	100.00	100.00
18. Umera Ltd	Cyprus	100.00	100.00
19. AGI-BRE Participations 2 Ltd	Cyprus	100.00	100.00
20. AGI-BRE Participations 3 Ltd	Cyprus	100.00	100.00
21. AGI-BRE Participations 4 Ltd	Cyprus	100.00	100.00
22. Alpha Real Estate Services Ltd	Cyprus	100.00	100.00
23. AGI-RRE Ares Ltd	Cyprus	100.00	100.00
24. AGI-RRE Venus Ltd	Cyprus	100.00	100.00
25. AGI-RRE Artemis Ltd	Cyprus	100.00	100.00
26. AGI-BRE Participations 5 Ltd	Cyprus	100.00	100.00
27. AGI-RRE Cleopatra Ltd	Cyprus	100.00	100.00
28. AGI-RRE Hermes Ltd	Cyprus	100.00	100.00
29. AGI-RRE Arsinoe Ltd ^(27d)	Cyprus	100.00	100.00
30. AGI-SRE Ariadni Ltd	Cyprus	100.00	100.00
31. Zerelda Ltd	Cyprus	100.00	100.00
32. AGI-Cypre Alaminos Ltd	Cyprus	100.00	100.00

Name	Country of incorporation	Group's ownership interest %	
		30.6.2015	31.12.2014
33. AGI-Cypre Tochini Ltd	Cyprus	100.00	100.00
34. AGI-Cypre Evagoras Ltd	Cyprus	100.00	100.00
35. AGI-Cypre Tersefanou Ltd	Cyprus	100.00	100.00
36. AGI-Cypre Mazotos Ltd	Cyprus	100.00	100.00
37. AGI-Cypre Ermis Ltd	Cyprus	100.00	100.00
Other companies			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Flagbright Ltd	United Kingdom	100.00	100.00
4. Kafe Alpha A.E.	Greece	100.00	100.00
5. Alpha Supporting Services A.E.	Greece	100.00	100.00
6. Real Car Rental A.E.	Greece	100.00	100.00
7. Evisak A.E.	Greece	85.71	85.71
8. Emporiki Management A.E.	Greece	100.00	100.00

b. Joint ventures

1. Cardlink A.E. ^(26b)	Greece		50.00
2. APE Commercial Property A.E.	Greece	72.20	72.20
3. APE Investment Property A.E.	Greece	72.80	72.80
4. Alpha TANE0 A.K.E.S.	Greece	51.00	51.00
5. Rosequeens Properties Ltd.	Cyprus	33.33	33.33
6. Rosequeens Properties S.R.L.	Romania	33.33	33.33

c. Associates

1. AEDEP Thessalias and Stereas Ellados	Greece	50.00	50.00
2. A.L.C. Nouvelle 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. Aquaculture SELONDA AEGE ^(27f)	Greece	23.01	

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

Consolidated financial statements do not include the Commercial Bank of London Ltd which is a dormant company and Smelter Medical Systems AEVE, Emporiki Media Ltd, Aris Diomidis Emporiki SA, Metek SA, Historical archive -cultural contribution of Emporiki Bank's Non- Profit Company which have been fully impaired and are in the process of liquidation.

It is noted that on 30.9.2015 the process of liquidation of the subsidiary company of the Bank, Emporiki Media Advertising Ltd was completed.

On 9.10.2015 the liquidation process of the company Historical archive -cultural contribution of Emporiki Bank's Non-Profit Company was completed.

The Group hedges the foreign exchange risk arising from the net investment in subsidiaries through the use of derivatives in their functional currency.



18. Disclosures of Law 4261/5.5.2014

Article 81 of Law 4261/5.5.2014 incorporated into Greek legislation the Article 89 of Directive 2013/36/EC of the European Parliament and of the Council of 26 June 2013, according to which, it is adopted for the first time the obligation to disclose information on a consolidated basis by Member State and third

country in which the Group has headquarters and specified as follows: name or names, nature of business, geographic location, turnover, results before tax, taxes on results, public subsidies received and number of full time employees.

Greece

Revenue in Greece on 31.12.2014 amounted to € 3,460,274, results before tax amounted to losses € (757,110), taxes on results amounted to € 682,658 and the number of employees was 10,352 and the following companies were included:

Banks

1. Alpha Bank A.E.
(including the Bank's branches in Bulgaria, Cyprus and United Kingdom)

Leasing companies

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

Investment Banking

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

Asset Management

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

Insurance

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

Real estate and hotel

1. Alpha Astika Akinita A.E.

2. Ioniki Hotel Enterprises A.E.
3. Oceanos A.T.O.E.E.
4. Emporiki Development and Real Estate Management A.E.
5. Alpha Investment Property Chalandriou A.E.
6. Alpha Investment Property Attikis A.E.
7. Alpha Investment Property Attikis II A.E.
8. Alpha Investment Property Amaroussion I A.E.
9. Alpha Investment Property Amaroussion II A.E.
10. Alpha Investment Property Eleonas A.E.
11. APE Fixed Assets A.E.
12. Alpha Investment Property Neas Kifisias A.E.
13. Alpha Investment Property Kallirois A.E.
14. Alpha Investment Property Levadias A.E.

Special purpose and holding entities

1. Ionian Holdings A.E.

Other companies

1. Kafe Alpha A.E.
2. Alpha Supporting Services A.E.
3. Real Car Rental A.E.
4. Evisak A.E.

Cyprus

Revenue in Cyprus on 31.12.2014 amounted to € 203,050, results before tax amounted to losses € (131,688), taxes on results amounted to € (971), number of employees was 965 and the following companies were included:

Banks

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

Investment Banking

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

Insurance

1. Alpha Insurance Ltd

Real estate and hotel

1. Stockfort Ltd

Special purpose and holding entities

1. Alpha Group Investments Ltd
2. Ionian Equity Participations Ltd
3. AGI – BRE Participations 1 Ltd
4. AGI – RRE Participations 1 Ltd
5. Alpha Group Ltd

- | | |
|----------------------------------|------------------------------|
| 6. AGI – RRE Athena Ltd | 19. AGI-RRE Hermes Ltd |
| 7. AGI – RRE Poseidon Ltd | 20. AGI-Cypre Arsinoe Ltd |
| 8. AGI – RRE Hera Ltd | 21. AGI-SRE Ariadni Ltd |
| 9. Umera Ltd | 22. AGI-Cypre Alaminos Ltd |
| 10. AGI-BRE Participations 2 Ltd | 23. AGI-Cypre Tochini Ltd |
| 11. AGI-BRE Participations 3 Ltd | 24. AGI-Cypre Evagoras Ltd |
| 12. AGI-BRE Participations 4 Ltd | 25. AGI-Cypre Tersefanou Ltd |
| 13. AGI-RRE Apollo Ltd | 26. AGI-Cypre Mazotos Ltd |
| 14. AGI-RRE Ares Ltd | 27. AGI-Cypre Ermis Ltd |
| 15. AGI-RRE Venus Ltd | Other companies |
| 16. AGI-RRE Artemis Ltd | 1. Alpha Trustees Ltd |
| 17. AGI-BRE Participations 5 Ltd | 2. Zerelda Ltd |
| 18. AGI-RRE Cleopatra Ltd | |

United Kingdom

Revenue in United Kingdom on 31.12.2014 amounted to € 326,208, results before tax amounted to gain € 5,044, taxes on results amounted to € (1,102), the number of employees was 45 and the following companies were included:

Banks

1. Alpha Bank London Ltd

Asset Management

1. ABL Independent Financial Advisers Ltd

Special purpose and holding entities

1. Alpha Credit Group Plc
2. Emporiki Group Finance Plc
3. Katanalotika Plc

4. Epihiro Plc
5. Irida Plc
6. Pisti 2010-1 Plc
7. Lithos Mortgage Financing Plc
8. Alpha Finance Shipping LTD

Other companies

1. Alpha Bank London Nominees Ltd
2. Flagbright Ltd

Bulgaria

Revenue in Bulgaria on 31.12.2014 amounted to € 3,334, results before tax amounted to losses € (1,632), taxes on results amounted to € 40 and the following companies were included:

Real estate and hotel

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

Jersey

Revenue in Jersey on 31.12.2014 amounted to € 1,493 and the results before tax amounted to losses € (54).

Special purpose and holding entities

1. Alpha Group Jersey Ltd.

**Serbia**

Revenue in Serbia on 31.12.2014 amounted to € 65,380, results before tax amounted to gain € 605, taxes on results amounted to € (34), the number of employees was 1,137 and the following companies were included:

Banks

1. Alpha Bank Srbija A.D.

Real estate and hotel

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

Romania

Revenue in Romania on 31.12.2014 amounted to € 224,207 thousand, results before tax amounted to losses € (38,182), taxes on results amounted to € 2,018, the number of employees was 2,046 and the following companies were included:

Banks

1. Alpha Bank Romania S.A.

Leasing companies

1. Alpha Leasing Romania IFN S.A.

Investment Banking

1. SSIF Alpha Finance Romania S.A.

Insurance

1. Alpha Insurance Brokers S.R.L.

Real estate and hotel

1. Alpha Astika Akinita Romania S.R.L.

2. AGI-RRE Participations 1 S.R.L.

3. Romfelt Real Estate S.A.

4. AGI-RRE Zeus S.R.L.

5. AGI – RRE Athena S.R.L.

6. AGI – RRE Poseidon S.R.L.

7. AGI – RRE Hera S.R.L.

8. AGI-RRE Venus S.R.L.

9. AGI-RRE Cleopatra S.R.L.

10. AGI-RRE Hermes S.R.L.

11. SC Cordia Residence S.R.L.

12. SC Carmel Residential S.R.L.

Albania

Revenue in Albania on 31.12.2014 amounted to € 34,188, results before tax amounted to gain € 3,451, taxes on results amounted to € (670), the number of employees was 402 and the following companies were included:

Banks

1. Alpha Bank Albania SH.A.

FYROM

Revenue in FYROM on 31.12.2014 amounted to € 7,303, results before tax amounted to losses € (1,455), taxes on results amounted to € (887), the number of employees was 246 and the following companies were included:

Banks

1. Alpha Bank AD Skopje

Real estate and hotel

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

Neither the Bank nor the Group companies have received any public subsidies. According to article 82 of Law 4261/5.5.2014 with which incorporated into Greek legislation the article 90 of Directive 2013/36/EU of the European Parliament and of the

Council of 26 June 2013 is established the requirement to disclose the total return on assets*. The overall performance of the assets of the Group for the year of 2014 amounted to (0.5)% (31.12.2013: 4.2%).

* Is calculated as the ratio of the annual net gain /loss after income tax, attributable to the equity holders of the Bank to the average balance of total assets. The average balance of assets is calculated as the numerical average of the total assets at the end of each reporting period and the total assets at the end of the previous year.

19. Operating segments

(Amounts in million of Euro)

	1.1 - 30.6.2015						Group
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	
Net interest income	486.6	350.6	8.2	(48.4)	159.7	0.4	957.1
Net fee and commission income	56.0	65.3	27.4	(2.5)	16.2	0.5	162.9
Other income	3.6	7.0	0.1	42.4	(12.4)	23.6	64.3
Total income	546.2	422.9	35.7	(8.5)	163.5	24.5	1,184.3
Total expense	(325.5)	(70.8)	(16.4)	(14.7)	(108.4)	(23.9)	(559.7)
Impairment losses	(1,067.5)	(895.3)			(134.4)		(2,097.2)
Profit/(loss) before income tax	(846.8)	(543.2)	19.3	(23.2)	(79.3)	0.6	(1,472.6)
Income tax							309.4
Profit/(loss) after income tax from continuing operations							(1,163.2)
Profit/(loss) from discontinued operations					(88.9)		(88.9)
Profit/(loss) after income tax							(1,252.1)
Assets 30.6.2015	25,357.8	15,346.3	515.5	12,128.9	12,265.2	4,941.4	70,555.1
Liabilities 30.6.2015	22,638.6	4,523.3	1,486.1	26,709.6	8,505.9	438.1	64,301.6

Total expenses include merger expenses amounting to €3.1 million.

(Amounts in million of Euro)

	1.1 - 30.6.2014						Group
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	
Net interest income	407.6	357.3	7.2	6.3	162.3	0.8	941.5
Net fee and commission income	51.9	72.6	16.8	4.9	17.1	0.4	163.7
Other income	2.7	6.7	1.7	40.8	21.0	25.1	98.0
Total income	462.2	436.6	25.7	52.0	200.4	26.3	1,203.2
Total expense	(361.9)	(80.6)	(15.2)	(13.7)	(115.4)	(37.4)	(624.2)
Impairment losses	(233.5)	(336.4)			(170.8)		(740.7)
Profit/(loss) before income tax	(133.2)	19.6	10.5	38.3	(85.8)	(11.0)	(161.7)
Income tax							432.9
Profit/(loss) after income tax from continuing operations							271.2
Profit/(loss) from discontinued operations					(3.8)		(3.8)
Profit/(loss) after income tax							267.4
Assets 31.12.2014	25,128.1	18,725.4	404.2	11,132.9	12,386.3	5,158.6	72,935.5
Liabilities 31.12.2014	29,837.8	7,046.0	1,938.9	15,938.9	9,977.0	490.3	65,228.9

Total expenses include expenses relating to the merger of Emporiki Bank amounting to €7.4 million.

i. Retail

Includes all individuals (retail banking customers), professionals, small and very small companies operating in Greece and abroad, except from 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

Includes all medium-sized and large companies, with international activities, corporations managed by the Corporate Banking Division and shipping corporations operating in Greece and abroad except from South Eastern Europe countries. The Group offers working capital facilities, corporate loans, and letters of guarantee of the abovementioned corporations. This sector also includes the leasing products which are offered through the subsidiary Alpha Leasing A.E. and factoring services offered through the subsidiary ABC Factors A.E.

iii. Asset Management/Insurance

Consists of a wide range of asset management services

offered through Group's private banking units and the 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 Alphilife A.A.E.Z.

iv. Investment Banking/Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered either by the Bank or specialized subsidiaries (Alpha Finance A.E.P.E.Y., Alpha Ventures S.A.). It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South Eastern Europe

Consists of the Bank's branches and the Group's subsidiaries operating in South Eastern Europe.

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.

20. 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 credit risk from its

exposure to the Greek State as well as to the peripheral Eurozone countries.

i. Exposure to the Greek State

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

Portfolio	30.6.2015		31.12.2014	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Available for sale	4,682,113	3,569,008	4,703,271	3,708,048
Trading	1,818	1,001	2,675	1,729
Total	4,683,931	3,570,009	4,705,946	3,709,777

In addition the public entities securities on 30.6.2015 amounted to € 121,880 million (31.12.2014: € 138,862).

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

Balance sheet exposure

	30.6.2015	31.12.2014
	Carrying amount	Carrying amount
Derivative financial instruments – assets	399,305	566,070
Derivative financial instruments – liabilities	(387,444)	(290,879)

Derivative financial liabilities to public sector entities/organizations amounted to € 4.4 million on 30.6.2015 (31.12.2014: € 29.1 million).

The Group's exposure in loans to public sector entities/organizations on 30.6.2015 amounted € 1,396 million (31.12.2014: € 1,324 million). The Group for the above receivables has recognized impairment amounting to € 35 million as at 30.6.2015 (31.12.2014: € 28.2 million).

In addition the balance of Group's loans guaranteed by the Greek State (directly guaranteed by Greek government, loans guaranteed by Guarantee Fund for small and very small entities (TEMPME), Loans guaranteed by Common Ministerial Decisions) on 30.6.2015 amounted to € 727 million (31.12.2014: € 725 million). For these loans the Group has recognized impairment amounting to € 141 million as at 30.6.2015 (31.12.2014: € 142 million).

Off balance sheet exposure

	30.6.2015		31.12.2014	
	Nominal value	Fair value	Nominal value	Fair value
Bonds used as collaterals for refinancing operation	-	-	105,641	65,202

Balances at 31.12.2014 concern reverse repo transactions with Greek Government Bonds used as collaterals, which ended at 7.1.2015.

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 € 90.9 million (31.12.2014: € 50.9 million) and a bond of Cyprus Popular Bank (senior) with a book value of € 1.6 million (31.12.2014: € 1.6 million) after an impairment of € 34.6 million recognized in 2013 income statement.

Additionally, the Group holds in its available for sale portfolio,

bonds issued by the Italian Republic with a book value of € 6.5 million (31.12.2014: € 6.8 million) and bonds issued by the Spanish Republic with a book value of € 6.1 million (31.12.2014: € 6.3 million).

The Group as at 30.6.2015 had no exposures from bonds from Portugal and Ireland.

21. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	30.6.2015		31.12.2014	
	Fair value	Carrying amount	Fair value	Carrying amount
Assets				
Loans and advances to customers	47,499,684	47,722,569	49,125,976	49,556,985
Investments securities				
- Held to maturity	207,509	244,713	309,592	310,818
- Loans and receivables	4,385,954	4,294,133	4,370,874	4,299,101
Liabilities				
Due to customers	31,079,041	31,091,267	42,557,113	42,900,633
Debt securities in issue (1)	727,969	1,171,026	1,286,879	1,458,921

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

The fair value of loans is estimated based on the interbank market yield curves by adding a liquidity premium and spread per loan category and business unit for the expected loss. The fair value of deposits is estimated based on the interbank market

yield curves by deducting customer's spread depending on the type of deposit. In both of these cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

The fair value of held to maturity securities and of debt securities in issue is calculated using market prices, as long as the

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

market is active. In all other cases as well as for the loan portfolio, the discounted cash flows method is used and all significant variables are based either on observable market data or on a combination of observable and unobservable market data.

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

Hierarchy of financial instruments measured at fair value

	30.6.2015			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	6,831	919,540	3,832	930,203
Securities held for trading				
- Bonds and treasury bills		1,001		1,001
- Shares	119	3,575		3,694
- Other variable yield securities		56		56
Available for sale securities				
- Bonds and treasury bills	593,971	4,753,976	13,949	5,361,896
- Shares		13,671	61,449	75,120
- Other variable yield securities		44,534		44,534
Derivative financial liabilities	135	1,825,761		1,825,896
Convertible bond		15,000		15,000

	31.12.2014			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	12,368	1,136,108		1,148,476
Securities held for trading				
- Bonds and treasury bills	1,729			1,729
- Shares	2,380			2,380
- Other variable yield securities	80			80
Available for sale securities				
- Bonds and treasury bills	4,693,769	862,161	14,442	5,570,372
- Shares	11,913		62,011	73,924
- Other variable yield securities	43,990			43,990
Derivative financial liabilities	86	1,943,062	5,393	1,948,541
Convertible bond		64,600		64,600

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

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

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

The fair value of non-listed shares, as well as shares not traded in an active market is determined based on the estimations made by the Group which relate to the future profitability of

the issuer after taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as a discount rate. Given that the above parameters are mainly non observable, the valuation of these shares is classified as Level 3.

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

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

On 28 June 2015, Legislative Act was announced for Bank short term holiday, which resulted in discontinuation of trading activity of Greek FI, except for the clearing of transactions before Legislative Act occurred. On the same day the HCMC, following the Legislative Act "Bank short term holiday" announced that the Secondary Electronic Securities Market will remain closed which constitutes the main Greek public securities trading market. On 29 June 2015, the international custodians Euroclear and Clearstream announced that due to the adoption of restriction in capital movements by the Greek State, they will not accept clearing of transactions commands for payment ("Delivery vs Payment") for Greek securities. On 30 June 2015, it was decided on the Luxembourg Stock Exchange the interruption of transactions in securities issued by the Greek State.

The interruption of the function of the basic regulated market had as a result the loss of the characteristics of liquidity and

depth. Hence in order to assess the value of the portfolio of Greek State bonds of the Group for 30.6.2015 a valuation model was applied which takes into account observable market prices.

On 30.6.2015 the fair value of bonds and treasury bills issued by the Greek State as well as of quoted shares and mutual funds was calibrated in Level 2, due to the non-satisfaction of the criteria of active market.

Within the period, a Greek corporate bond and other Government's bonds amounting to € 24.2 million were transferred from Level 2 to Level 1 due to the satisfaction of the criteria of active market. In addition, within the period € 386.5 million of corporate bonds from greek issuers with the exception of Greek State were transferred from Level 1 to Level 2, due to the non-satisfaction of the criteria of active market.

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

30.6.2015				
	Total fair value	Fair value	Valuation method	Significant non-observable inputs
Derivative Financial Assets	3,832	798	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
		3,034	Discounted cash flows underlying interest rates taking into account the credit risk of the counterparty	The probability of default and loss given default of the counterparty calculated using an internal model
Available for sale bonds	13,949	13,949	Based on issuer price	Price
Available for sale shares	61,449	61,449	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer

31.12.2014				
	Total fair value	Fair value	Valuation method	Significant non-observable inputs
Available for sale bonds	14,442	14,442	Based on issuer price	Price
Available for sale shares	62,011	62,011	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
Derivative Financial Liabilities	5,393	20	Discounted cash flows - Black Scholes valuation model with shares basket being the underlying instrument	Coefficient of variation and correlation coefficient between shares
		5,373	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends

A fair variation in non-observable inputs of the financial instruments which are measured at fair value classified in Level 3 would not affect significantly the results of the Group.

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

	30.6.2015		
	Assets		Liabilities
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities
Opening balance 1.1.2015	76,453		(5,393)
Total gain or loss recognized in the income statement	(756)	798	5,373
Total gain or loss recognized directly in equity	(1,215)		
Purchases/Issues	7,754		
Sales/Repayments/Settlements	(6,838)		20
Transfers to Level 3 from Level 2		3,034	
Balance 30.6.2015	75,398	3,832	
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period.	(1,364)	(1,221)	

During the period purchases of foreign corporated bonds amounting to €7.3 million and of shares of amount of €0.5 million took place, which were classified in Level 3, since no observable parameters were utilized for valuation purposes. In addition, sales-repayments of foreign corporate bonds

amounting to €6.1 million and of shares of amount of €0.7 million took place. Furthermore, derivatives were transferred from Level 2 to Level 3 due to the non-satisfaction of the criteria for significant non-observable inputs.

	31.12.2014	
	Assets	Liabilities
	Available for sale securities	Derivative Financial Liabilities
Opening balance 1.1.2014	75,261	(582)
Changes for the period 1.1 - 30.6.2014		
Total gain or loss recognized in the income statement	3,932	(1,604)
Total gain or loss recognized directly in equity	3,045	
Purchases/Issues	643	
Sales/Repayments/Settlements	(9,832)	
Transfers to Level 3 from Level 1		17
Transfers to Level 3 from Level 2	714	
Balance 30.06.2014	73,763	(2,169)
Changes for the period 1.7- 31.12.2014		
Total gain or loss recognized in the income statement	(3,929)	(3,225)
Total gain or loss recognized directly in equity	621	
Purchases/Issues	443	
Sales/Repayments/Settlements	(1,609)	18
Transfers to Level 3 from Level 1	7,164	(17)
Balance 31.12.2014	76,453	(5,393)
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 30.6.2014	261	(1,604)

22. Capital adequacy

The policy of the Group is to maintain a strong capital base to ensure depositors investors, creditors and market confidence and to sustain future development of the Group.

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

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

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

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

Since January 1, 2014 EU Directive 2013/36/EU of the European Parliament and Council dated 26 June 2013 along with the EU Regulation 575/2013/EU, dated June 26, 2013 ("CRD IV"), have come into force and gradually introduce the new capital adequacy framework (Basel III) of credit institutions.

From 1.1.2014, besides the 8% capital adequacy limit, new limits of 4.5% for Common Equity Tier I ratio and 6% for Tier I ratio were set according to the Regulation 575/2013 and the transitional provisions/ for the calculation of own funds as adopted by the Bank of Greece. These limits should be satisfied on a standalone and on a consolidated basis.

In the context of the regulation review and the new financial support programme of Greece from August 2015 an exercise of evaluation of Greek Banks by the Single Supervisory Mechanism (SSM) of ECB is in progress.

The exercise includes Asset Quality Review and Stress Tests. The results and the ratios that should be met were announced on 31 October 2015 as specially mentioned in note 23.

	30.6.2015 (estimate)	31.12.2014* (restated)	31.12.2014 (published)
Common Equity Tier I	11.2%	14.3%	14.3%
Tier I	11.2%	14.3%	14.3%
Capital adequacy ratio	11.4%	14.6%	14.7%

23. Comprehensive assessment - Recapitalisation framework

Comprehensive Assessment

According to the Agreement for Financial Support to be provided by the European Stability Mechanism, in the third quarter of 2015 a comprehensive assessment ("CA") was conducted for the four Greek systemic financial institutions, by the Single Supervisory Mechanism - SSM. The CA included the following steps (a) Asset Quality Review (AQR), (b) a stress test. The minimum capital threshold for the baseline scenario was a CET1 ratio of 9.5% and for the adverse scenario was a CET1 ratio of 8%. Although the above CA was based on the methodology applied for the comprehensive assessment conducted by the ECB in 2014 for the total of the banks that it supervises, the parameters and assumptions currently applied were more adverse due to the current economic circumstances. The CA was

conducted with a reference date of 30.6.2015. As part of the asset quality review a portfolio of Greek loans was reviewed in terms of credit risk, adequacy of provision coverage and management practices. In the context of the stress test, SSM conducted, with the support of appointed financial advisors, an estimation of the future impairment losses of the Group's loans with a two and a half years horizon, for a base and an adverse macroeconomic scenario. The assumptions of the two scenarios were defined by the SSM. In addition, the SSM took into consideration the financial projections and estimations of future profitability made by the financial institutions, based on commonly accepted levels of macroeconomic indices for the base scenario, while the development of the macroeconomic figures in the adverse scenario was configured by the ECB.

* The change of 10 basis points as at 31.12.2014 in the capital adequacy ratio is due to the final calculation of the credit risk weighted assets which became final after the publication of the 2014 Annual Financial Report.



The assessment of additional capital requirements was performed based on adjustments to the above figures according to the methodological approach of the SSM and was calculated from the differences between the Common Equity Tier I ratio that arose for credit institutions for each year until 2017 against a limit of 9.5% and 8% for the base and adverse scenario respectively.

The results of the CA were announced on 31 October 2015. The Group presented zero capital needs as a result of the AQR, which amounted to € 1.7 billion, and also presented low capital needs amounting to € 262.6 million under the base scenario. Under the adverse scenario the capital needs amounted to € 2,743 million.

In order to cover the above capital needs the Bank has already announced the optional exchange offer, with shares and/or cash, of hybrid securities, subordinated securities and senior bonds issued by subsidiaries of the Bank (Alpha Credit Group Plc, Emporiki Group Finance Plc and Alpha Group Jersey Limited), while at the same time it intends to proceed to actions for the enhancement of its equity which will be completed by the end of 2015, based on the institutional framework currently in force and the changes that are expected to be made to that framework.

In particular the AQR, as in 2014, was a regulatory exercise that was based upon a single standardized procedure applied by the ECB to assess the quality of the loan portfolio in Greece with a reference date of 30.6.2015. The result of the AQR amounted to €1.7 billion before income tax and is further analyzed as follows:

- € 531 million from the individual credit file review of a sample of loans,
- € 903 million from the collective assessment of loans, out of which € 816 million relate to mortgage loans,
- € 290 million from the extrapolation of the results of the credit file review to the remaining portfolio and
- € 22 million for additional variations in the derivatives valuation regarding counterparty risk.

The total AQR result expresses the difference from the provisional book values of the loan portfolio that were provided to the SSM for the purpose of conducting the exercise before the finalization of the recoverability assessment of the loans and advances portfolio of 30.6.2015. Therefore, it does not express an adjustment to the Group's book values as presented in the financial statements as at 30.6.2015. However, within the last quarter of 2015, in the context of the periodic assessment of the methodology and parameters applied for the impairment assessment of the loans and advances portfolio, the Group shall consider the AQR methodology and results and will adjust the parameters applied where required, taking also into consideration the circumstances prevailing at that time.

Finally, in the context of the Memorandum for Economic and Financial Stability, which was signed between Serbia and the International Monetary Fund a diagnostic assessment of the balance sheet of Banks operating in Serbia is in progress. The Central Bank of Serbia has appointed an international audit firm as Advisor for the execution and completion of the Asset Quality Review. The assessment is a regulatory exercise based on a single standard procedure and is performed with a common methodology for all participating banks. Alpha Bank Srbija A.D has been included in the population of the banks under assessment, providing the requested data by the auditor. The results of the assessment will be announced prior to the end of 2015.

Recapitalisation Framework

On 23.7.2015, Law 4335/2015 was announced that adopts European Directive 2014/59, which defines the context of the reestablishment and resolution for credit institutions.

In accordance with this Directive a set of rules was established to deal with financial crises across the EU to ensure that shareholders, creditors (including unsecured depositors) share the burden of a potential recapitalization and/or the liquidation of troubled banks.

In accordance with Law 4335/2015 the Bank of Greece is designated as the resolution authority and has the power to apply resolution tools and exercise resolution powers.

The main resolution tools provided for by Law that may be applied individually or in any combination are the following:

- the sale of business tool,
- the bridge institution tool,
- the asset separation tool (in order to avoid the use of this tool exclusively as a tool of public financial support, the asset separation tool should be applied only in conjunction with other tools), and
- the bail-in tool (write-down or/and conversion of capital instruments and liabilities).

In addition, under this Directive the Ministry of Finance is empowered to use measures of public capital support or, if the credibility preconditions of a financial institution are satisfied, the provision of financial support through capital injection or purchase of equity instruments is available. In particular, as far as the recapitalization of financial institutions in Greece is concerned, on 30 October 2015, a draft legislation regarding the recapitalization framework of the credit institutions was submitted to vote in the Hellenic Parliament. The draft legislation, inter alia, provides for:

- The Hellenic Financial Stability Fund, according to the Financial Facility Agreement of 19.8.2015 is appointed as the competent body for the provision of capital support to the financial institutions

- The operation authorities of the Fund, the decision-making bodies and the selection procedures are established
- The procedures for the mobilization of the Fund are determined, as well as the conditions of supply of capital support not only for purposes of precautionary recapitalization but also for the implementation of measures of public financial stability
- Issues regarding the voting rights that the Fund acquires are described, as well as the special rights provided due to the share and contingent voting rights holding.

In particular with respect to capital support, this is provided through the participation of the Fund in the share capital increase of the credit institution through the issuance of common shares with voting rights or the issuance of contingent convertible bonds or other convertible instruments. In addition, in order to limit State aid to the lowest level, certain mandatory measures exist to provide for the allocation of any capital shortfall to holders of equity instruments and liabilities, without triggering any default clauses or to be accounted for as non fulfillment of contractual obligations.

24. Related-party transactions

The Bank and the Group companies enter into a number of transactions with related parties in the normal course of business. These transactions are performed at 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:

	30.6.2015	31.12.2014
Assets		
Loans and advances to customers	32,150	32,529
Liabilities		
Due to customers	17,471	46,912
Debt securities in issue	1,254	2,370
Employee defined benefit obligations	407	387
Total	19,132	49,669
Letters of guarantee and approved limits	11,680	11,917

	From 1 January to	
	30.6.2015	31.6.2014
Income		
Interest and similar income	171	704
Fee and commission income	69	63
Total	240	767
Expenses		
Interest expense and similar charges	137	1,119
Fees paid to key management and close family members	1,691	1,741
Other expenses	1	1
Total	1,828	2,861

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

	30.6.2015	31.12.2014
Assets		
Loans and advances to customers	168,021	171,731
Other assets	774	391
Total	168,795	172,122
Liabilities		
Due to customers	19,503	7,265



	From 1 January to	
	30.6.2015	30.6.2014
Income		
Interest and similar income	2,851	2,579
Fee and commission income	2	1
Other income	409	416
Total	3,262	2,996
Expenses		
Interest expense and similar charges	152	51
General administrative expenses		2,699
Other expenses	1,106	1,094
Total	1,258	3,844

c. The Supplementary Fund of former Alpha Credit Bank's employees holds bonds of the subsidiary Alpha Credit Group Plc of €21,725 (31.12.2014: €19,031), while its deposits with Alpha Bank amount to €6,066 (31.12.2014: €29,876). The interest expense related to the bond and to the deposits

amount at €496 and €40 respectively. Additionally, Alpha Bank's shares of €740 (31.12.2014: €1,075) are included in the assets of the Supplementary Fund.

d. The Hellenic Financial Stability Fund (HFSF) has significant influence on the Bank. In particular, according to Law 3864/2010, HFSF acquired representation in the Board of

Directors and other significant Committees of the Bank. Therefore, according to IAS 24, its controlling entities are considered related parties of the Group.

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

	From 1 January to	
	30.6.2015	30.6.2014
Income		
Interest and similar income		289
Fee and commission income	34	
Total	34	289

25. Acquisition of the Retail Banking operations of Citibank and Diners Club Greece A.E.P.P.

On 30.9.2014, the acquisition by the Bank of Retail Banking operations of Citibank, including the company Diners Club Greece A.E.P.P. was completed, following the agreement signed on 13.6.2014 between the Bank and the Citibank International plc (hereinafter "CIP") and Citibank Overseas Investment Corporation and the receipt of required regulatory approvals.

An analysis of the above transactions is included in Note 47 of the 2014 Group's financial statements. The valuation process of the fair value of the net assets acquired through the acquisition of the retail banking operations of CIP and Diners, had not been completed as of 31.12.2014, due to the short period of time between the completion of the transaction and

the publication of the annual financial statements. Within the first quarter of 2015 the Group completed the valuation process of the net assets acquired in the context of the above mentioned transactions without any adjustment in the temporary fair values disclosed in the annual financial statements of 31.12.2014.

The following tables present the final fair values as of 30.9.2014 for the assets acquired from the acquisition of the retail banking operations of CIP and Diners respectively.

It is noted that, on 2.6.2015, merger through absorption of the company Diners Club Greece A.E.P.P. was completed by the Bank.

CIP Transaction

	Fair value
Net assets	
Assets	
Cash and balances with Central Banks	20,279
Loans and advances to customers	227,466
Property, plant and equipment	458
Other intangible assets	60,079
Funding gap	680,950
Other assets	695
Total Assets	989,927
Liabilities	
Due to customers	927,343
Employee defined benefit obligations	2,936
Other liabilities and provisions	12,948
Total Liabilities	943,227
Net assets	46,700
Price	(46,700)
Negative goodwill	-

Diners Club Greece A.E.P.P.

	Fair value
Net assets	
Assets	
Cash and balances with Central Banks	1,455
Loans and advances to customers	147,924
Other intangible assets	25,085
Other assets	181
Total Assets	174,645
Liabilities	
Due to banks	107,794
Employee defined benefit obligations	5,398
Deferred tax liabilities	6,522
Other liabilities and provisions	13,207
Total Liabilities	132,921
Net assets	41,724
Price	(1,437)
Negative goodwill	40,287

26. Assets held for sale and other discontinued operations

On 17.7.2015, the Bank and Eurobank, with a common statement, disclosed their agreement, concerning the principal terms, for the transfer of operations of Bank's Bulgaria Branch to Eurobank's subsidiary in Bulgaria (PostBank). The transfer will be completed in 2015, after the conclusion of definitive contracts and obtaining of necessary regulatory approvals. On 30.6.2015 the assets of Bulgaria Branch, and directly related liabilities, meet the classification criteria as "Held for sale" in accordance with IFRS 5, as at that date, the management had decided to sell the unit and was already in negotiations with the prospective buyer. Simultaneously, the Bulgaria Branch is a distinctive geographical area of operations for the Group which is included in the Southeast Europe for reporting purposes per operating segment. After the classification of the Bulgaria Branch, which is the only entity in the banking sector through which the Group operates in Bulgaria, as asset held for sale, its operations are classified as "discontinued operations". Therefore, for the purpose of preparation of the Group's interim financial statements as at 30.6.2015, the Group valued the assets and liabilities of Bulgaria Branch at the lower of their carrying amount and fair

value less costs to sell, recognizing the difference which amounted to €85.5 million as "Net loss after income tax from discontinued operations" in the Income Statement. After the aforementioned valuation, assets of Bulgaria Branch amounted to €460.8 million, and are presented in the balance sheet as "Assets held for sale", including other Group properties held for sale which amounted to €6 million, increasing the total Assets held for sale of Group to €466.8 million.

On 31.12.2014 the corresponding figure of assets held for sale of the Group amounted to €54 million, of which an amount of €46.1 million related to the subsidiary Alpha Insurance Ltd (Note 25 of the Consolidated Financial Statements of 31.12.2014), which was sold on 16.1.2015. The remaining amount of €7.9 million related to other assets held for sale. The liabilities of Bulgaria Branch, amounting to €287.1 million, are presented in the balance sheet as Liabilities related to assets held for sale. The corresponding amount of the Group amounted to €59 million as at 31.12.2014 and related to Alpha Insurance Ltd. The figures of Bulgaria Branch are analyzed in the table below:

(Amounts in thousands of Euro)

	30.6.2015	31.12.2014
ASSETS		
Cash and balances with Central Banks	128,223	2
Due from banks	17,278	1,863
Securities held for trading		1,005
Loans and advances to customers	387,615	15,347
Investment securities		
- Available for sale	6	5,145
Investment property	1,258	1,269
Property, plant and equipment	5,351	453
Goodwill and other intangible assets	3,220	73
Other assets	3,383	26,227
	546,334	51,384
Difference from valuation at fair value	(85,500)	(5,270)
Assets held for sale	460,834	46,114
LIABILITIES		
Due to banks		(399)
Due to customers (including debt securities in issue)	281,019	
Amounts due to current income tax and other taxes	135	
Deferred tax liabilities		160
Other liabilities	5,030	2,052
Provisions	878	57,181
Total Liabilities related to assets held for sale	287,062	58,994
EQUITY		
Reserve for available for sale securities		53
Exchange differences		(78)
Amounts that were recognized in equity and regard assets held for sale	-	(25)

The results and cash flows from the Bulgaria Branch are presented as "discontinued operations" in the income Statement with a corresponding restatement of comparative periods 1.1.2014 to 30.6.2014 and 1.4.2014 to 30.6.2014 and in the

Cash Flow Statement with a restatement of comparative period 1.1.2014 to 30.6.2014. The following table analyzes the amounts presented in the Income Statement as discontinued operations.

Income Statement

(Amounts in thousand of Euro)

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Interest and similar income	14,646	18,073	7,288	8,251
Interest expense and similar charges	(2,770)	(7,830)	(1,746)	(3,858)
Net interest income	11,876	10,243	5,542	4,393
Fee and commission income	3,276	2,822	1,597	1,492
Commission expense	(200)	(208)	(103)	(105)
Net fee and commission income	3,076	2,614	1,494	1,387
Dividend income				
Gains less losses on financial transactions	277	207	116	133
Other income	188	244	78	83
	465	451	194	216
Total income	15,417	13,308	7,230	5,996
Staff costs	(5,055)	(5,182)	(2,596)	(2,659)
General administrative expenses	(7,958)	(7,395)	(4,149)	(3,860)
Depreciation and amortization expenses	(1,474)	(1,615)	(723)	(803)
Other expenses	(18)	(50)	(14)	(40)
Total expenses	(14,505)	(14,242)	(7,482)	(7,362)
Impairment losses and provisions to cover the credit risk	(4,302)	(2,864)	(2,943)	(1,491)
Profit/(loss) before income tax	(3,390)	(3,798)	(3,195)	(2,857)
Income tax				
Profit/(loss) after income tax	(3,390)	(3,798)	(3,195)	(2,857)
Difference from valuation at fair value	(85,500)		(85,500)	
Profit/ (loss) from discontinued operations after income tax	(88,890)	(3,798)	(88,695)	(2,857)

It is noted that both the sale of the Branch in Bulgaria and of the Alpha Insurance Ltd are part of the commitments undertaken by the Bank to implement as included in the approved by the European Commission Restructuring Plan. In particular, this Restructuring Plan provides for specific restructuring and rationalization actions that must be performed by the Bank and which are in progress. Indicatively these actions include the reduction of Bank's total expenses in Greece, the reduction of the financing cost and the strengthening of the balance sheet, the concentration of activities in key markets and

the restriction of assets and of additional funding which are related to international activities as well as the reduction of investments and other securities portfolio of the Bank. The Group assesses, at each reporting date of the financial statements, the actions undertaken within the context of implementation of the restructuring plan in order to classify, in the cases where the criteria of IFRS 5 are met (which are listed in note 1.17 of the consolidated financial statements of 31.12.2014), as held for sale the assets and the liabilities that are directly associated with them.



27. Corporate events

a. On 16.1.2015 was completed the sale of the total number of shares of the subsidiary Alpha Insurance Limited in Cyprus. The result of the transaction, amounting to €5.3 million, was recognized in "Gains less losses on financial transactions" of year 2014, at which the assets and liabilities of the subsidiary were classified in held for sale and they were valued at the lower price between the book value and the fair value less selling expenses.

b. On 23.1.2015 the Bank proceeded in the sale of the total number of shares of the joint venture Cardlink SA. The result for the group from the sale was a gain of amount €6.8 million and was presented in "Gains less losses on financial transactions".

c. On 3.2.2015, the Group's subsidiary AGI-SRE Ariadni Ltd acquired the total number of shares of AGI-SRE Ariadni DOO based in Serbia for a total amount of €1.

d. On 6.2.2015, the Group's subsidiary AGI-Cypre Arsinoe Ltd was renamed to AGI-RRE Arsinoe Ltd.

e. On 16.2.2015 the Bank's Board of Directors approved the initiation of the procedures of merger and absorption of Diners Club SA with the Bank, in accordance with the provision of articles 68 paragraph 2 and 78 of Codified Law 2190/1920,

in combination with article 16, paragraph 18(a) and (d) (1) of Law 2515/1997 and also in accordance with article 54 of Law 4172/2013. On 2.6.2015 this merger was completed.

f. On 17.3.2015 the Bank acquired the 23.01% of the shares of SELONDA AEGE as consequence of an agreement for restructuring of the company's debt. The fair value of the acquired shares has been set at €1. The Bank has the intention to sell the corresponding shares.

g. On 27.3.2015 the merger of Alpha Bank Cyprus Ltd and Emporiki Bank Cyprus Ltd was completed through absorption of the second from the first.

h. On 16.4.2015 the subsidiary of the Bank, Alpha Group Investments Ltd founded the company Alpha Investment Property Kefalariou SA for an amount of €24 thousand.

i. On 30.4.2015, the Group's subsidiary, AGI-RRE Participations 1 Ltd acquired the 99.996% of the shares of Asmita Gardens Srl based in Romania, for the amount of €1.07 million. Figures of Asmita Gardens Srl are immaterial and the valuation process at fair value is not yet finalized.

j. On 7.5.2015 the Group's subsidiary, AGI-RRE POSEIDON LTD acquired the 2.97% of the minority interests of Romfelt Real Estate SA and therefore the Group holds the 98.86%.

28. Restatement of financial statements

During the current period the Group modified the disclosure of legal fees which, according to the loan agreements, are attributed to the loan accounts. Those expenses, which so far were included in general administrative expenses, are offset, for disclosure purposes, with the relevant income arising during the debit of the loan accounts, which is included in the fee and commission income.

The modification of the legal fees and of the relevant income disclosure was chosen because the substance of the transaction is better reflected in this way, since in the amounts of expenses no longer are included amounts that in essence are not charged to the Bank, and also corresponding to amounts of

income there aren't amounts included that are not provided by the Group as service.

As a result of this change, some funds of the income statement of the comparative period were restated without changing the result.

The restated statements of income and cash flows for the period ended 30.6.2014 are presented after the change of the presentation of legal expenses and related revenues and presentation of Branch Bank in Bulgaria as discontinued activity and adjustment of the index Basic and diluted earnings / (loss) per share.

Consolidated Income Statement

(Amounts in thousand of Euro)

	From 1 January to 30.6.2014				
	Published Amounts	Restatements due to changes in the presentation of Legal Expenses	Restated Amounts	Discontinued operations	Continuing operations
Interest and similar income	1,669,431		1,669,431	18,073	1,651,358
Interest expense and similar charges	(717,700)		(717,700)	(7,830)	(709,870)
Net interest income	951,731		951,731	10,243	941,488
Fee and commission income	218,239	(28,580)	189,659	2,822	186,837
Commission expense	(23,380)		(23,380)	(208)	(23,172)
Net fee and commission income	194,859	(28,580)	166,279	2,614	163,665
Dividend income	945		945		945
Gains less losses on financial transactions	69,265		69,265	207	69,058
Other income	33,363		33,363	244	33,119
	103,573		103,573	451	103,122
Total income	1,250,163	(28,580)	1,221,583	13,308	1,208,275
Staff costs	(332,679)		(332,679)	(5,182)	(327,497)
General administrative expenses	(282,317)	28,580	(253,737)	(7,395)	(246,342)
Depreciation and amortization expenses	(47,611)		(47,611)	(1,615)	(45,996)
Other expenses	(4,448)		(4,448)	(50)	(4,398)
Total expenses	(667,055)	28,580	(638,475)	(14,242)	(624,233)
Impairment losses and provisions to cover credit risk	(743,584)		(743,584)	(2,864)	(740,720)
Share of profit/(loss) of associates and joint ventures	(4,992)		(4,992)		(4,992)
Profit/(Loss) before income tax	(165,468)	-	(165,468)	(3,798)	(161,670)
Income tax	432,884		432,884		432,884
Profit/(Loss) after income tax	267,416	-	267,416	(3,798)	271,214
Profit/(Loss) attributable to:					
Equity owners of the Bank	267,170		267,170	(3,798)	270,968
Non controlling interests	246		246		246
Earnings/(losses) per share:					
Basic and diluted earnings/(losses) per share (€ per share):	0.02		0.02	(0.0003)	0.02



(Amounts in thousand of Euro)

	From 1 April to 30.6.2014				
	Published Amounts	Restatements due to changes in the presentation of Legal Expenses	Restated Amounts	Discontinued operations	Continuing operations
Interest and similar income	832,240		832,240	8,251	823,989
Interest expense and similar charges	(351,844)		(351,844)	(3,858)	(347,986)
Net interest income	480,396		480,396	4,393	476,003
Fee and commission income	114,429	(15,842)	98,587	1,492	97,095
Commission expense	(14,764)		(14,764)	(105)	(14,659)
Net fee and commission income	99,665	(15,842)	83,823	1,387	82,436
Dividend income	883		883		883
Gains less losses on financial transactions	26,807		26,807	133	26,674
Other income	18,237		18,237	83	18,154
	45,927		45,927	216	45,711
Total income	625,988	(15,842)	610,146	5,996	604,150
Staff costs	(165,817)		(165,817)	(2,659)	(163,158)
General administrative expenses	(140,575)	15,842	(124,733)	(3,860)	(120,873)
Depreciation and amortization expenses	(23,774)		(23,774)	(803)	(22,971)
Other expenses	(2,367)		(2,367)	(40)	(2,327)
Total expenses	(332,533)	15,842	(316,691)	(7,362)	(309,329)
Impairment losses and provisions to cover credit risk	(348,533)		(348,533)	(1,491)	(347,042)
Share of profit/(loss) of associates and joint ventures	(2,786)		(2,786)		(2,786)
Profit/(Loss) before income tax	(57,864)	-	(57,864)	(2,857)	(55,007)
Income tax	419,415		419,415		419,415
Profit/(Loss) after income tax	361,551	-	361,551	(2,857)	364,408
Profit/(Loss) attributable to:					
Equity owners of the Bank	361,383	-	361,383	(2,857)	364,240
Non controlling interests	168		168		168
Earnings/(losses) per share:					
Basic and diluted earnings/(losses) per share (€ per share):	0.03		0.03	(0.0002)	0.03

Consolidated Statement of Cash Flows

(Amounts in thousand of Euro)

	From 1 January to 30.6.2014		
	Published Amounts	Restatement from Discontinued Operations	Amounts including Discontinued Operations
Cash flows from operating activities			
Profit/(loss) before income tax	(165,468)	(3,798)	(161,670)
Adjustments for gain/(losses) before income tax for:			
Depreciation/Impairment of fixed assets	31,434	1,285	30,149
Amortization/Impairment of intangible assets	16,177	330	15,847
Impairment losses from loans, provisions and staff leaving indemnity	781,319	3,097	778,222
(Gains)/losses from investing activities	(48,310)	(33)	(48,277)
(Gains)/losses from financing activities	59,255		59,255
Share of (profit)/loss of associates and joint ventures	4,992		4,992
	679,399	881	678,518
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks	(126,235)	(5,443)	(120,792)
Securities held for trading and derivative financial assets	(58,618)	10	(58,628)
Loans and advances to customers	782,291	(24,630)	806,921
Other assets	(36,020)	202	(36,222)
Net increase /(decrease) in liabilities relating to continuing operating activities:			
Due to banks	(2,779,537)	(690)	(2,778,847)
Derivative financial liabilities	20,012	(14)	20,026
Due to customers	(407,708)	28,297	(436,005)
Other liabilities	33,011	592	32,419
	(1,893,405)	(795)	(1,892,610)
Income taxes and other taxes paid	(22,545)	(164)	(22,381)
Net cash flows from continuing operating activities before taxes	(1,915,950)	(959)	(1,914,991)
Net cash flows from continuing operating activities	(1,915,950)	(959)	(1,914,991)
Net cash flows from discontinued operating activities			(959)
Cash flows from continuing investing activities			
Investments in subsidiaries, associates and joint ventures	1,015		1,015
Dividends received	945		945
Acquisition of fixed and intangible assets	(34,953)	(82)	(34,871)
Disposals of fixed and intangible assets	3,939	70	3,869
Net (increase)/decrease in investment securities	1,177,079	393	1,176,686
	1,148,025	381	1,147,644
Net cash flows from continuing investing activities	1,148,025	381	1,147,644
Net cash flows from discontinued investing activities			381
Cash flows from continuing financing activities			
Dividends paid	(604)		(604)
Receipts of debt securities in issue and other borrowed funds	496,750		496,750
Repayment of debt securities in issue and other borrowed funds	(64,697)		(64,697)
Share capital increase	1,200,000		1,200,000
Redemptions of preference shares	(940,000)		(940,000)
Share capital increase expenses	(48,327)		(48,327)
	643,122		643,122
Net cash flows from continuing financing activities	643,122		643,122
Effect of exchange rate fluctuations on cash and cash equivalents	2,449		2,449
	(122,354)	(578)	(121,776)
Net increase/(decrease) in cash flows – continuing activities	(122,354)	(578)	(121,776)
Net increase/(decrease) in cash flows – discontinued activities			(578)
Cash and cash equivalents at the beginning of the period	973,167		973,167
Cash and cash equivalents at the end of the period	850,813		850,813



29. Events after the balance sheet date

a. On 15.7.2015, after the voting of Law 4334/2015, the income tax rate of legal entities increased from 26% to 29%, for profits arising in years starting from 1.1.2015 and onwards.

b. On 17.7.2015, the Bank entered into an agreement with Bank Eurobank Ergasias SA for the transfer of the Bulgaria Branch of the Bank to Eurobank Bulgaria AD, a subsidiary of Eurobank Ergasias A.E. The proposed transaction is consistent with the restructuring plans of the two banking groups (note 26).

c. On 20.7.2015 the Bank participated in the increase in the share capital of the joint venture "APE Investment Property SA" based on its percentage of participation paying an amount of € 11.8 million.

d. On 23.7.2015, with the enactment of Law 4335/2015 the legislation for the institutional context, which regulates the contributions payable by the credit institutions to the resolution fund, was amended. Specific reference is made in note 12.

Additionally, with the enactment of Law 4335/2015 the European Directive 2014/59, which defines the context of resolution for credit institutions, was incorporated into the Greek Law.

e. On 29.7.2015 the subsidiary of the Bank, Emporiki Development and Real Estate Management S.A. sold all the shares held in the company "Marina Zeas S.A.".

f. On 2.9.2015 the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd, by paying the amount of € 28.15 million.

g. On 2.9.2015 the subsidiary of the Bank, Alpha Group Investments Ltd, participated in the capital increase of the Group's subsidiaries, AEP Amarousion I, AEP Amarousion II, AEP Chalandriou, AEP Nea Kifissia and AEP Kallirois by € 10 million, € 4.05 million, € 12 million, € 1.4 million and € 0.7 million respectively.

h. On 23.9.2015 the subsidiary of the Bank, Alpha Group Investments Ltd, founded the Alpha Bank Debtors Information Services S.A. company for an amount of € 350 thousands.

i. On 28.10.2015 the Bank announced separate invitations to holders of all of the outstanding series of securities issued by Alpha Credit Group Plc, Emporiki Group Finance Plc and Alpha Group Jersey Limited, to offer all outstanding securities to

exchange for non-transferable receipts issued by the Bank. The exchange offers are being made in order to strengthen the Offeror's capital base, which has been impacted by the negative macro-economic conditions recently experienced in the Hellenic Republic that are affecting all Greek financial institutions.

In addition, the Exchange Offers in relation to the Subordinated Securities and the Preferred Securities reflect the fact that, if State aid is required to meet any part of the additional capital requirements that may be imposed as a result of the Comprehensive Assessment conducted by the Single Supervisory Mechanism (SSM) or otherwise, burden-sharing will need to be achieved to the maximum extent possible through expected mandatory contributions by holders of equity, hybrid capital and subordinated debt of the Offer or as a prior condition to the grant of such state aid.

The Exchange Offer concerns senior securities of € 985 million and subordinated and hybrid securities of a total amount of € 100.9 million. The total perimeter of securities to be exchanged amounts to about € 1.1 billion.

The terms of Alpha Bank's Exchange Offer is the exchange:

1. in cash on the nominal value including accrued interest (excluding hybrid securities) at 50% for senior securities, 9% for subordinated securities and 5% for hybrid securities.
2. in shares (or any combination thereof) on the nominal value including accrued interest (excluding hybrid securities) at 100% for senior securities, 85% for subordinated securities and 50% for hybrid securities
3. Cash Resale Amount, only in the case of non-permitted equityholders.

j. On 30.10.2015 the Bank participated in the share capital increase of the company Alpha Group Investments Ltd by contributing an amount of € 6.85 million.

k. On 30.10.2015 the subsidiary company of the Bank, Alpha Group Investments Ltd, participated in the share capital increase of its subsidiaries AEP Attikis and AEP Attikis II with the amount of € 0,35 million and € 6.5 million respectively.

Athens, 31 October 2015

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

THE MANAGING
DIRECTOR

THE GENERAL MANAGER
AND CHIEF FINANCIAL OFFICER

THE ACCOUNTING AND
TAX MANAGER

VASILEIOS T. RAPANOS
ID. No. AI 666242

DEMETRIOS P. MANTZOUNIS
ID. No. I 166670

VASSILIOS E. PSALTIS
ID. No. AI 666591

MARIANNA D. ANTONIOU
ID. No. X 694507

Independent Auditors' Report on Review of Interim Financial Information

To the Shareholders of
ALPHA BANK A.E.

Introduction

We have reviewed the accompanying balance sheet of ALPHA BANK A.E. (the "Bank") as of June 30, 2015 and the related statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, which comprise the condensed interim financial information and which forms an integral part of the six-month financial report of article 5 of Law 3556/2007. The Bank's management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the International Financial Reporting Standards adopted by the European Union and specifically with IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of matter

Without modifying our conclusion we draw attention to the disclosures made in note 1.2.1 to the interim condensed financial information, which refer to, the current economic conditions in Greece, the effects of the increased provisions for credit risk on the Bank's regulatory capital, the planned actions to restore the capital adequacy of the Bank, as well as the material uncertainties regarding the macroeconomic environment, the developments in fiscal aggregates and the framework and process with respect to the recapitalization of the Greek banks. These material uncertainties may cast significant doubt on the Bank's ability to continue as a going concern.

Athens, 31 October 2015

KPMG Certified Auditors A.E.
AM SOEL 114

Nikolaos Vouniseas
Certified Auditor Accountant
AM SOEL 18701

Ioannis Achilas
Certified Auditor Accountant
AM SOEL 12831

Interim Financial Statements as at 30.6.2015

Interim Income Statement

(Amounts in thousand of Euro)

	Note	From 1 January to		From 1 April to	
		30.6.2015	30.6.2014*	30.6.2015	30.6.2014*
Interim and similar income		1,321,497	1,404,400	668,044	701,996
Interest expense and similar charges		(538,633)	(655,052)	(269,747)	(322,726)
Net interest income		782,864	749,348	398,297	379,270
Fee and commission income		159,597	150,211	79,213	78,087
Commission expense		(27,265)	(17,932)	(15,918)	(11,967)
Net fee and commission income		132,332	132,279	63,295	66,120
Dividend income		1,123	976	390	968
Gains less losses on financial transactions		(29,780)	94,182	(23,091)	31,262
Other income		9,601	8,968	5,015	4,887
		(19,056)	104,126	(17,686)	37,117
Total income		896,140	985,753	443,906	482,507
Staff costs		(200,018)	(261,087)	(98,087)	(129,724)
General administrative expenses		(187,826)	(191,704)	(93,776)	(91,789)
Depreciation and amortization	7, 8, 9	(34,144)	(28,776)	(17,394)	(14,286)
Other expenses		(1,685)	(3,502)	(1,095)	(1,617)
Total expenses		(423,673)	(485,069)	(210,352)	(237,416)
Impairment losses and provisions to cover credit risk	2	(1,964,855)	(560,905)	(1,590,914)	(254,895)
Negative goodwill from acquisition of Diners	23	48,237		48,237	
Profit/(Loss) before income tax		(1,444,151)	(60,221)	(1,309,123)	(9,804)
Income tax	3	335,829	435,543	325,661	422,371
Profit/(Loss) after income tax from continuing operations		(1,108,322)	375,322	(983,462)	412,567
Profit/(Loss) after income tax from discontinued operations	24	(89,559)	(2,431)	(88,607)	(1,866)
Profit/(Loss), after income tax		(1,197,881)	372,891	(1,072,069)	410,701
Earnings/(Losses) per share:					
Basic and diluted (€ per share)	4	(0.09)	0.03	(0.08)	0.03
Basic and diluted from continuing operations (€ per share)	4	(0.09)	0.03	(0.08)	0.03
Basic and diluted from discontinued operations (€ per share)	4	(0.0070)	(0.0002)	(0.0069)	(0.0001)

* The figures of the Interim Income Statement of the comparative period have been restated due to a modification of the presentation of legal expenses and the presentation of Bank's Branch in Bulgaria as a discontinued operation (notes 24 and 26).



Interim Balance Sheet

(Amounts in thousand of Euro)

	Note	30.6.2015	31.12.2014
ASSETS			
Cash and balances with Central Banks		759,472	1,265,442
Due from banks		3,701,222	4,714,551
Securities held for trading	6	1,001	1,729
Derivative financial assets		932,819	1,153,944
Loans and advances to customers	5	42,655,706	43,475,910
Investment securities			
- Available for sale	6	4,861,817	4,638,825
- Held to maturity	6	45,323	93,817
- Loans and receivables	6	4,294,133	4,299,101
Investments in subsidiaries, associates and joint ventures	22	2,069,254	2,072,689
Investment property	7	29,542	31,939
Property, plant and equipment	8	711,922	729,585
Goodwill and other intangible assets	9	285,588	261,351
Deferred tax assets		4,023,777	3,604,079
Other assets		<u>1,387,862</u>	<u>1,289,764</u>
		65,759,438	67,632,726
Assets held for sale	24	460,867	1,831
Total Assets		66,220,305	67,634,557
LIABILITIES			
Due to banks	10	28,482,988	17,558,462
Derivative financial liabilities		1,823,593	1,946,401
Due to customers		27,022,784	37,817,447
Debt securities in issue and other borrowed funds	11	1,747,800	2,021,165
Amounts due for current income tax and other taxes		22,730	47,819
Employee defined benefit obligations		103,155	94,683
Other liabilities	12	1,026,195	993,887
Provisions	13	<u>333,857</u>	<u>333,520</u>
		60,563,102	60,813,384
Liabilities related to assets held for sale	24	291,684	
Total Liabilities		60,854,786	60,813,384
EQUITY			
Share capital	14	3,830,718	3,830,718
Share premium		4,858,216	4,858,216
Reserves		(204,422)	53,351
Retained earnings	14	<u>(3,118,993)</u>	<u>(1,921,112)</u>
Total Equity		5,365,519	6,821,173
Total Liabilities and Equity		66,220,305	67,634,557

The attached notes (pages 82 - 124) form an integral part of these interim financial statements

Interim Statement of Comprehensive Income

(Amounts in thousand of Euro)

	Note	From 1 January to		From 1 April to	
		30.6.2015	30.6.2014	30.6.2015	30.6.2014
Profit/(Loss), after income tax, recognized in the Income Statement		(1,197,881)	372,891	(1,072,069)	410,701
Other comprehensive income recognized directly in Equity:					
Amounts that may be reclassified to the Income Statement					
Net change in available for sale securities' reserve		(412,125)	203,166	(146,237)	32,325
Net change in cash flow hedge reserve		63,792	(99,560)	154,949	(43,542)
Income tax		90,560	(26,937)	(2,266)	2,917
Amounts that will be reclassified to the Income Statement		(257,773)	76,669	6,446	(8,300)
Total other comprehensive income recognized directly in Equity, after income tax	3	(257,773)	76,669	6,446	(8,300)
Total comprehensive income for the period, after income tax		(1,455,654)	449,560	(1,065,623)	402,401
Total comprehensive income for the period attributable to:					
Equity owners of the Bank					
- from continuing operations		(1,366,095)	451,991	(977,016)	404,267
- from discontinued operations		(89,559)	(2,431)	(88,607)	(1,866)



Interim Statement of Changes in Equity

(Amounts in thousand of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2014		4,216,872	4,212,062	517,559	(1,799,187)	7,147,306
Changes for the period 1.1- 30.6.2014						
Profit for the period, after income tax					372,891	372,891
Other comprehensive income recognized directly in equity, after income tax				76,669		76,669
Total comprehensive income for the period, after income tax				76,669	372,891	449,560
Share capital increase		553,846	646,154			1,200,000
Repayment of preference shares		(940,000)				(940,000)
Share capital increase expenses, after income tax					(35,764)	(35,764)
Balance 30.6.2014		3,830,718	4,858,216	594,228	(1,462,060)	7,821,102
Changes for the period 1.7- 31.12.2014						
Profit for the period, after income tax					(431,420)	(431,420)
Other comprehensive income recognized directly in equity, after income tax				(540,877)	(27,632)	(568,509)
Total comprehensive income for the period, after income tax				(540,877)	(459,052)	(999,929)
Balance 31.12.2014		3,830,718	4,858,216	53,351	(1,921,112)	6,821,173

(Amounts in thousand of Euro)

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2015		3,830,718	4,858,216	53,351	(1,921,112)	6,821,173
Changes for the period 1.1- 30.6.2015						
Profit for the period, after income tax					(1,197,881)	(1,197,881)
Other comprehensive income recognized directly in equity, after income tax	3			(257,773)		(257,773)
Total comprehensive income for the period, after income tax		-	-	(257,773)	(1,197,881)	(1,455,654)
Balance 30.6.2015		3,830,718	4,858,216	(204,422)	(3,118,993)	5,365,519

The attached notes (pages 82 - 124) form an integral part of these interim financial statements

Interim Statement of Cash Flows

(Amounts in thousand of Euro)

	Note	From 1 January to	
		30.6.2015	30.6.2014*
Cash flows from operating activities			
Profit/(Loss) before income tax		(1,444,151)	(60,221)
Adjustments for gains/(losses) before income tax for:			
Depreciation/impairment of fixed assets	7, 8	16,232	16,402
Amortization of intangible assets	9	17,912	12,374
Impairment losses from loans, provisions and define benefit obligations		1,977,882	575,766
Negative goodwill from acquisition of Diners Club Greece A.E.P.P.		(48,237)	
(Gains)/losses from investing activities		61,824	(91,780)
(Gains)/losses from financing activities		52,422	57,265
		633,884	509,806
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks		937,465	(100,643)
Securities held for trading and derivative financial assets		221,853	(57,196)
Loans and advances to customers		(1,714,620)	779,740
Other assets		(78,676)	(34,049)
Net increase/(decrease) in liabilities relating to operating activities:			
Due to banks		10,925,398	(2,634,087)
Derivative financial liabilities		(59,018)	23,984
Due to customers		(10,530,923)	(742,016)
Other liabilities		(75,678)	27,622
		259,685	(2,226,839)
Net cash flows from continuing operating activities before taxes		259,685	(2,226,839)
Income taxes and other taxes paid		(24,940)	(11,023)
		234,745	(2,237,862)
Net cash flows from discontinued operating activities		17,496	(959)
Cash flows from continuing investing activities			
Investments in subsidiaries, associates and joint ventures		6,741	1,055
Acquisition of the Retail Banking operations of Citibank and Diners Club Greece A.E.P.P.		10,046	
Dividends received		1,409	425
Acquisition of fixed and intangible assets		(33,866)	(22,132)
Disposals of fixed and intangible assets		1,102	2,701
Net (increase)/decrease in investment securities		(605,182)	1,486,619
		(619,750)	1,468,668
Net cash flows from discontinued investing activities		(195)	381
Cash flows from continuing investing activities			
Share capital increase			1,200,000
Redemptions of preference shares			(940,000)
Share capital increase expenses			(48,328)
Dividends paid to ordinary shareholders			(604)
Proceeds from the issuance of debt securities in issue and other borrowed funds			496,750
Repayments of debt securities in issue and other borrowed funds		(72,427)	(42,950)
		(72,427)	664,868
Net cash flows from continuing financing activities		(72,427)	664,868
Effect of exchange rate fluctuations on cash and cash equivalents		1,153	611
		(456,279)	(103,715)
Net increase/(decrease) in cash and cash equivalents from continuing investing activities		(456,279)	(103,715)
Net increase/(decrease) in cash and cash equivalents from discontinued investing activities		17,301	(578)
Cash and cash equivalents at the beginning of the period		1,223,029	748,999
Cash and cash equivalents at the end of the period		784,051	644,706

* Certain figures of the Interim Statement of Cash Flows of the comparative period have been restated due to the presentation of the Bank's Branch in Bulgaria as a discontinued operation (notes 24 and 26).



Notes to the Interim Financial Statements

GENERAL INFORMATION

Currently, the Bank operates under the brand name of Alpha Bank A.E. using the sign Alpha Bank. The Bank's registered office is 40 Stadiou Street, Athens and is listed in the General Commercial Registry with registration number 223701000 (former registration number of Société Anonyme Companies Registry 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, trans-

actions 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 activities mentioned above.

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

The Board of Directors as at 30 June 2015, consists of:

CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

VICE CHAIRMAN (Non Executive Independent Member)

Minas G. Tanes */**/*

EXECUTIVE MEMBERS

MANAGING DIRECTOR (CEO)

Demetrios P. Mantzounis

EXECUTIVE DIRECTORS AND GENERAL MANAGERS

Spyros N. Filaretos (COO)

Artemis Ch. Theodoridis

George K. Aronis

NON-EXECUTIVE MEMBERS

Efthymios O. Vidalis

Ioanna E. Papadopoulou ****

NON-EXECUTIVE INDEPENDENT MEMBERS

Paul A. Apostolidis **/*

Evangelos J. Kaloussis */**

Ioannis K. Lyras */**

Ibrahim S.Dabdoub **

Shahzad A.Shahbaz ***

* Member of the Audit Committee

** Member of the Remuneration Committee

*** Member of the Risk Management Committee

**** Member of Corporate Governance and Nominations Committee

NON-EXECUTIVE MEMBER

(in accordance with the requirements of Law 3723/2008)

Marica S. Ioannou - Fragkakis (she replaced Mr. Sarantis – Evangelos G. Lolos from 17.3.2015)

NON-EXECUTIVE MEMBER

(in accordance with the requirements of Law 3864/2010)

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

SECRETARY

Georgios P. Triantafyllidis

The Ordinary General Meeting of Shareholders of 26.6.2015, has appointed as auditors for the interim and annual financial statements for 2015 the following:

- a. **Principal Auditors:** Nikolaos E. Vouniseas
John A. Achilas
- b. **Substitute Auditors:** Michael A. Kokkinos
Anastasios E. Panayides

of KPMG Certified Auditors A.E.

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

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

The Bank's ordinary shares in issue amounted to 12,769,059,858 as at 30 June 2015. A number of 4,310,302,518 ordinary shares of the Bank are traded in the Athens Stock Exchange while the

Hellenic Financial Stability Fund ("HFSF") possesses the remaining 8,458,757,340 ordinary, registered, voting, paperless shares or percentage equal to 66.24% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

In addition, on the Athens Stock Exchange there are 1,141,734,167 warrants that are traded and each one incorporates the right of the holder to purchase 7,408683070 new shares owned by the HFSF.

During the first semester of 2015, the average daily volume per session for shares was € 11,988,525 and for warrants € 1,211,572.

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

- Moody's: Caa3 (deposits)/C (Senior Unsecured debt)
- Fitch Ratings: RD
- Standard & Poor's: D

The financial statements have been approved by the Board of Directors on 31 October 2015.

* Member of the Audit Committee

** Member of the Remuneration Committee

*** Member of the Risk Management Committee

**** Member of Corporate Governance and Nominations Committee



ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Bank has prepared the condensed interim financial statements as at 30.6.2015 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union.

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

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

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

The accounting policies applied by the Bank in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2014, after taking into account the following amendments to standards which were issued by the International Accounting Standards Board (IASB), adopted by the European Union and applied on 1.1.2015:

- **Amendment to International Accounting Standard 19 «Employee Benefits»:** Defined benefit Plans: Employee Contributions (Regulation 2015/29/17.12.2014)
- **Improvements to International Accounting Standards:**
 - **cycle 2010-2012** (Regulation 2015/28/17.12.2014)
 - **cycle 2011-2013** (Regulation 1361/18.12.2014)

The adoption of the above amendments by the Bank had no impact on its financial statements.

The adoption by the European Union, by 31.12.2015, 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 1.1.2015, may affect retrospectively the periods presented in these interim financial statements.

1.2 Estimates, decision making criteria and significant sources of uncertainty

The Bank, in the context of applying accounting policies and preparing financial statements in accordance with the International Financial Reporting Standards, makes estimates and assumptions that affect the amounts that are recognized as income, expenses, assets or liabilities. The use of estimates

and assumptions is an integral part of recognizing amounts in the financial statements that mostly relate to the following:

Fair value of assets and liabilities

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

Impairment losses of financial assets

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

Impairment losses of non – financial assets

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

Income Tax

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

Employee defined benefit obligations

Defined benefit obligations are estimated based on actu-

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

Provisions and contingent liabilities

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

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

1.2.1 Going concern principle

The Bank applied the going concern principle for the preparation of the financial statements as at 30.6.2015. For the application of this principle, the Bank takes into consideration current economic developments in order to make projections for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the adverse economic environment in Greece, and abroad, to the liquidity levels of the Hellenic Republic and the banking system as well as to the completion, within the year, of the process for the coverage of the Group's capital requirements, as these were determined during the recent assessment performed by the European Central Bank.

Specifically, during the first semester and as a result of the uncertainties in the internal economic environment, mainly regarding the outcome of the negotiations of the Hellenic Republic with the European Commission, the European Central Bank and the International Monetary Fund, there were significant outflows of deposits, which for the Bank amounted to € 10.3 billion. In addition, following the decision of the European Central Bank, on 4.2.2015, to lift the waiver for securities issued or guaranteed by the Hellenic Republic, based on which these instruments were allowed to be used

in Eurosystem monetary policy operations despite the fact that they did not fulfill minimum credit rating requirements, the liquidity needs of the credit institutions can be satisfied by the Emergency Liquidity Mechanisms of the Bank of Greece. The maximum funding amount of the credit institutions by the Bank of Greece is short-term and is determined by the European Central Bank by a decision of its Board of Directors that is periodically reviewed. At the end of the first semester, the significant increase in the rate of outflow of deposits in conjunction with the decision of the European Central Bank not to proceed with a corresponding increase in the level of funding from the Emergency Liquidity Mechanisms of the Bank of Greece, as a result of the expiry of the extension of the financial support program of Greece, led to the imposition of capital controls and a bank holiday which was announced on 28.6.2015 and lasted until 19.7.2015. Capital controls remain in place until the date of approval of the financial statements, a fact which contributed to the stabilization of the deposit base in the third quarter, while the detailed provisions for their application are amended where appropriate by the adoption of a legislative act.

The prolonged recession of the Greek economy as well as the high degree of uncertainty within the internal economic environment hindered the growth prospects and resulted in significant deterioration of the creditworthiness of corporates and individuals, which led to the recognition by the Bank of significant impairment losses during the second quarter. These losses have, in turn, burdened significantly the equity and the regulatory capital of the Bank.

During the third quarter, the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy were completed on the basis of the announcements at the Euro Summit on 12.7.2015 resulting in an agreement for a new financial support by the European Stability Mechanism. The relative agreement with the European Stability Mechanism, that was signed on 19.8.2015, among others, provides for:

- the coverage of the financing needs of the Hellenic Republic for the medium-term period, provided that the economic reforms that are expected to contribute to the economic stability and the sustainable development of the Greek economy will be implemented,
- an amount of € 10 up to € 25 billion available for the coverage of any recapitalization needs and/ or resolution of credit institutions.

In addition, the aforementioned agreement provided for the assessment of the four Greek systemic credit institutions from the Single Supervisory Mechanism, in order to determine the impact from the deterioration of the Greek economy on their financial position as well as any capital needs. The assessment was performed during the third quarter and included both



an Asset Quality Review (AQR) and a stress test. Based on the results of the assessment, which were announced on 31.10.2015, as it is described in detail in note 20, the capital needs for the Group were determined to € 262.6 million under the base scenario, taking into consideration the Asset Quality Review, and to € 2,743 million under the adverse scenario of the stress test.

The Bank, taking into account:

- that the medium-term financing of the Hellenic Republic by the European Stability Mechanism ('ESM'), in the context of the aforementioned program, which will contribute to the improvement of the economic environment within the country, has, under conditions, been ensured,
- the fact that the Bank has access to the liquidity mechanisms of the Eurosystem,
- the expected strengthening of the capital base of the Group by the completion of the Bank's liquidity management transaction, namely the optional offer to the holders of securities issued by subsidiaries of the Bank, under its guarantee, to exchange their securities for shares of the Bank and /or cash (as described in more detail in note 27),
- the fact that under the current institutional framework any mandatory participation of the holders of securities issued by the Group in the recapitalization process is not expected to constitute an event of default in the framework of financing agreements,
- the actions to which the Bank will proceed for the enhancement of its equity, by also attracting investors from the private sector,
- the availability of resources for the recapitalization of the credit institutions that was provided in the agreement of 19.8.2015 between the Greek Government and the ESM,

estimates that the uncertainties related to the coverage of the capital needs, as they were determined by the aforementioned assessment, are significantly reduced and that the conditions for the application of the going concern principle for the preparation of its financial statements are met, noting, however, the negative impact that would have on the application of the going concern principle the unsuccessful completion of the first evaluation of the program for the financing of the Hellenic Republic, a fact that may affect the timely availability of resources for the recapitalization of the credit institutions and finally the completion, within the year, of the process for the coverage of the Group's capital needs as there were determined by the recent assessment performed by the European Central Bank.

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

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

17. The main uncertainties regarding the estimations for the recoverability of the Bank's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

Following the successful outcome of the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy, which were completed with the signing of a relative agreement with the European Stability Mechanism on 19.8.2015, a three-year funding (which could amount to € 86 billion) was ensured, provided that specific commitments that relate to the achievement of specific financial targets and the implementation of reforms in the Greek economy will be respected. The signing of the agreement preceded the granting of a bridge loan which was used for the repayment of the overdue debt to IMF and of other obligations of the Hellenic Republic. The financing agreement with the European Stability Mechanism is expected to cover the financing needs of the Hellenic Republic and in parallel to contribute to the development of the Greek economy. It is also noted that in the context of the negotiations it was agreed that measures will be taken for the support of the sustainability of the Greek debt including its restructuring. However, the relative procedures will begin after the first positive assessment of the program and the conditions under which the aforementioned restructuring will be achieved are not known.

Based on the above, the Bank has not recognized impairment losses on the Greek Government securities that held as at 30.6.2015, while, for the loans that relate to the Hellenic Republic, the Bank applies the credit risk policy which is presented in detail in note 38.1 of the annual financial statements as at 31.12.2014. The Bank assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

1.2.3 Recoverability of deferred tax assets

The Bank recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, deductible temporary differences and tax losses carried forward can be utilized.

The main categories of deferred tax assets which have been recognized by the Bank relate to tax losses carried forward, to losses from the Greek government bonds exchange program (PSI) and the December 2012 Greek government bond buyback program and to deductible temporary differences arising from loans' impairment.

Deferred tax assets on tax losses carried forward relate to the years 2012-2014. Tax losses can be offset against taxable profits within five years from their formation. The Bank rec-

ognized the aforementioned assets since, according to its estimated future taxable profits, for the coming years until the expiry of the right to set-off tax losses, these are recoverable even after the deduction of the temporary differences that are expected to occur within these years. The estimation of future taxable profits was based on forecasts for the development of the accounting results, as these are reflected in the updated business plan of the Bank, which was the basis for the stress test conducted during the third quarter. The existence of significant tax profits in the last decade, with the exception of the years from 2012, because of the unexpected major recession of the Greek economy and the loss from the PSI, was also taken into account.

Deferred tax assets associated with tax losses incurred by the PSI and the participation of the Bank in the December 2012 Greek government bond buyback program were recognized as a "debit difference" according to Law 4046/14.2.2012, Law 4110/23.1.2013 and a respective legal opinion. According to Law 4110/23.1.2013 the "debit difference" is deductible for tax purposes, gradually in equal installments, within 30 years, a fact which, according to the Bank's estimation, provides a sufficient time period for its gradual utilization against taxable profits.

Regarding the temporary differences arising from loans' impairment, there are no time constraints concerning their recovery, as it also applies to the other deferred tax assets

categories. The Bank assessed their recoverability based on estimates for future taxable profits, as these are estimated to be formed on the basis of the aforementioned business plan, after extending the period of estimation for a limited number of years compared to the business plan.

The Bank, based on the above, estimates that the total deferred tax assets it has recognized and that has been derived both from temporary differences and from tax losses carried forward is recoverable.

In addition, and regardless of the assessment of the recoverability of deferred tax assets that it is carried out based on what is mentioned above, Law 4303/2014 provides that in case that the after tax accounting result for the period is a loss, deferred tax assets arising from the PSI debit difference and from the accumulated provisions and other general losses due to credit risk are eligible to be converted into a final and settled claim against the Greek State, as described in detail in note 3.

The main uncertainties concerning the estimations for the recoverability of the deferred tax assets relate to the achievement of the goals set in the Bank's business plan, which is affected by the general macroeconomic environment in Greece and internationally. At each balance sheet date, the Bank reassesses its estimation regarding the recoverability of deferred tax assets in conjunction with the development of the factors that affect it.



INCOME STATEMENT

2. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Impairment losses on loans and advances to customers ^(note 5)	1,970,772	569,029	1,595,612	260,650
Provisions to cover credit risk relating to off balance sheet items ^(note 13)	4,725		2,040	
Recoveries	(10,642)	(8,124)	(6,738)	(5,755)
Total	1,964,855	560,905	1,590,914	254,895

For the preparation of the interim financial statements as of 30 June 2015, the Bank took into consideration the special conditions that existed as at 30 June and until the date these interim financial statements were approved, affecting the recoverability estimations of the reference reporting period. These conditions were significantly different from those that existed when the annual financial statements were prepared and led to the recognition of significant impairment losses during the second quarter.

Specifically, in the retail sector, the Bank took into account the current financial and macroeconomic conditions that exist in Greece and proceeded with modifications in certain parameters of the collective impairment methodology concerning loans and advances in Greece, the most important of which are the following:

- probability of default of loans for which the initial contract terms have been amended,
- cure rate of both past due exposures and of performing loans of clients facing financial difficulties, for which the initial contract terms have been amended,
- recoverable percentage of the most recent market value if the collateral is brought into liquidation, (sales ratio) and revaluation of future estimates of collateral values at the time of liquidation (index to sale).

3. Income tax

In accordance with article 65A of Law 4174/2013, from 2011 the statutory auditors and audit firms conducting statutory audits to greek Société Anonyme (AE), are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within 10 days from the submission of the corporate income tax return, as well as electronically to the Ministry of Finance, no later than ten days following the date of the approval of the

The effect of the aforementioned modifications in the parameters used during the collective impairment is estimated at €0.8billion for the retail sector.

For loans of wholesale sector, the Bank estimated the expected cash flows taking into account unfavorable forecasts for the course of the financial flows of the customers that operate in sectors of the economy that in the current situation were adversely affected, mainly due to:

- the revised estimate for the growth rate of the Greek economy,
- the reduction in demand in various sectors as well as the deterioration of the terms of collaboration with international suppliers,
- the continuing decrease in real estate property,
- the deterioration of other macroeconomic factors such as the reduction of the Greek's industry turnover, the decline in the imports of goods, the decline in private construction activity and in the volume of retail sales.

In addition, during the third quarter, the Single Supervisory Mechanism performed a comprehensive assessment of the Group which included an Asset Quality Review. The outcome of the assessment is presented in note 20.

financial statements from the Ordinary Shareholders General Meeting.

After eighteen months from issuance of an Unqualified Tax Compliance Report and on the precondition that no tax violations have been identified by audits performed by the Ministry of Finance, the tax audit for the year is considered as final. For the year 2014 the tax audit for the Bank has been completed and has obtained unqualified tax certificate.

Income tax expense is analyzed as follows:

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Deferred tax	(335,829)	(435,543)	(325,661)	(422,371)
Total	(335,829)	(435,543)	(325,661)	(422,371)

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

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Debit difference of Law 4046/2012	19,973	19,973	9,987	9,987
Revaluation/impairment of assets	(886)			
Depreciation and write-offs of fixed assets	5,339	5,264	2,892	2,738
Valuation/impairment of loans	(386,024)	(466,388)	(358,773)	(443,961)
Valuation of loans due to hedging	(550)	19	(334)	20
Employee defined benefit obligations	(398)	22,279	(199)	(194)
Valuation of derivatives	14,012	11,602	7,226	(155)
Effective interest rate	(832)	(330)	(311)	(218)
Valuation of liabilities to credit institutions and other borrowed funds due to fair value hedge	(2,433)	(3,200)	(1,060)	(1,532)
Valuation of investments in subsidiaries due to hedging	(4,947)	1,510	416	1,290
Tax losses carried forward	(29,577)	(56,331)	(13,302)	5,199
Valuation/Impairment of bonds and other securities	18,281	13,183	13,243	4,705
Other temporary differences	32,213	16,876	14,554	(250)
Total	(335,829)	(435,543)	(325,661)	(422,371)

The Bank has recognized deferred tax asset amounting to €422,034 as at 30.06.2014 for impairment/valuation of loans derived from the acquisition of Emporiki Bank that were not recognized as at 31.12.2013.

In accordance with the 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 was increased from 26% to 29%. The increased rate will apply for profits arising in years commencing on and after 1 January 2015 without of an explicit definition in the law regarding the retrospective application of income tax rate for profits of year 2014.

The change in the tax rate doesn't constitute an adjusting event for the financial statements since it was legislated after the date of 30.6.2015 (Note 27a). If the rate of 29% was used in preparing these interim financial statements, deferred tax (assets)/liabilities would amount to €(4,488,059) instead of €(4,023,777) and the difference of €(464,282) would be recorded in the current period's income statement and equity to an amount of €(430,675) and €(33,607) respectively.

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 losses due to credit risk, with respect to existing amounts up to 31 December 2014, are converted into final and settled claims against the State, if, the accounting result for the period, after taxes, is a loss, according to the audited and approved financial statements by the Ordinary Shareholders' General Meeting.

The inclusion in the Law is implemented after the decision from the General Meeting of Shareholders, concerns tax assets created from 2016 onwards, whereas it is envisaged the end of inclusion in the Law with the same procedure and after obtaining relevant approval from the regulatory authority.

A draft legislation was submitted to Parliament on 30th of October 2015, amending the aforementioned regarding the date of implementation, which is postponed for one year. In addition, the amount of deferred tax asset for credit risk which is included in the same legislation is limited to the amount of provisions for credit risk which were accounted until 30 June 2015. Furthermore, the phrase "resolution process" is deleted from paragraph 3, which provides for the events that convert deferred tax assets into a final and a settled claim against the Greek State.



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

	From 1 January to			
	30.6.2015		30.6.2014	
	%		%	
Profit/(loss) before income tax		(1,444,151)		(60,221)
Income tax (nominal tax rate)	26	(375,479)	26	(15,657)
Increase/(decrease) due to:				
Non taxable income	0.08	(1,153)	0.72	(431)
Non deductible expenses	(2.76)	39,848	(4.70)	2,829
Other differences	(0.07)	955	0.42	(250)
Total	23.25	(335,829)	22.44	(13,509)
Deferred tax asset from impairment/valuation of Emporiki Bank's loans that has not been recognized in previous fiscal year				(422,034)
Income tax		(335,829)		(435,543)

	From 1 April to			
	30.6.2015		30.6.2014	
	%		%	
Profit/(loss) before income tax		(1,309,123)		(9,804)
Income tax (nominal tax rate)	26	(340,372)	26	(2,549)
Increase/(decrease) due to:				
Non taxable income	0.09	(1,153)	3.43	(336)
Non deductible expenses	(2.17)	28,397	39.53	(3,876)
Other temporary differences	0.96	(12,533)	(65.52)	6,424
Total	24.88	(325,661)	3.44	(337)
Deferred tax asset from impairment/valuation of Emporiki Bank's loans that has not been recognized in previous fiscal year				(422,034)
Income tax		(325,661)		(422,371)

Income tax of comprehensive income recognized directly in equity

	From 1 January to					
	30.6.2015			30.6.2014		
	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	(412,125)	107,146	(304,979)	203,166	(52,823)	150,343
Net change in cash flow hedge reserve	63,792	(16,586)	47,206	(99,560)	25,886	(73,674)
Total	(348,333)	90,560	(257,773)	103,606	(26,937)	76,669

	From 1 April to					
	30.6.2015			30.6.2014		
	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	(146,237)	38,021	(108,216)	32,325	(8,404)	23,921
Net change in cash flow hedge reserve	154,949	(40,287)	114,662	(43,542)	11,321	(32,221)
Total	8,712	(2,266)	6,446	(11,217)	2,917	(8,300)

The first semester of 2014, "Retained Earnings" includes a deferred tax credit amounting to €12,564 arising from the share capital increase expenses which were recorded in the

same account and relate to the share capital increase which was completed during the reported period.

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 of the Bank during the period, after deducting the weighted average number of treasury shares held by the Bank during the period.

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

- i. The after-tax amount of any dividends of preference shares of non-cumulative dividend approved for distribution during the year and
- ii. The after-tax amount of dividends for cumulative dividend preference shares relating to the period, whether or not the dividends have been approved.

The Bank had issued non-cumulative dividend preference shares, according to Law 3723/2008, which were repaid on 17.4.2014.

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding during the period to assume conversion of all dilutive potential ordinary shares. The Bank does not have dilutive potential

ordinary shares and additionally, based on the preference shares' terms of issuance that held until 17.4.2014 and the convertible bond loan with Credit Agricole S.A., basic and diluted earnings/(losses) per share should not differ.

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Profit/(loss) attributable to the ordinary equity owners of the Bank	(1,197,881)	372,891	(1,072,069)	410,701
Weighted average number of outstanding ordinary shares	12,769,059,858	11,891,881,788	12,769,059,858	12,769,059,858
Basic and diluted earnings/(loss) per share (in €)	(0.09)	0.03	(0.08)	0.03
Profit/(loss) from continuing operations attributable to the ordinary equity owners of the Bank	(1,108,322)	375,322	(983,462)	412,567
Weighted average number of outstanding ordinary shares	12,769,059,858	11,891,881,788	12,769,059,858	12,769,059,858
Basic and diluted earnings/(loss) from continuing operations per share (in €)	(0.09)	0.03	(0.08)	0.03
Profit/(loss) from discontinued operations attributable to the ordinary equity owners of the Bank	(89,559)	(2,431)	(88,607)	(1,866)
Weighted average number of outstanding ordinary shares	12,769,059,858	11,891,881,788	12,769,059,858	12,769,059,858
Basic and diluted earnings/(loss) from discontinued operations per share (in €)	(0.0070)	(0.0002)	(0.0069)	(0.0001)

The weighted average number of common shares, on 30.6.2014, is calculated based on the days during which the ordinary shares were in issue compared to the total number

of days of the reporting period, taking into account the new total number of common shares resulting from the share capital increase of Bank on 28.3.2014.



ASSETS

5. Loans and advances to customers

	30.6.2015	31.12.2014
Individuals:		
Mortgages		
- Non-Securitized	16,661,348	16,857,072
Consumer:		
- Non-Securitized	3,162,077	3,037,977
- Securitized	1,429,763	1,462,066
Credit cards:		
- Non-Securitized	678,462	563,560
- Securitized	578,431	579,353
Total	22,510,081	22,500,028
Companies:		
Corporate loans		
- Non-Securitized	26,760,480	25,529,128
- Securitized	2,068,259	2,084,171
Other receivables	247,735	307,033
	51,586,555	50,420,360
Less:		
Allowance for impairment losses ⁽¹⁾	(8,930,849)	(6,944,450)
Total	42,655,706	43,475,910

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

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

The Bank has proceeded with the issuance of covered bonds, secured by mortgage loans. As at 30.6.2015, the balance of the covered bonds amounts to € 3.7 billion (note 15). The book value of mortgage loans provided as coverage for the above mentioned bonds amounts to € 4.4 billion.

Loans and advances to customers as at 30.6.2015 include loans obtained from the merge of Diners Club Greece A.E.P.P. (note 23).

⁽¹⁾ In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of €280,832 (31.12.2014: €276,235) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to €9,211,681 (31.12.2014: €7,220,685).

Accumulated impairment

Balance 1.1.2014	5,559,391
Changes for the period 1.1 - 30.6.2014	
Impairment losses for the period from continuing operations (note 2)	569,029
Impairment losses for the period from discontinued operations	3,046
Change in present value of the allowance account	221,338
Foreign exchange differences	386
Loans written-off during the period	(8,632)
Balance 30.6.2014	6,344,558
Changes for the period 1.7 - 31.12.2014	
Impairment losses for the period from continuing operations	750,501
Impairment losses for the period from discontinued operations	4,130
Change in present value of the allowance account	225,995
Foreign exchange differences	467
Loans written-off during the period	(381,201)
Balance 31.12.2014	6,944,450
Changes for the period 1.1 - 30.6.2015	
Transfer of accumulated provisions to assets held for sale 1.1.2015	(107,179)
Impairment losses for the period (note 2)	1,970,772
Change in present value of the allowance account	215,326
Foreign exchange differences	8,678
Loans written-off during the period	(101,198)
Balance 30.6.2015	8,930,849

6. Investment and held for trading securities

i. Held for trading securities

Securities held for trading amounted to € 1 million on 30.6.2015 (31.12.2014: € 1.7 million) and relate to Greek State Bonds (31.12.2014: € 1.7 million).

ii. Investment securities

a. Available for sale

The available for sale portfolio amounted to € 4.9 billion as at 30.6.2015 (31.12.2014: € 4.6 billion). This amount includes securities issued by the Greek State that amount to € 3.5 billion as at 30.6.2015 (31.12.2014: € 3.4 billion) out of which € 2.1 billion (31.12.2014: € 1.9 billion) relate to Greek State treasury bills. The Bank during the first semester of 2015 has recognized impairment losses for other bonds amounting to € 1.3 million which are included in "Gain less losses on financial transactions".

b. Held to maturity

The held to maturity portfolio amounted to € 45.3 million as at 30.6.2015 (31.12.2014: € 93.8 million).

c. Loans and receivables

Loans and receivables include bonds by the European Financial Stability Facility (E.F.S.F.) with a nominal value of € 3,960,544 received by the Bank as a result of the share capital increase that was completed on 6.6.2013 and bonds of nominal value of € 284,628 which were transferred to the Bank from the Hellenic Financial Stability Fund for the undertaking of customer deposits from the former Cooperative Banks of West Macedonia, Evia and Dodecanese in December 2013. The total carrying amount of above-mentioned bonds as at 30.6.2015 amounted to € 4.3 billion (31.12.2014: € 4.3 billion).

**7. Investment property**

	Land - Buildings
Balance 1.1.2014	
Cost	41,487
Accumulated depreciation and impairment losses	(13,282)
1.1.2014 - 30.6.2014	
Net book value 1.1.2014	28,205
Depreciation for the period from discontinued operations	(19)
Depreciation for the period from continuing operations	(158)
Net book value 30.6.2014	28,028
Balance 30.6.2014	
Cost	41,487
Accumulated depreciation and impairment losses	(13,459)
1.7.2014 - 31.12.2014	
Net book value 1.7.2014	28,028
Impairment losses	(468)
Reclassification from "Property, plant and equipment"	2,659
Reclassification from "Other assets"	1,926
Depreciation for the period from discontinued operations	(18)
Depreciation for the period from continuing operations	(188)
Net book value 31.12.2014	31,939
Balance 31.12.2014	
Cost	46,149
Accumulated depreciation and impairment losses	(14,210)
1.1.2015 - 30.6.2015	
Net book value 1.1.2015	31,939
Reclassification of investment assets of discontinued operations to "Asset held for sale" 1.1.2015	(1,277)
Additions	5
Reclassifications to "Other Assets"	(939)
Depreciation for the period from continuing operations	(186)
Net book value 30.6.2015	29,542
Balance 30.6.2015	
Cost	43,845
Accumulated depreciation and impairment losses	(14,303)

In 2014, an impairment loss amounting to €468 was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2014,

as estimated by certified valuers. The impairment amount was recorded in "Other Expenses".

8. Property, plant and equipment

	Land and Buildings	Leased Equipment	Equipment	Total
Balance 1.1.2014				
Cost	986,066	784	378,803	1,365,653
Accumulated depreciation and impairment losses	(289,284)	(36)	(322,034)	(611,354)
1.1.2014 - 30.6.2014				
Net book value 1.1.2014	696,782	748	56,769	754,299
Additions	5,635		5,080	10,715
Disposals/write-offs	(2,463)		(193)	(2,656)
Depreciation for the period from discontinued operations	(725)		(541)	(1,266)
Depreciation for the period from continuing operations	(9,747)	(54)	(6,443)	(16,244)
Net book value 30.6.2014	689,482	694	54,672	744,848
Balance 30.6.2014				
Cost	984,019	784	380,615	1,365,418
Accumulated depreciation and impairment losses	(294,537)	(90)	(325,943)	(620,570)
1.7.2014 - 31.12.2014				
Net book value 1.7.2014	689,482	694	54,672	744,848
Additions	7,820		3,233	11,053
Impairments	(2,772)			(2,772)
Disposals/write-offs	(1,150)		(77)	(1,227)
Reclassification to "Investment Property"	(2,659)			(2,659)
Reclassification to "Other Assets"	(3,013)			(3,013)
Additions from the acquisition of Citibank	37		421	458
Depreciation for the period from discontinued operations	(717)		(500)	(1,217)
Depreciation for the period from continuing operations	(9,148)	(54)	(6,684)	(15,886)
Net book value 31.12.2014	677,880	640	51,065	729,585
Balance 31.12.2014				
Cost	984,065	784	383,690	1,368,539
Accumulated depreciation and impairment losses	(306,185)	(144)	(332,625)	(638,954)
1.1.2015 - 30.6.2015				
Net book value 1.1.2015	677,880	640	51,065	729,585
Reclassification of assets of discontinued operations to "Assets held for sale" 1.1.2015	(3,924)		(2,545)	(6,469)
Additions	2,905		8,371	11,276
Disposals/write-offs	(633)		(13)	(646)
Reclassification to "Other Assets"	(5,778)	(18)		(5,796)
Reclassification from "Other Assets"			18	18
Depreciation for the period from continuing operations	(9,030)	(54)	(6,962)	(16,046)
Net book value 30.6.2015	661,420	568	49,934	711,922
Balance 30.6.2015				
Cost	965,235	753	378,082	1,344,070
Accumulated depreciation and impairment losses	(303,815)	(185)	(328,148)	(632,148)

The carrying amount of owned land and buildings included in the above balances amounts to €627,604 as at 30.6.2015 (31.12.2014: €637,083).

In 2014, an impairment loss amounting to €2,772 was recognized for owned property, plant and equipment and was recorded in "Other Expenses".



9. Goodwill and other intangible assets

	Software	Banking rights	Other	Total
Balance 1.1.2014				
Cost	352,865	1,785	55,263	409,913
Accumulated amortization and impairment losses	(208,159)	(1,785)	(3,902)	(213,846)
1.1.2014 - 30.6.2014				
Net book value 1.1.2014	144,706		51,361	196,067
Additions	11,499			11,499
Amortization for the period from discontinued operations	(325)		(5)	(330)
Amortization for the period from continuing operations	(6,258)		(6,116)	(12,374)
Net book value 30.6.2014	149,622	-	45,240	194,862
Balance 30.6.2014				
Cost	364,364	1,785	55,263	421,412
Accumulated amortization and impairment losses	(214,742)	(1,785)	(10,023)	(226,550)
1.7.2014 - 31.12.2014				
Net book value 1.7.2014	149,622		45,240	194,862
Additions	21,429			21,429
Additions from the acquisition of Citibank			60,079	60,079
Amortization for the period from discontinued operations	(310)		(4)	(314)
Amortization for the period from continuing operations	(6,723)		(7,982)	(14,705)
Net book value 31.12.2014	164,018	-	97,333	261,351
Balance 31.12.2014				
Cost	385,793	1,785	115,342	502,920
Accumulated amortization and impairment losses	(221,775)	(1,785)	(18,009)	(241,569)
1.1.2015 - 30.6.2015				
Net book value 1.1.2015	164,018		97,333	261,351
Reclassification of assets of discontinued operations to "Assets held for sale" 1.1.2015	(3,432)			(3,432)
Additions	22,586			22,586
Additions from the acquisition of Diners			22,995	22,995
Amortization for the period from continuing operations	(7,799)		(10,113)	(17,912)
Net book value 30.6.2015	175,373	-	110,215	285,588
Balance 30.6.2015				
Cost	401,707	1,785	138,267	541,759
Accumulated amortization and impairment losses	(226,334)	(1,785)	(28,052)	(256,171)

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

The amount reported as "Additions from the acquisition of Citibank" in the year of 2014 relate to the recognition of an intangible asset regarding the acquired customer relationships and the acquired deposit base, whose useful life was determined at 9 and 7 years respectively.

LIABILITIES

10. Due to banks

	30.6.2015	31.12.2014
Deposits:		
- Current accounts	151,245	115,207
- Term deposits:		
Central Banks	27,825,783	14,819,325
Other credit institutions	1,968	495,852
Cash collateral for derivative margin accounts	102,172	193,064
Sale of repurchase agreements (Repos)	150,487	1,681,959
Borrowing funds	251,333	253,055
Total	28,482,988	17,558,462

The deposits to Eurosystem have increased by € 13 billion during the first semester of 2015 due to the increase of the borrowings from the European System of Central Banks mainly

as a result of the deposits' outflow amounting to € 10.3 billion due to the adverse economic environment in Greece.

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 semester of 2015, the Bank proceeded to the issuance of senior debt securities of a nominal value of € 9.83 billion with an interest rate of six month Euribor plus a spread of 6% (31.12.2014: 12%), while the maturities for the same period amounted to € 9.83 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 30.6.2015 amounts to € 9.83 billion (31.12.2014: € 9.83 billion).

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

ii. Covered bonds ⁽¹⁾

Covered bonds issued by the Bank as at 30.6.2015 amounts to € 3.750 billion.

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

The Bank proceeded on 8.7.2015 to the cancellation of an amount of € 3.745 billion of the above covered bonds.

After these cancellations the total outstanding amount of covered bonds amounts to € 5 million.

iii. Short term securities (ECP)

Balance 1.1.2015	26,341
Changes for the period 1.1 - 30.6.2015	
Maturities/Repayments	(29,894)
Accrued interest	106
Foreign exchange differences	3,447
Balance 30.6.2015	-

⁽¹⁾ Financial disclosures regarding covered bond issues, as determined by the 2620/28.08.2009 directive of Bank of Greece are published at the Bank's website.

**iv. Senior debt securities**

Balance 1.1.2015	1,444,249
Changes for the period 1.1 - 30.6.2015	
Maturities/Repayments	(162,792)
Fair value change	619
Accrued interest	(3,018)
Foreign exchange differences	211
Balance 30.6.2015	1,279,269

The outstanding amount as at 30.6.2015 relates to borrowings for issued bonds to Alpha Credit Group PLC and Emporiki Group Finance PLC.

v. Liabilities from the securitization of shipping loans

Balance 1.1.2015	365,577
Changes for the period 1.1 - 30.6.2015	
Maturities/Repayments	(53,685)
Accrued interest	5,297
Foreign exchange differences	31,348
Balance 30.6.2015	348,537

The Bank proceeded to a shipping loan securitization transaction, transferring them in the Special Purpose Entity, Alpha Shipping Finance Ltd, which in turn raised funding from third

parties. The liability as at 30.6.2015 which relates with the securitized shipping loans amounts to € 348.5 million.

vi. Liabilities from the securitization of other loans

Liabilities arising from the securitization of consumer loans, corporate loans and credit cards are not included in "Debt securities in issue and other borrowed funds" since the cor-

responding securities of a nominal value € 3.7 billion which were issued by special purpose entities are held by the Bank.

vii. Subordinated debt**1. Subordinated debt Lower Tier II, Upper Tier II**

Balance 1.1.2015	88,602
Changes for the period 1.1 - 30.6.2015	
Maturities/Repayments	(15,351)
Accrued interest	(63)
Balance 30.6.2015	73,188

On 30.6.2015, the balance relates to borrowings to Alpha Credit Group PLC.

2. Hybrid capital

Changes for the period 1.1 - 30.6.2015	31,796
Accrued interest	10
Balance 30.6.2015	31,806

On 30.6.2015, the balance relates to borrowings for hybrid capital to the Alpha Credit Group PLC.

According to the announcement of Alpha Group Jersey Limited on 16.1.2015 and in accordance with the terms of the € 600 million (Series B) CMS Linked Non-cumulative non-

voting Preferred Securities (ISIN: DE000A0DX3M2) for which has been granted subordinated guarantee by the Bank, no dividend (non-cumulative) has been distributed or paid to the holders of hybrid securities on 18.2.2015.

3. Convertible bond loan

Changes for the period 1.1-30.6.2015	64,600
Fair value change	(49,600)
Balance 30.6.2015	15,000

The convertible bond relates to bond issue with nominal value of € 150 million issued by the Bank on 1.2.2013 under the agreement with Credit Agricole SA for the acquisition of for-

mer Emporiki Bank. The decrease in the liability from the convertible bond amounting to € 49.6 million was recognized in trading income.

Total of debt securities in issue and other borrowed funds, not held by the Bank, as at 30.6.2015	1,747,800
--	------------------

12. Other liabilities

	<u>30.6.2015</u>	<u>31.12.2014</u>
Suppliers	36,965	51,988
Deferred income	8,433	8,980
Accrued expenses	62,937	50,650
Liabilities to third parties	67,781	99,696
Liabilities to insurance funds E.T.A.T and I.K.A-T.E.A.M	129,292	193,997
Liabilities from credit cards	206,925	226,277
Other	513,862	362,299
Total	1,026,195	993,887

The caption "Other" includes an amount of €160 million which concerns the valuation of liabilities relating to the Emporiki Bank's acquisition that the Bank will pay to the seller if certain conditions are met.

On 23.7.2015, with the adoption of Law 4335 / 2015, the European Directive 2014/59 that establishes the framework for the recovery and resolution of financial institutions and investment firms was transposed. In particular, Resolution Scheme of the Deposit and Investment Guarantee Fund is established as the national Resolution Fund which should gradually, within ten years (until 31 December 2024), raise financial means equal to at least 1% of covered deposits by the HDIGF. For this purpose, financial institutions will pay contributions at least annually.

In addition, under the same Law, Law 3746/2009 was modified and all assets and liabilities of the Resolution Scheme of the Hellenic Deposit and Investment Guarantee Fund (HDIGF) are transferred into an Account for the Settlement of Past Year's Resolution Measures. However, the above provision of law is repealed by draft legislation that was submitted to the Parliament.

The amount relating to the contribution of the Bank for the period to the Resolution Fund, under the current legislation at 30.6.2015, equals to €15.5 million (31.12.2014:€15.2 million) and is included in "Other".

**13. Provisions**

Balance 1.1.2014	258,945
Changes for the period 1.1 - 30.6.2014	
Other provisions	76
Other provisions used during the period	(914)
Reclassification to "Other Liabilities"	(9,807)
Balance 30.6.2014	248,300
Changes for the period 1.7 - 31.12.2014	
Other provisions	3,070
Other provisions used during the period	(2,645)
Provisions to cover credit risk relating to off-balance sheet items	82,892
Provision for voluntary separation scheme	1,786
Other provisions from the acquisition of Citibank	117
Balance 31.12.2014	333,520
Changes for the period 1.1- 30.6.2015	
Transfer of provisions of Bulgaria Branch to "Liabilities related to assets held for sale"	(780)
Other provisions	1,016
Other provisions used during the period	(4,012)
Write-offs	(612)
Provisions to cover credit risk relating to off-balance sheet items (note 2)	4,725
Balance 30.6.2015	333,857

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

On 30.6.2015 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 280.8 million and other provisions to € 53.1 million out of which € 28.2 million relates to legal cases.

EQUITY

14. Share capital and Retained earnings

a) Share capital

On 30.6.2015 and 31.12.2014 the Bank's share capital amounted to €3,830,718, divided to 12,769,059,858 shares, of nominal value of €0.30 each.

In the process of warrant's exercise on the Bank's shares held by the Hellenic Financial Stability Fund, held on 15.6.2015, 13,800 warrants were exercised by the common shareholders which corresponded to 102,239 ordinary shares resulting in the increase of issued shares.

b) Retained earnings

Since in 2014 there are no distributable profits, and in accordance with article 44a of Codified Law 2190/1920 the Ordinary General Meeting of Shareholders on 26.6.2015 decided:

- the non-distribution of dividends to ordinary shareholders of the Bank and

Thus, on 30.6.2015 and 31.12.2014 the Bank's shares are analyzed as follows:

- a) 4,310,302,518 (31.12.2014: 4,310,200,279) ordinary, registered, voting, non-paper shares
- b) 8,458,757,340 (31.12.2014: 8,458,859,579) ordinary, registered, voting, pursuant to restrictions of the article 7a of Law 3864/2010, non paper shares owned by the Hellenic Financial Stability Fund.

- the non payment to the Greek State of the respective return for 2014 on its preference shares under article 1 paragraph 3 of Law 3723/2008, on the preference shares issued by the Bank and owned by the Greek State up to 17.4.2014.



ADDITIONAL INFORMATION

15. Contingent liabilities and commitments

a) Legal issues

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

The Bank on 30.6.2015 has recorded a provision for pending legal cases amounting to €28.2 million which is included in the caption "Provisions" in the balance sheet.

b) Tax issues

Alpha Bank has been audited by the tax authorities for the years up to and including 2009. The years 2011 and 2012 are considered audited, while a tax certificate with no qualifications was issued for 2013 and 2014. Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. The years 2011 and 2012 are considered audited, while Emporiki Bank has obtained a tax certificate with no qualifications for 2013.

The Bank's branches in London and Bulgaria have been audited by the tax authorities for the years 2011 and 2007 respectively. Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations (2011).

On 30.9.2014, the acquisition of Retail Banking operations of Citibank International Plc (CIP) in Greece was completed. The acquisition does not affect the tax liabilities of the Bank since any obligations against the State until the date of acquisition remain to CIP.

On 2.6.2015, the merger via absorption of Diners Club of Greece A.E.P.P was completed. This entity has been audited by the tax authorities up to and including 2010. The years 2011 and 2012 are considered final, while a tax certificate with no qualifications was issued for 2013.

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

c) Operating leases

The Bank as lessee

The Bank has various obligations with respect to leases of buildings which are used as branches or for administrative purposes.

The duration of the lease agreements is initially for twelve years with a renewal or extension option according to counterparties agreement. The policy of the Bank is to renew these contracts.

The minimum future lease payments are:

	30.6.2015	31.12.2014*
Less than one year	33,459	33,316
Between one and five years	89,546	92,228
More than five years	88,095	92,927
Total	211,100	218,471

Total lease expenses for the first semester of 2015 relating to rental of buildings amounted to €16,734 (first semester of 2014: €15,760)* and are included in "General administrative expenses".

* In the comparative figures the Bulgarian Branch is not included because it is presented as a discontinued operation.

The Bank as a lessor

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

The minimum future lease fees are:

	30.6.2015	31.12.2014*
Less than one year	3,148	3,258
Between one and five years	7,358	7,308
More than five years	7,130	7,408
Total	17,636	17,974

The lease revenues for the first semester of 2015 amounted to €1,665 (first semester of 2014: €1,543)* and are included in "Other income".

d) Off balance sheet liabilities

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

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

The outstanding balances are as follows:

	30.6.2015	31.12.2014
Letters of credit	41,698	38,087
Letters of guarantee and other guarantees	4,863,659	4,897,126
Guarantees relating to bonds issued by subsidiaries of the Bank	1,555,081	1,759,966

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 bound by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 30.6.2015 amounts to €189.5 million (31.12.2014: €292.4 million) and are included in the calculation of risk weighted assets.

e) Assets pledged

Assets pledged, as at 30.6.2015 are analyzed as follows:

- Deposits pledged amounting to €0.4 billion concerning the Bank's obligation to maintain deposits in the Bank of Greece, corresponding to 1% of total customer deposits.
- Deposits pledged amounting to €0.2 billion concerning guarantees granted to the Greek State.
- Deposits pledged to credit institutions amounting to €1.2 billion which have been provided as guarantee for derivative transactions.
- Due from banks:
 - i. An amount of €1.1 billion pledged to central banks for liquidity purposes.
 - ii. An amount €0.4 billion given to foreign subsidiaries as collateral for credit risk.
- Loans and advances to customers:
 - i. An amount of nominal value of €18.0 billion pledged to Central Banks for liquidity purposes.
 - ii. An amount of €2.1 billion granted as collateral to the Greek State in order for the Bank to receive securities issued by the Greek State amounting to €1.6 billion in

* In the comparative figures the Bulgarian Branch is not included because it is presented as a discontinued operation.



accordance with Law 3723/2008, that have been pledged to Central Banks for liquidity purposes.

- iii. A carrying amount of €4.4 billion which relates to mortgage loans granted as collateral in order for the Bank to issue covered bonds of nominal value of €3.7 billion, which are held by the Bank and pledged to Central Banks for liquidity purposes.
 - iv. A carrying amount of €3.2 billion, which relates to corporate, consumer loans and credit cards, has been securitized for the issuance of Special Purpose Entities' bonds of a nominal value of €3.7 billion, which are held by the Bank and pledged to Central Banks for liquidity purposes.
 - v. A carrying amount of €0.7 billion, which relates to shipping loans, has been securitized for the purpose of financing the Bank through a Special Purpose Entity, which amounts to €0.4 billion at 30.6.2015.
 - iv. An amount of nominal value of €0.2 billion has been granted as collateral in the context of other financing transactions.
- Securities held for trading and investment securities portfolio out of which:
 - i. An amount of nominal value of €3.6 billion of Greek State securities, of which a nominal amount of €3.55 billion has been pledged to Central Banks in order for

the Bank to participate in main refinancing operations, while Greek State securities of a nominal amount of €0.05 billion has been pledged for other loan facilities.

- ii. An amount of nominal value of €4.3 billion relates to securities issued by the European Financial Stability Facility (EFSF), that the Bank received by the HFSF in the context of a) its participation to the share capital increase that was completed on 6.6.2013 and b) due to the coverage of the difference between the values of assets and liabilities transferred from Cooperative Banks, of which an amount of nominal value €4.1 billion is pledged as collateral to Central Banks for participation in main refinancing operations and an amount of nominal value €0.2 billion has been given as collateral for the repurchase agreements (repo).
- iii. An amount of nominal value of €0.5 billion relates to bonds which come from the securitization of receivables from finance leases of a Group's entity, has been pledged to Central Banks in order for the Bank to participate in main refinancing operations.

In addition an amount of nominal value €9.8 billion that relates to securities issued with the guarantee of the Greek State in accordance with Law 3723/2008 and are held by the Bank, is pledged as collateral to Central Banks for participation in main refinancing operations.

16. Operating segments

(Amounts in million of Euro)

	1.1 - 30.6.2015						Total
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	
Net interest income	484.7	346.8	1.3	(49.9)			782.9
Net fee and commission income	54.6	61.0	23.0	(6.3)			132.3
Other income	3.6	3.6	0.7	39.3		(66.3)	(19.1)
Total income	542.9	411.4	25.0	(16.9)		(66.3)	896.1
Total expenses	(330.4)	(60.4)	(8.7)	(8.4)		(15.7)	(423.7)
Impairment losses	(1,068.0)	(896.9)					(1,964.9)
Negative goodwill from acquisitions						48.2	48.2
Profit/(loss) before income tax	(855.5)	(545.8)	16.3	(25.3)		(33.8)	(1,444.1)
Income tax							335.8
Profit/(loss) after income tax							(1,108.3)
Net profit/(loss) after income tax from discontinued operations					(89.6)		(89.6)
Profit/(loss) after income tax							(1,197.9)
Assets 30.6.2015	24,933.8	20,385.1	105.0	13,878.3		6,918.1	66,220.3
Liabilities 30.6.2015	22,834.0	5,298.2	629.0	31,716.3		377.3	60,854.8

Total expenses include expenses relating to merger amounting to € 3.1 million.

(Amounts in million of Euro)

	1.1 - 30.6.2014						Total
	Retail	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	
Net interest income	393.6	339.6	1.3	14.8			749.3
Net fee and commission income	51.7	68.2	11.9	0.5			132.3
Other income	2.7	3.4	0.4	51.7		45.8	104.1
Total income	448.0	411.2	13.6	67.0		45.8	985.8
Total expenses	(372.6)	(67.8)	(9.4)	(9.7)		(25.6)	(485.1)
Impairment losses	(233.6)	(327.3)	-	-			(560.9)
Profit/(loss) before income tax	(158.1)	16.1	4.2	57.3		20.3	(60.2)
Income tax							435.5
Profit/(loss) after income tax							375.3
Net profit/(loss) after income tax from discontinued operations					(2.4)		(2.4)
Profit/(loss) after income tax							372.9
Assets 31.12.2014	25,271.0	20,189.2	108.6	14,925.6	757.8	6,382.4	67,634.6
Liabilities 31.12.2014	29,973.2	7,478.9	1,353.1	21,120.2	517.0	371.0	60,813.4

Total expenses include expenses relating to the merger of Emporiki Bank amounting to € 7.4 million.

**i. Retail**

Includes all individuals (retail banking customers), free-lancers, small and very small companies except from those whose management is done from branches abroad (South Eastern Europe).

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

ii. Corporate Banking

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

iii. Asset Management / Insurance

Consists of a wide range of asset management services of-

ferred through the Bank's private banking units. In addition, a wide range of insurance products to individuals and companies is provided.

iv. Investment Banking / Treasury

Includes stock exchange, advisory and brokerage services relating to capital markets, and also investment banking facilities, offered by the Bank. It also includes the activities of the Dealing Room in the interbank market (FX Swaps, Bonds, Futures, IRS, Interbank placements – Loans etc.).

v. South Eastern Europe

Consists of the Bank's branches operating in South Eastern Europe.

vi. Other

This segment consists of the Bank's administration section and the Bank's income and expenses that are not related to its operating activities or that are not repetitive and are due to external factors.

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

Due to the prolonged turmoil in the Eurozone countries, and the issues which the Greek economy faces, concerning the service of public debt, the Bank monitors credit risk from its

exposure to the Greek State as well as the remaining peripheral Eurozone countries.

i. Exposure to the Greek State

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

Portfolio	30.6.2015		31.12.2014	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Available for sale	4,586,563	3,505,932	4,360,221	3,396,496
Trading	1,818	1,001	2,675	1,729
Total	4,588,381	3,506,933	4,362,896	3,398,225

In addition securities issued by the public entities/organizations on 30.6.2015 amounted to € 111.8 million (31.12.2014: € 27.6 million).

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

Balance sheet exposure

	30.6.2015	31.12.2014
	Carrying amount	Carrying amount
Derivative financial instruments – assets	399,305	566,070
Derivative financial instruments – liabilities	(387,444)	(290,879)

Derivative financial liabilities to public sector entities/organizations amounted to € 4.4 million on 30.6.2015 (31.12.2014: € 29.1 million).

The Bank's exposure from loans to public entities/organizations on 30.6.2015 amounted to € 1,396 million (31.12.2014: € 1,324 million). The Bank for the above receivables has recognized im-

pairment amounted to €35 million as at 30.6.2015 (31.12.2014: €28.2 million).

In addition the balance of Bank's loans guaranteed by the Greek State (directly guaranteed by Greek State, loans guaranteed by Guarantee Fund for small and very small entities (TEMPME),

Loans guaranteed by Common Ministerial Decisions) on 30.6.2015 amounted to €727 million (31.12.2014: €725 million). For these loans the Bank has recognized impairment amounted to €141 million as at 30.6.2015 (31.12.2014: €142 million).

Off balance sheet exposure

	30.6.2015		31.12.2014	
	Nominal value	Fair amount	Nominal value	Fair amount
Bonds used as collaterals for refinancing operation	-	-	105,641	65,202

The balances as at 31.12.2014 relate to reverse repo transactions with pledged Greek State bonds which matured on 7.1.2015.

ii. Exposure to other peripheral Eurozone countries debt

The Bank holds in its available for sale portfolio, a bond of Cyprus Popular Bank (senior) with a book value of €1.6 million after an impairment of €31.8 million recognized in 2013 income statement.

The Bank as at 30.6.2015 had no exposures from bonds from Italy, Spain, Portugal and Ireland.

18. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	30.6.2015		31.12.2014	
	Fair value	Carrying amount	Fair value	Carrying amount
Assets				
Loans and advances to customers	42,492,465	42,655,706	43,199,945	43,475,910
Investments securities				
- Held to maturity	40,401	45,323	89,097	93,817
- Loans and receivables	4,385,954	4,294,133	4,370,874	4,299,101
Liabilities				
Due to customers	27,016,499	27,022,784	37,551,523	37,817,447
Debt securities in issue ⁽¹⁾	1,028,171	1,732,800	1,744,230	1,956,565

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

The fair value of held to maturity securities and of debt securities in issue is calculated using market prices, as long as the market is active. In all other cases as well as for the loan 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.

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

**Hierarchy of financial instruments measured at fair value**

	30.6.2015			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	6,826	922,109	3,884	932,819
Securities held for trading				
- Bonds and treasury bills		1,001		1,001
Available for sale securities				
- Bonds and treasury bills	21,419	4,788,766	13,949	4,824,134
- Shares		10,762	18,257	29,019
- Other variable yield securities		8,664		8,664
Derivative financial liabilities	38	1,823,503	52	1,823,593
Convertible bond		15,000		15,000

	31.12.2014			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	12,360	1,141,545	39	1,153,944
Securities held for trading				
- Bonds and treasury bills	1,729			1,729
Available for sale securities				
- Bonds and treasury bills	3,787,720	796,448	15,710	4,599,878
- Shares	10,786		19,046	29,832
- Other variable yield securities	9,115			9,115
Derivative financial liabilities	74	1,940,895	5,432	1,946,401
Convertible bond		64,600		64,600

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

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

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

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

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

fair value that arises is classified into Level 3 or otherwise in Level 2.

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

On 28 June 2015, Legislative Act was announced for Bank short term holiday, which resulted in discontinuation of trading activity of Greek Financial Institutions, except for the clearing of transactions before Legislative Act occurred. On the same day the HCMC, following the Legislative Act "Bank short-term holiday" announced that the Secondary Electronic Securities Market will remain closed which constitutes the main Greek public securities trading market. On 29 June 2015, the international custodians Euroclear and Clearstream announced that due to the adoption of restriction in capital movements by the Greek State, they will not accept clearing of transactions commands for payment ("Delivery vs Payment") for Greek securities. On 30 June 2015, it was decided on the Luxembourg Stock Exchange the interruption of transactions in securities issued by the Greek State.

The interruption of the function of the basic regulated market had as a result the loss of the characteristics of liquidity and depth. Hence in order to assess the value of the portfolio of Greek State bonds of the Bank for 30.6.2015 a valuation model was applied which takes into account the observable market prices.

On 30.6.2015 the fair value of bonds and treasury bills issued by the Greek State as well as of quoted shares and mutual

funds was calibrated in Level 2, due to the non-satisfaction of the criteria of active market.

Within the period, a Greek corporate bond amounting to €16.3 million was transferred from Level 2 to Level 1 due to

the satisfaction of the criteria of active market. In addition, within the period, €439 million were transferred from Level 1 to Level 2, due to the non-satisfaction of the criteria of active market.

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

	30.6.2015			
	Total fair value	Fair value	Valuation method	Significant non-observable inputs
Derivative Financial Assets	3,884	850	Discounted cash flows with interest rates being the underlying instrument	Estimation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds		3,034	Discounted cash flows underlying interest rates taking into account the credit risk of the counterparty	The probability of default and loss given default of the counterparty is calculated using an internal model
Available for sale shares	13,949	13,949	Based on issuer price	Price
Derivative Financial Liabilities	18,257	18,257	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
	52	52	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends

	31.12.2014			
	Total fair value	Fair value	Valuation method	Significant non-observable inputs
Derivative Financial Assets	39	39	Discounted cash flows with interest rates being the underlying instrument	Estimation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	15,710	15,710	Based on issuer price	Price
Available for sale shares	19,046	19,046	Discounted cash flows – Multiples valuation method – Cost of acquisition	Future profitability of the issuer
Derivative Financial Liabilities	5,432	20	Discounted cash flows - Black Scholes valuation model with shares basket being the underlying instrument	Coefficient of variation and correlation coefficient between shares
		5,412	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends

A fair variation in non-observable inputs of the financial instruments which are measured at fair value classified in Level 3 would not affect significantly the results of the Bank.

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

	30.6.2015		
	Assets		Liabilities
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities
Opening balance 1.1.2015	34,756	39	(5,432)
Total gain or loss recognized in the income statement	(738)	811	5,360
Total gain or loss recognized directly in equity	(1,248)		
Purchases/Issues	7,622		
Sales/Repayments/Settlements	(8,186)		20
Transfers to Level 3 from Level 2		3,034	
Balance 30.6.2015	32,206	3,884	(52)
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period.	(861)	(1,169)	(52)



During the period, purchases of foreign corporate bonds amounting to €7.6 million took place, which were classified in Level 3, because no observable parameters were utilized for valuation purposes. In addition, sales-repayments of foreign corporate bonds amounting to €7.7 million and of shares

amounting to €0.5 million took place. In the derivative financial assets, it took place transfer of derivative from Level 2 to Level 3 due to the satisfaction of the criteria for significant non-observable inputs.

	31.12.2014		
	Assets		Liabilities
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities
Opening balance 1.1.2014	30,854	64	(646)
Changes for the period 1.1 - 30.6.2014			
Total gain or loss recognized in the income statement	688	(64)	(1,540)
Total gain or loss recognized directly in equity	2,717		
Purchases/Issues	206		
Sales/Repayments/Settlements	(3,434)		17
Transfers to Level 3 from Level 2	714		
Balance 30.6.2014	31,745	-	(2,169)
Changes for the period 1.7 - 31.12.2014			
Total gain or loss recognized in the income statement	(2,345)	39	(3,264)
Total gain or loss recognized directly in equity	(1,897)		
Purchases/Issues	547		
Sales/Repayments/Settlements	(458)		1
Transfers to Level 3 from Level 1	7,164		
Balance 31.12.2014	34,756	39	(5,432)
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 30.6.2014	710		(1,540)

19. Capital adequacy

The policy of the Bank is to maintain a strong capital base to ensure depositors, investors, creditors and market confidence and to sustain future development of the Bank.

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

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

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

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

Since January 1, 2014 EU Directive 2013/36/EU of the European Parliament and Council dated 26 June 2013 along with the EU Regulation 575/2013/EU, dated June 26, 2013 ("CRD IV"), have come into force and gradually introduce the new capital adequacy framework (Basel III) of credit institutions.

From 1.1.2014, besides the 8% capital adequacy limit, new limits of 4.5% for Common Equity Tier I ratio and 6% for Tier I ratio were set according to the Regulation 575/2013 and the transitional provisions for the calculation of own funds as adopted by the Bank of Greece. These limits should be satisfied on a standalone and on a consolidated basis.

In the context of the regulation review and the new financial support programme of Greece from August 2015 an exercise of evaluation of Greek Banks by the Single Supervisory Mechanism (SSM) of ECB is in progress.

The exercise includes Asset Quality Review and Stress Tests. The results and the ratios that should be met are anticipated to be announced on 30 October 2015 as specially mentioned in note 20.

	30.6.2015 (estimate)	31.12.2014
Common Equity Tier I	11.1%	14.7%
Tier I	11.1%	14.7%
Capital adequacy ratio	11.2%	14.9%

20. Comprehensive assessment - Recapitalisation framework

Comprehensive Assessment

According to the Agreement for Financial Support to be provided by the European Stability Mechanism, in the third quarter of 2015 a comprehensive assessment ("CA") was conducted for the four Greek systemic financial institutions, by the Single Supervisory Mechanism - SSM. The CA included the following steps (a) Asset Quality Review (AQR), (b) a stress test. The minimum capital threshold for the baseline scenario was a CET1 ratio of 9.5% and for the adverse scenario was a CET1 ratio of 8%. Although the above CA was based on the methodology applied for the comprehensive assessment conducted by the ECB in 2014 for the total of the banks that it supervises, the parameters and assumptions currently applied were more adverse due to the current economic circumstances. The CA was conducted with a reference date of 30.6.2015. As part of the asset quality review a portfolio of Greek loans was reviewed in terms of credit risk, adequacy of provision coverage and management practices. In the context of the stress test, SSM conducted, with the support of appointed financial advisors, an estimation of the future impairment losses of the Group's loans with a two and a half years horizon, for a base and an adverse macroeconomic scenario. The assumptions of the two scenarios were defined by the SSM. In addition, the SSM took into consideration the financial projections and estimations of future profitability made by the financial institutions, based on commonly accepted levels of macroeconomic indices for the base scenario, while the development of the macroeconomic figures in the adverse scenario was configured by the ECB.

The assessment of additional capital requirements was performed based on adjustments to the above figures according to the methodological approach of the SSM and was calculated from the differences between the Common Equity Tier I ratio that arose for credit institutions for each year until 2017 against a limit of 9.5% and 8% for the base and adverse scenario respectively.

The results of the CA were announced on 31 October 2015. The Group presented zero capital needs as a result of the AQR, which amounted to € 1.7 billion, and also presented low capital needs amounting to € 262.6 million under the base scenario. Under the adverse scenario the capital needs amounted to € 2,743 million.

In order to cover the above capital needs the Bank has already announced the optional exchange offer, with shares and/or cash, of hybrid securities, subordinated securities and senior bonds issued by subsidiaries of the Bank (Alpha Credit Group Plc, Emporiki Group Finance Plc and Alpha Group Jersey Limited), while at the same time it intends to proceed to actions for the enhancement of its equity which will be completed by the end of 2015, based on the institutional framework currently in force and the changes that are expected to be made to that framework.

In particular the AQR, as in 2014, was a regulatory exercise that was based upon a single standardized procedure applied by the ECB to assess the quality of the loan portfolio in Greece with a reference date of 30.6.2015. The result of the AQR amounted to €1.7 billion before income tax and is further analyzed as follows:

- € 531 million from the individual credit file review of a sample of loans,
- € 903 million from the collective assessment of loans, out of which € 816 million relate to mortgage loans,
- € 290 million from the extrapolation of the results of the credit file review to the remaining portfolio and
- € 22 million for additional variations in the derivatives valuation regarding counterparty risk.

The total AQR result expresses the difference from the provisional book values of the loan portfolio that were provided to the SSM for the purpose of conducting the exercise before the finalization of the recoverability assessment of the loans and advances portfolio as at 30.6.2015. Therefore, it does not express an adjustment to the Bank's book values as presented in the financial statements of 30.6.2015. However, within the last quarter of 2015, in the context of the periodic assessment of the methodology and parameters applied for the impairment assessment of the loans and advances portfolio, the Bank shall consider the AQR methodology and results and will adjust the parameters applied where required, taking also into consideration the circumstances prevailing at that time.

Finally, in the context of the Memorandum for Economic and Financial Stability, which was signed between Serbia and the International Monetary Fund a diagnostic assessment of the



balance sheet of Banks operating in Serbia is in progress. The Central Bank of Serbia has appointed an international audit firm as Advisor for the execution and completion of the Asset Quality Review. The assessment is a regulatory exercise based on a single standard procedure and is performed with a common methodology for all participating banks. Alpha Bank Srbija A.D has been included in the population of the banks under assessment, providing the requested data by the auditor. The results of the assessment will be announced prior to the end of 2015.

Recapitalisation Framework

On 23.7.2015, Law 4335/2015 was announced that adopts European Directive 2014/59, which defines the context of the reestablishment and resolution for credit institutions.

In accordance with this Directive a set of rules was established to deal with financial crises across the EU to ensure that shareholders, creditors (including unsecured depositors) share the burden of a potential recapitalization and/or the liquidation of troubled banks.

In accordance with Law 4335/2015 the Bank of Greece is designated as the resolution authority and has the power to apply resolution tools and exercise resolution powers.

The main resolution tools provided for by Law that may be applied individually or in any combination are the following:

- the sale of business tool,
- the bridge institution tool,
- the asset separation tool (in order to avoid the use of this tool exclusively as a tool of public financial support, the asset separation tool should be applied only in conjunction with other tools), and
- the bail-in tool (write-down or/and conversion of capital instruments and liabilities).

In addition, under this Directive the Ministry of Finance is em-

powered to use measures of public capital support or, if the credibility preconditions of a financial institution are satisfied, the provision of financial support through capital injection or purchase of equity instruments is available. In particular, as far as the recapitalization of financial institutions in Greece is concerned, on 30 October 2015, a draft legislation regarding the recapitalization framework of the credit institutions was submitted to vote in the Hellenic Parliament. The draft legislation, inter alia, provides for:

- The Hellenic Financial Stability Fund, according to the Financial Facility Agreement of 19.8.2015 is appointed as the competent body for the provision of capital support to the financial institutions
- The operation authorities of the Fund, the decision-making bodies and the selection procedures are established
- The procedures for the mobilization of the Fund are determined, as well as the conditions of supply of capital support not only for purposes of precautionary recapitalization but also for the implementation of measures of public financial stability
- Issues regarding the voting rights that the Fund acquires are described, as well as the special rights provided due to the share and contingent voting rights holding.

In particular with respect to capital support, this is provided through the participation of the Fund in the share capital increase of the credit institution through the issuance of common shares with voting rights or the issuance of contingent convertible bonds or other convertible instruments. In addition, in order to limit State aid to the lowest level, certain mandatory measures exist to provide for the allocation of any capital shortfall to holders of equity instruments and liabilities, without triggering any default clauses or to be accounted for as non fulfillment of contractual obligations.

21. Related-party transactions

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

a. The outstanding balances of the Bank's transactions with key management personnel, which consist of members of the Board of Directors and the Bank's Executive Committee as well as their close family members and the companies relating to and the results related to those transactions are as follows:

	<u>30.6.2015</u>	<u>31.12.2014</u>
Assets		
Loans and advances to customers	32,150	32,529
Liabilities		
Due to customers	10,629	42,582
Employee defined benefit obligations	407	387
Total	11,036	42,969
Letters of guarantee and approved limits	11,680	11,917

	From 1 January to	
	<u>30.6.2015</u>	<u>30.6.2014</u>
Income		
Interest and similar income	138	668
Fee and commission income	69	63
Total	207	731
Expenses		
Interest expense and similar charges	132	1,116
Fees paid to key management and close family members	1,691	1,735
Total	1,823	2,851

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

i. Subsidiaries

	<u>30.6.2015</u>	<u>31.12.2014</u>
Assets		
Due from banks	1,968,782	2,783,157
Derivative financial assets	8,925	12,959
Loans and advances to customers	3,318,065	2,271,310
Available for sale securities	677,526	753,009
Other assets	2,443	6,483
Total	5,975,741	5,826,918
Liabilities		
Due to banks	163,859	322,834
Due to customers	971,113	630,046
Derivative financial liabilities	32,504	20,381
Debt securities in issue and other borrowed funds	1,847,867	2,081,452
Other liabilities	5,032	5,746
Total	3,020,375	3,060,459
Letters of guarantee and other guarantees	972,565	1,157,316

Additionally to the financing of the subsidiaries that have issued debt securities, guarantees have been granted for the issue of these securities by the Bank's subsidiaries amounting to € 1,555,081 (31.12.2014: € 1,759,966)



	From 1 January to	
	30.6.2015	30.6.2014
Income		
Interest and similar income	52,065	42,468
Fee and commission income	8,225	9,364
Gains less losses on financial transactions		42,029
Other income	1,905	2,135
Total	62,195	95,996
Expenses		
Interest expense and similar charges	47,703	35,353
Commission expense	1,149	869
Gains less losses from financial transactions	30,639	
General administrative expenses	7,630	10,211
Total	87,121	46,433

ii. Joint ventures

	30.6.2015	31.12.2014
	Assets	
Loans and advances to customers	164,796	168,507
Other assets		15
Total	164,796	168,522
Liabilities		
Due to customers	19,224	7,120

	From 1 January to	
	30.6.2015	30.6.2014
Income		
Interest and similar income	2,846	2,576
Fee and commission income	2	3
Other income	9	16
Total	2,857	2,595
Expenses		
Interest expense and similar charges	152	51
General administrative expenses		2,699
Total	152	2,750

iii. Associates

	30.6.2015	31.12.2014
	Assets	
Loans and advances to customers	3,044	3,044
Liabilities		
Due to customers	189	207

	From 1 January to	
	30.6.2015	30.6.2014
Income		
Interest and similar income	5	-

c. The Supplementary Fund of former Alpha Credit Bank's employees holds bonds of the subsidiary Alpha Credit Group Plc of € 21,725 (31.12.2014: € 19,031), while its deposits in Alpha Bank amount to € 6,066 (31.12.2014: € 29,876). The

interest expense related to the bond and to the deposits amounts at € 496 and € 40 respectively. Additionally, Alpha Bank's shares of € 740 (31.12.2014: € 1,075) are included in the assets of the Supplementary Fund.

d. The Hellenic Financial Stability Fund (HFSF) has significant influence on the Bank. In particular, due to its participation in the share capital increase which took place on 6.6.2013 in the context of Law 3864/2010, HFSF acquired representation in

the Board of Directors and other significant Committees of the Bank. Therefore, according to IAS 24, HFSF and its controlling entities are considered related parties for the Bank.

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

	From 1 January to	
	30.6.2015	30.6.2014
Income		
Interest and similar income	-	289
Fee and commission income	34	-
Total	34	289

22. Investments in subsidiaries, associates and joint ventures

	1.1 - 30.6.2015	1.7 - 31.12.2014	1.1 - 30.6.2014
Subsidiaries			
Opening balance	2,015,422	1,989,971	1,982,262
Additions	33,955	41,437	1,901
Disposals	(41,113)	(11,890)	
Transfer due to reclassification to assets held for sale		(1,831)	
Valuation of investments due to fair value hedge (1)	3,429	(2,265)	5,808
Closing balance	2,011,693	2,015,422	1,989,971
Associates			
Opening balance	631	631	631
Closing balance	631	631	631
Joint ventures			
Opening balance	56,636	86,787	87,842
Additions	344	294	470
Disposals	(50)	(30,445)	(1,525)
Closing balance	56,930	56,636	86,787
Total	2,069,254	2,072,689	2,077,389

Additions represent: share purchases, participation in share capital increases as well as acquisitions of shares due to mergers.

Disposals represent: sales of shares, return of capital, proceeds arising from the liquidation of companies, contribution in kind and impairments.

The additions/disposals in subsidiaries amounting to € 33,955 and € 39,676 respectively, relate to the acquisition of the shares of Emporiki Bank Cyprus from Alpha Bank Cyprus, in the context of which the Bank transferred its shares to Emporiki Bank Cyprus for Alpha Bank Cyprus shares. From the sale of the shares of Emporiki Bank Cyprus Ltd a loss of € 5.7 million incurred which was recorded in "Gains Less Losses on financial transactions".

Also, disposal amounting to € 1,437 regards the merger via absorption of Diners Club Greece A.E.P.P. from the Bank which took place on 2.6.2015 (note 23).

The additions in joint ventures amounting € 344 relate to the Bank's capital contribution to ALPHA-TANEO AKES.

The disposals of the joint ventures amounting to € 0.05 million relate to the sale of the total number of shares of Cardlink AE (note 25b).

On 9.10.2015, the liquidation process of Bank's Company Historical Archive-Cultural Contribution of Emporiki Bank's Non Profit Company was completed.

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



23. Acquisition of the Retail Banking operations of Citibank and Diners Club Greece A.E.P.P.

On 30.9.2014, the acquisition by the Bank of the Retail Banking operations of Citibank, including the company Diners Club Greece A.E.P.P. was completed, following the agreement signed on 13.6.2014 between the Bank and Citibank Inter-

national plc (hereinafter "CIP") and Citibank Overseas Investment Corporation and the receipt of required regulatory approvals.

a. CIP transaction

An analysis of the above transaction is included in Note 43 of the 2014 Bank's financial statements. The measurement at fair value of the net assets acquired through the acquisition of the retail banking operations of CIP, had not been completed as at 31.12.2014, due to the short period of time between the completion of the transaction and the publication of the annual financial statements. Within the first quarter of

2015 the Bank completed the valuation of the net assets acquired in the context of the above mentioned transaction without any adjustment in the provisional fair values disclosed in the annual financial statements of 31.12.2014.

The following table presents the final fair values as of 30.9.2014 for the assets acquired from the acquisition of the retail banking operations of CIP.

Retail banking operations of CIP

	<u>Fair Value</u>
Net assets	
Assets	
Cash and balances with Central Banks	20,279
Loans and advances to customers	227,466
Property, plant and equipment	458
Other intangible assets	60,079
Funding gap	680,950
Other assets	695
Total Assets	989,927
Liabilities	
Due to customers	927,343
Employee defined benefit obligations	2,936
Other liabilities and provisions	12,948
Total liabilities	943,227
Net assets	46,700
Consideration	(46,700)
Negative goodwill	-

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

On 30.9.2014 the Bank obtained the control of Diners Club Hellas A.E.P.P after the acquisition of 100% of the share capital of the company. Since that date the company constitutes a subsidiary of the Bank. The details of this transaction and the accounting effects of the merger at a Group level are included in note 47 of the consolidated financial statements of the year 2014 and in Note 22 of the interim consolidated financial statements as at 31.3.2015.

On 2.6.2015, pursuant to the 59073/2.6.2015 resolution of the Directorate of companies and General Commercial Register of the Ministry of Economy, Infrastructure, Shipping and Tourism, with registration number 367376/2.6.2015 in the General Commercial Register the merger of the Bank and Diners Club was approved through absorption of the second company from the first.

The transaction of absorption of a subsidiary by the holding company constitutes a business combination under joint control and hence its accounting treatment is not covered by the provisions of IFRS. In these cases IAS 8 requires the company to implement an accounting policy which is relevant and reliable according to the provisions of IAS for similar and relevant transactions and any relevant provisions of other accounting principles except for IAS. The Bank's accounting policy is the accounting recognition of all business combinations according to IFRS 3 even for cases of companies which were already under Bank's control.

The valuation of Diners' net assets as at 30.9.2014 according to the provisions of IFRS 3 for preparation of the consolidated financial statements purposes, was completed within the first quarter of 2015. Due to the short period of time between the

date of acquisition (30.9.2014) and the date of merger (2.6.2015) it is estimated that any changes in the fair value of Diners' net assets are not significant and therefore a new valuation of Diners' net assets will not be conducted as at 2.6.2015 for the purpose of presenting the merger in the Bank's separate financial statements. The Bank recognized the acquired Diners'

net assets at the values of 2.6.2015 as these resulted by adjusting their fair value on 30.9.2014 for the transactions and financial results of Diners of the period 30.9.2014 – 2.6.2015.

The table below depicts the final values of net assets acquired as at 2.6.2015.

Diners Club Greece A.E.P.P.

	Fair value
Net assets	
Assets	
Cash and balances with Central Banks	895
Loans and advances to customers	139,021
Other intangible assets	22,995
Other assets	141
Total Assets	163,052
Liabilities	
Due to banks	85,656
Employee defined benefit obligations	5,875
Deferred tax liabilities	6,692
Other liabilities and provisions	15,155
Total Liabilities	113,378
Net assets	49,674
Consideration (Acquisition Cost)	(1,437)
Negative goodwill	48,237

In intangible assets an amount of €22.9 million that was recognized relates to the value which was attributed to the acquired customer relationships of the credit cards operations.

In addition, deferred tax liabilities amounting to €6.7 million were recognized arising from taxable temporary differences between the tax base and the accounting value which is recognized according to IFRS 3. These differences concern the provisions of credit card receivables and the intangible asset of the acquired customer relationships.

The amount of €48.2 million that has been recognized in "Negative Goodwill from acquisitions" in the Income Statement, represents the amount of negative goodwill arising from fair values. The negative goodwill arose from the very low acquisition price of the company (€1.4 million, which is the acquisition cost of the total share capital of Diners Club Greece A.E.P.P. as at 30.9.2014) in relation with the estimat-

ed value of its loan portfolio and the acquired customer relationships. The respective amount did not constitute a taxable item during the legal merger of Alpha Bank with Diners Club Greece A.E.P.P.

The balance of Loans and Advances acquired from the merger of Diners before impairment amounted to €170.8 million. Regarding the estimation for the amounts that are expected not to be recovered, it is noted that the Bank examines the loans in the context of the impairment policy that it follows and the credit risk policy is analyzed in note 38.1 of the Bank's annual financial statements of the year 2014.

The table below presents the total income, expenses and results before and after tax that would have arisen for the Bank if the acquisition of Diners had taken place on 1.1.2015. Due to the legal merger the separate presentation of Diners Club Greece A.E.P.P. results after 2.6.2015 it is not feasible.

	Results of Bank 1.1 - 30.06.2015
Total Income	954,616*
Total Expenses	(2,391,235)
Profit/(Loss) before income tax	(1,436,619)
Profit/(Loss) after income tax	(1,190,436)

* This amount includes the negative goodwill amounting to €48.2 million.



24. Assets held for sale and discontinued operations

On 17.7.2015, the Bank and Eurobank, with a common statement, disclosed their agreement, concerning the principal terms, for the transfer of operations of Bank's Bulgaria Branch to Eurobank's subsidiary in Bulgaria (PostBank). The transfer will be completed in 2015, after the conclusion of definitive contracts and obtaining of necessary regulatory approvals. On 30.6.2015 the assets of Bulgaria Branch, and directly related liabilities, meet the classification criteria as "Held for sale" in accordance with IFRS 5, as at that date, the management had decided to sell the unit and was already in negotiations with the prospective buyer. Simultaneously, the Bulgaria Branch is a distinctive geographical area of operations for the Bank which is included in the Southeast Europe for reporting purposes per operating segment. After the classification of the Bulgaria Branch, which is the only entity in the banking sector through which the Bank operates in Bulgaria, as asset held for sale, its operations are classified as "discon-

tinued operations". Therefore, for the purpose of preparation of the Bank's interim financial statements as at 30.6.2015, the Bank valued the assets and liabilities of Bulgaria Branch at the lower of their carrying amount and fair value less costs to sell, recognizing the difference which amounted to €85.5 million as "Loss after income tax from discontinued operations" in the Income Statement. After the aforementioned valuation, the assets of the Branch amount to €460,867 and are presented in the Balance Sheet as "Assets held for sale". Liabilities of the Branch which amount to €291,684 are presented in the Balance Sheet as "liabilities related to assets held for sale". On 31.12.2014 the corresponding figure of assets held for sale amounted to €1.8 million and concerned the subsidiary Alpha Insurance Ltd (see note 19 of the Financial Statements of 31.12.2014), which was sold on 16.1.2015. The aforementioned figures of Bulgaria Branch are analyzed in the table below:

(Amounts in thousand of Euro)

	30.6.2015
ASSETS	
Cash and balances with Central Banks	128,223
Due from banks	17,278
Loans and advances to customers	387,615
Investment securities	
- Available for sale	6
Investment property	1,258
Property, plant and equipment	5,351
Goodwill and other intangible assets	3,220
Other assets	3,416
	<u>546,367</u>
Difference from valuation at fair value	(85,500)
Assets held for sale	460,867
LIABILITIES	
Due to customers	285,094
Liabilities for current income tax and other taxes	135
Other liabilities	5,577
Provisions	878
Total Liabilities related to assets held for sale	291,684

The results and cash flows from the Bulgaria Branch are presented as "discontinued operations" in the Income Statement, with a corresponding restatement of comparative periods 1.1.2014 to 30.6.2014 and 1.4.2014 to 30.6.2014 and

in the cash flow statement with a restatement of comparative period 1.1.2014 to 30.6.2014. The following table analyzes the amounts presented in the Income Statement.

Income Statement

(Amounts in thousand of Euro)

	From 1 January to		From 1 April to	
	30.6.2015	30.6.2014	30.6.2015	30.6.2014
Interest and similar income	15,211	19,454	7,418	9,251
Interest expense and similar charges	(4,004)	(7,845)	(1,789)	(3,868)
Net interest income	11,207	11,609	5,629	5,383
Fee and commission income	3,276	2,823	1,597	1,493
Commission expense	(200)	(209)	(103)	(106)
Net fee and commission income	3,076	2,614	1,494	1,387
Dividend income				
Gains less losses on financial transactions	277	207	116	132
Other income	188	245	78	84
	465	452	194	216
Total income	14,748	14,675	7,317	6,986
Staff costs	(5,055)	(5,182)	(2,596)	(2,659)
General administrative expenses	(7,958)	(7,396)	(4,147)	(3,861)
Depreciation and amortization	(1,474)	(1,615)	(723)	(803)
Other expenses	(18)	(50)	(15)	(40)
Total expenses	(14,505)	(14,243)	(7,481)	(7,363)
Impairment losses and provisions to cover credit risk	(4,302)	(2,863)	(2,943)	(1,489)
Profit/(Loss) before income tax	(4,059)	(2,431)	(3,107)	(1,866)
Income tax				
Profit/(loss), after income tax	(4,059)	(2,431)	(3,107)	(1,866)
Difference from valuation at fair value	(85,500)		(85,500)	
Net profit/(Loss) after income tax from discontinued operations	(89,559)	(2,431)	(88,607)	(1,866)

It is noted that both the sale of the Branch in Bulgaria and of the Alpha Insurance Ltd are part of the commitments undertaken by the Bank to implement its Restructuring Plan approved by the European Commission. In particular, this Restructuring Plan provides for specific restructuring and rationalization actions that must be performed by the Bank and which are in progress. Indicatively these actions include the reduction of Bank's total expenses in Greece, the reduction of the financing cost and the strengthening of the balance sheet, the concentration of activities in key markets and

the restriction of assets and of additional funding which are related to international activities as well as the reduction of investments and other securities portfolio of the Bank. The Bank assesses, at each reporting date of the financial statements, the actions undertaken within the context of implementation of the restructuring plan in order to classify, in the cases where the criteria of IFRS 5 are met (which are listed in note 1.16 of the financial statements of 31.12.2014), as held for sale the assets and the liabilities that are directly associated with them.



25. Corporate events

a. On 16.1.2015 the sale of the Bank's participation in the insurance company "Alpha Insurance Ltd" in Cyprus was completed. From the transaction a loss of €0.3 million incurred and was recognized in "Gain Less Losses on financial transactions", while until the completion of the share transfer a receipt of dividends of €0.7 million was recognized in "Dividend Income" of the current period.

b. On 23.1.2015 the Bank proceeded to the sale of the total number of shares of the joint venture Cardlink A.E. From the transaction a gain of €5.95 million incurred and was recognized in "Gain Less Losses from financial transactions".

c. On 16.2.2015 the Bank's Board of Directors approved the initiation of the procedures to merge and absorb Diners Club Greece A.E.P.P. with the Bank, by absorption of the second

from the first, in accordance with the provision of articles 68 paragraph 2 and 78 of Codified Law 2190/1920, in combination with article 16, paragraph 18(a) and (d) (1) of Law 2515/1997 and also in accordance with article 54 of Law 4172/2013, that was completed on 2.6.2015 by absorption of the company Diners Club Greece A.E.P.P from the Bank.

d. On 17.3.2015 the Bank in accordance with the relevant loan restructuring agreement of the company SELONDA AEGE, acquired 23.01% of its shares at the total price of €1. The Bank intends to sell those shares in the near future.

e. On 27.3.2015 the merger of Alpha Bank Cyprus Ltd and Emporiki Bank Cyprus Ltd was completed through absorption of the second from the first.

26. Restatement of financial statements

During the current period the Bank modified the way of disclosing legal fees which, according to the loan agreements, are attributed to the loan accounts. Those expenses, which so far were included in general administrative expenses, are offset, for disclosure purposes, with the relevant income arising during the debit of the loan accounts, which is included in the fee and commission income.

The modification of the legal fees and of the relevant income disclosure was chosen because the substance of the transaction is better reflected in this way, since in the amounts of expenses no longer are included amounts that in essence are not charged to the Bank, and also corresponding to amounts of

income there aren't amounts included that are not provided by the Bank as service.

As a result of this change, some funds of the income statement of the comparative period were restated without changing the result.

The restated statements of income and cash flows for the period ended 30.6.2014 are presented below after the change of the presentation of legal expenses and related revenues and also classification of Branch in Bulgaria as discontinued activity and adjustment of the index basic and diluted earnings / (loss) per share.

Income Statement

(Amounts in thousands of Euro)

	From 1 January to 30.6.2014				
	Published Amounts	Restatements due to changes in the presentation of Legal Expenses	Restated Amounts	Discontinued operations	Continuing operations
Interest and similar income	1,423,854		1,423,854	19,454	1,404,400
Interest expense and similar charges	(662,897)		(662,897)	(7,845)	(655,052)
Net interest income	760,957		760,957	11,609	749,348
Fee and commission income	181,614	(28,580)	153,034	2,823	150,211
Commission expense	(18,141)		(18,141)	(209)	(17,932)
Net fee and commission income	163,473	(28,580)	134,893	2,614	132,279
Dividend income	976		976		976
Gains less losses on financial transactions	94,389		94,389	207	94,182
Other income	9,213		9,213	245	8,968
	104,578		104,578	452	104,126
Total income	1,029,008	(28,580)	1,000,428	14,675	985,753
Staff costs	(266,269)		(266,269)	(5,182)	(261,087)
General administrative expenses	(227,680)	28,580	(199,100)	(7,396)	(191,704)
Depreciation and amortization expenses	(30,391)		(30,391)	(1,615)	(28,776)
Other expenses	(3,552)		(3,552)	(50)	(3,502)
Total expenses	(527,892)	28,580	(499,312)	(14,243)	(485,069)
Impairment losses and provisions to cover credit risk	(563,768)		(563,768)	(2,863)	(560,905)
Profit/(Loss) before income tax	(62,652)		(62,652)	(2,431)	(60,221)
Income tax	435,543		435,543		435,543
Profit/(Loss) after income tax	372,891	-	372,891	(2,431)	375,322
Basic and diluted earnings/(losses) per share (€ per share):	0.03		0.03	(0.0002)	0.03



(Amounts in thousands of Euro)

	From 1 April to 30.6.2014				
	Published Amounts	Restatements due to changes in the presentation of Legal Expenses	Restated Amounts	Discontinued operations	Continuing operations
Interest and similar income	711,247		711,247	9,251	701,996
Interest expense and similar charges	(326,594)		(326,594)	(3,868)	(322,726)
Net interest income	384,653		384,653	5,383	379,270
Fee and commission income	95,422	(15,842)	79,580	1,493	78,087
Commission expense	(12,073)		(12,073)	(106)	(11,967)
Net fee and commission income	83,349	(15,842)	67,507	1,387	66,120
Dividend income	968		968		968
Gains less losses on financial transactions	31,394		31,394	132	31,262
Other income	4,971		4,971	84	4,887
	37,333		37,333	216	37,117
Total income	505,335	(15,842)	489,493	6,986	482,507
Staff costs	(132,383)		(132,383)	(2,659)	(129,724)
General administrative expenses	(111,492)	15,842	(95,650)	(3,861)	(91,789)
Depreciation and amortization expenses	(15,089)		(15,089)	(803)	(14,286)
Other expenses	(1,657)		(1,657)	(40)	(1,617)
Total expenses	(260,621)	15,842	(244,779)	(7,363)	(237,416)
Impairment losses and provisions to cover credit risk	(256,384)		(256,384)	(1,489)	(254,895)
Profit/(Loss) before income tax	(11,670)		(11,670)	(1,866)	(9,804)
Income tax	422,371		422,371		422,371
Profit/(Loss) after income tax	410,701	-	410,701	(1,866)	412,567
Basic and diluted earnings/(losses) per share (€ per share):	0.03		0.03	(0.0001)	0.03

Statement of Cash Flows

(Amounts in thousands of Euro)

	From 1 January to 30.6.2014		
	Published Amounts	Restatement from discontinued operations	Restated amounts from continuing operations
Cash flows from operating activities			
Profit/(Loss) before income tax	(62,652)	(2,431)	(60,221)
Adjustments for gains/(losses) before income tax for:			
Depreciation/ impairment of fixed assets	17,687	1,285	16,402
Amortization of intangible assets	12,704	330	12,374
Impairment losses from loans and provisions	578,863	3,097	575,766
(Gains)/losses from investing activities	(91,813)	(33)	(91,780)
(Gains)/losses from financing activities	57,265		57,265
	512,054	2,248	509,806
Net (increase)/decrease in assets relating to operating activities:			
Due from banks	(104,812)	(4,169)	(100,643)
Securities held for trading and derivative financial assets	(57,186)	10	(57,196)
Loans and advances to customers	755,110	(24,630)	779,740
Other assets	(33,899)	150	(34,049)
Net increase /(decrease) in liabilities relating to operating activities:			
Due to banks	(2,634,782)	(695)	(2,634,087)
Derivative financial liabilities	23,970	(14)	23,984
Due to customers	(716,303)	25,713	(742,016)
Other liabilities	28,214	592	27,622
	(2,227,634)	(795)	(2,226,839)
Net cash flows from operating activities before taxes			
Income taxes and other taxes paid	(11,187)	(164)	(11,023)
	(2,238,821)	(959)	(2,237,862)
Net cash flows from discontinued operating activities			(959)
Cash flows from investing activities			
Investments in subsidiaries, associates and joint ventures	1,055		1,055
Dividends received	425		425
Purchases of fixed and intangible assets	(22,214)	(82)	(22,132)
Disposals of fixed and intangible assets	2,771	70	2,701
Net (increase)/decrease in investment securities	1,487,012	393	1,486,619
	1,469,049	381	1,468,668
Net cash flows from continuing investing activities			381
Net cash flows from discontinued investing activities			381
Cash flows from financing activities			
Share capital increase	1,200,000		1,200,000
Dividends paid to preference shareholders	(940,000)		(940,000)
Share capital increase expenses	(48,328)		(48,328)
Dividends paid to ordinary shareholders	(604)		(604)
Proceeds from the issuance of debt securities in issue and other borrowed funds	496,750		496,750
Repayments of debt securities in issue and other borrowed funds	(42,950)		(42,950)
	664,868		664,868
Net cash flows from continuing financing activities			664,868
Net cash flows from discontinued financing activities			
Effect of exchange rate fluctuations on cash and cash equivalents	611		611
	(104,293)	(578)	(103,715)
Net increase / (decrease) in cash flows from continuing operating activities			(578)
Net increase / (decrease) in cash flows from discontinued operating activities			(578)
Cash and cash equivalents at the beginning of the period	748,999		748,999
Cash and cash equivalents at the end of the period	644,706		644,706



27. Events after the balance sheet date

a. On 15.7.2015, after the voting of Law 4334 / 2015, the income tax rate of legal entities increased from 26% to 29%, for profits arising in tax years starting from 1.1.2015 onwards.

b. On 17.7.2015, the Bank entered into an agreement with Eurobank Ergasias SA for the transfer of the Bulgaria Branch to Eurobank Bulgaria AD, a subsidiary of Eurobank Ergasias A.E. The proposed transaction is consistent with the restructuring plans of the two banking groups (note 24).

c. On 20.7.2015 the Bank's participation in the share capital increase of the joint venture "APE Investment Property SA" by contributing its share amounting to €11.8 million.

d. On 23.7.2015, with the enactment of Law 4335/2015 the legislation for the institutional context, which regulates the contributions payable by the credit institutions to the Resolution Fund, was amended. Specific reference is made in note 12. Additionally, with the enactment of Law 4335/2015 the European Directive 2014/59, which defines the context of resolution for credit institutions, was incorporated into the Greek Law. Specific reference is made in note 20.

e. On 2.9.2015 the Bank participated in the share capital increase of its subsidiary, Alpha Group Investments Ltd, by contributing €28.15 million.

f. On 30.9.2015 the process of liquidation of the subsidiary company of the Bank, Emporiki Media Advertising EPE was completed.

g. On 28.10.2015 the Bank announced separate invitations to holders of all of the outstanding series of securities issued by Alpha Credit Group Plc, Emporiki Group Finance Plc and Alpha Group Jersey Limited, to offer all outstanding securities to exchange for non-transferable receipts issued by the Bank. The exchange offers are being made in order to strengthen the Offeror's capital base, which has been impacted by the

negative macro-economic conditions recently experienced in the Hellenic Republic that are affecting all Greek financial institutions.

In addition, the Exchange Offers in relation to the Subordinated Securities and the Preferred Securities reflect the fact that, if State aid is required to meet any part of the additional capital requirements that may be imposed as a result of the Comprehensive Assessment conducted by the Single Supervisory Mechanism (SSM) or otherwise, burden-sharing will need to be achieved to the maximum extent possible through expected mandatory contributions by holders of equity, hybrid capital and subordinated debt of the Offer or as a prior condition to the grant of such state aid.

The Exchange Offer concerns senior securities of € 985 million and subordinated and hybrid securities of a total amount of € 100.9 million. The total perimeter of securities to be exchanged amounts to about € 1.1 billion.

The terms of Alpha Bank's Exchange Offer is the exchange:

1. in cash on the nominal value including accrued interest (excluding hybrid securities) at 50% for senior securities, 9% for subordinated securities and 5% for hybrid securities.
2. in shares (or any combination thereof) on the nominal value including accrued interest (excluding hybrid securities) at 100% for senior securities, 85% for subordinated securities and 50% for hybrid securities
3. Cash Resale Amount, only in the case of non-permitted equityholders.

h. On 30.10.2015 the Bank participated in the share capital increase of the company Alpha Group Investments Ltd by contributing an amount of €6.85 million.

Athens, 31 October 2015

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

THE MANAGING
DIRECTOR

THE GENERAL MANAGER
AND CHIEF FINANCIAL OFFICER

THE ACCOUNTING AND
TAX MANAGER

VASILEIOS T. RAPANOS
ID. No. AI 666242

DEMETRIOS P. MANTZOUNIS
ID. No. I 166670

VASSILIOS E. PSALTIS
ID. No. AI 666591

MARIANNA D. ANTONIOU
ID. No. X 694507

FINANCIAL INFORMATION OF ALPHA BANK A.E. AND THE GROUP

For the period from January 1, 2015 to June 30, 2015
(In accordance with decision 4/507/28.4.2009 of the Board of Directors of the Capital Market Commission)
(Amounts in thousands of Euro)

The financial information derived from the financial statements, provide a general presentation of the financial position and results of Alpha Bank A.E. and the Group. Therefore, we recommend to the reader, before any investment decision or transaction is performed with the Bank, to visit the web site of the Bank www.alpha.gr, where the interim financial statements, prepared in accordance with International Financial Reporting Standards are available together with the auditor's review report if required.

The interim financial statements as at 30.6.2015 were approved by the Board of Directors on October 31, 2015.

Statutory auditors: Nikolaos E. Youniseas (A.M. SOEL 18701)
Ioannis A. Achilas (A.M. SOEL 12831)
KPMG Certified Auditors A.E. (A.M. SOEL 114)
Unqualified opinion - Emphasis of matter

Audit Firm:
Type of auditors' review report:

BALANCE SHEET

	Consolidated		Alpha Bank	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
ASSETS				
Cash and balances with Central Banks	1,587,508	2,019,017	759,472	1,265,442
Due from banks	2,230,052	2,771,739	3,701,222	4,714,551
Securities held for trading	4,751	4,189	1,001	1,729
Derivative financial assets	930,203	1,148,476	932,819	1,153,944
Loans and advances to customers	47,722,569	49,556,985	42,655,706	43,475,910
Investment securities				
- Available for sale	5,481,550	5,688,286	4,861,817	4,638,825
- Held to maturity	244,713	310,818	45,323	93,817
- Loans and receivables	4,294,133	4,299,101	4,294,133	4,299,101
Investments in subsidiaries, associates and joint ventures			2,069,254	2,072,689
Investment property	45,966	46,383		
Property, plant and equipment	606,171	567,212	29,542	31,939
Goodwill and other intangible assets	1,056,704	1,083,348	711,922	729,585
Deferred tax assets	329,740	331,424	285,588	261,351
Other assets	4,078,712	3,689,446	4,023,777	3,604,079
	1,475,494	1,365,066	1,289,764	1,289,726
	70,088,266	72,881,490	65,759,438	67,632,726
Non-current assets held for sale	466,787	53,971	460,867	1,831
Total Assets	70,555,053	72,935,461	66,220,305	67,634,557
LIABILITIES				
Due to banks	28,389,450	17,300,114	28,482,988	17,558,462
Derivative financial liabilities	1,825,896	1,948,541	1,823,593	1,946,401
Due to customers	31,091,267	42,900,633	27,022,784	37,817,447
Debt securities in issue (including debt securities in issue) held by institutional investors and other borrowed funds				
Liabilities for current income tax and other taxes	1,186,026	1,523,521	1,747,800	2,021,165
Deferred tax liabilities	39,916	61,794	22,730	47,819
Employee defined benefit obligations	33,288	25,502		
Other liabilities	108,122	105,353	103,155	94,683
Provisions	1,101,889	1,091,747	1,026,195	993,887
	238,708	212,712	333,857	333,520
	64,014,562	65,169,917	60,563,102	60,813,384
Liabilities related to non-current assets held for sale	287,062	58,994	291,684	0
Total Liabilities (a)	64,301,624	65,228,911	60,854,786	60,813,384
EQUITY				
Share Capital	3,830,718	3,830,718	3,830,718	3,830,718
Share premium	4,858,216	4,858,216	4,858,216	4,858,216
Reserves	(93,084)	105,712	(204,422)	53,351
Amounts recognized directly in Equity, related to Assets held for Sale		(25)		
Retained earnings	(2,395,640)	(1,142,801)	(3,118,993)	(1,921,112)
Equity attributable to Equity owners of the Bank	6,200,210	7,651,820	5,365,519	6,821,173
Non-controlling interests	23,484	31,464		
Hybrid securities	29,735			
Total Equity (b)	6,253,429	7,706,550	5,365,519	6,821,173
Total Liabilities and Equity (a)+(b)	70,555,053	72,935,461	66,220,305	67,634,557

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Consolidated		Alpha Bank	
	From 1 January to 30.6.2015	From 1 April to 30.6.2015	From 1 January to 30.6.2015	From 1 April to 30.6.2015
Interest and similar income	1,525,180	763,610	1,321,497	668,044
Interest expense and similar charges	(568,075)	(281,700)	(538,633)	(269,747)
Net interest income	957,105	481,910	782,864	398,297
Fee and commission income	195,868	96,941	159,597	79,213
Commission expense	(32,896)	(18,830)	(27,265)	(11,967)
Net fee and commission income	162,872	78,111	132,332	67,250
Dividend income	560	535	1,123	390
Gains less losses on financial transactions	36,253	10,177	(29,780)	94,182
Other income	31,497	17,364	9,601	5,015
	68,310	28,076	(19,056)	(17,688)
Total income	1,188,287	588,097	896,140	449,906
Staff costs	(264,841)	(130,578)	(200,018)	(98,087)
General administrative expenses	(240,780)	(120,873)	(187,826)	(93,776)
Depreciation and amortization expenses	(51,746)	(26,024)	(34,144)	(17,394)
Other expenses	(559,735)	(279,989)	(423,673)	(210,352)
Impairment losses and provisions to cover credit risk	(2,097,187)	(1,672,282)	(1,964,855)	(1,590,914)
Negative goodwill from the acquisitions			48,237	48,237
Share of profit/(loss) of associates and joint ventures	(3,987)	(1,997)	(1,916,618)	(1,542,677)
	(2,101,174)	(1,674,279)	(1,916,618)	(1,542,677)
Profit/(Loss) before income tax	(1,472,622)	(1,366,171)	(1,444,151)	(1,309,123)
Income tax	309,429	318,621	335,829	422,371
Profit/(Loss) after income tax from continuing operations	(1,163,193)	(1,047,550)	(1,108,322)	(883,462)
Profit/(Loss) after income tax from discontinued operations	(88,890)	(3,798)	(89,559)	(88,607)
Profit/(Loss) attributable to:				
Equity owners of the Bank	267,416	(1,136,245)	361,551	(1,072,069)
- from continuing operations				
- from discontinued operations				
Non-controlling interests	167	246	168	
Other comprehensive income recognized directly in Equity:				
Items that may be reclassified subsequently to profit or loss				
Change in available for sale securities' reserve	(328,119)	9,743	(412,125)	(146,237)
Change in cash flow hedge reserve	63,745	(96,873)	63,792	154,949
Exchange differences on translation and hedging of net investments in foreign subsidiaries	1,391	(160)	(38)	
Change in share of other comprehensive income from associates	101	(1,054)	90,560	(2,266)
Income tax	62,563	(8,778)	(2,745)	6,446
Items that may be reclassified subsequently to profit or loss, after income tax	(200,319)	40,316	(257,773)	6,446
Total of other comprehensive income recognized directly in Equity, after income tax (b)	(200,319)	40,316	(257,773)	6,446
Total comprehensive income for the period, after income tax (a)+(b)	(1,452,402)	(1,126,327)	(1,455,654)	(1,065,623)
Equity owners of the Bank				
- from continuing operations	(1,363,730)	311,287	(1,366,095)	451,991
- from discontinued operations	(88,890)	(3,798)	(89,559)	(88,607)
Total comprehensive income for the period attributable to:				
Equity owners of the Bank	(1,452,620)	307,489	(1,455,654)	(1,065,623)
- from continuing operations				
- from discontinued operations				
Non-controlling interests	218	243	162	
Earnings/(Losses) per share:				
Basic and diluted (€ per share)	(0.0981)	0.0225	(0.0938)	0.0314
Basic and diluted from continuing operations (€ per share)	(0.0911)	0.0228	(0.0868)	0.0316
Basic and diluted from discontinued operations (€ per share)	(0.0070)	(0.0003)	(0.0070)	(0.0002)

STATEMENT OF CASH FLOWS

	Consolidated	Alpha Bank
	From 1 January to	From 1 January to
	30.6.2015	30.6.2015
Net cash flows from continuing operating activities	253,442	234,745
Net cash flows from discontinued operating activities	17,123	17,496
Net cash flows from operating activities (a)	270,565	(2,238,821)
Net cash flows from continuing investing activities	(260,113)	(619,750)
Net cash flows from discontinued investing activities	178	(195)
Net cash flows from investing activities (b)	(259,935)	(619,945)
Net cash flows from continuing financing activities	(89,918)	(72,427)
Net cash flows from financing activities (c)	(89,918)	(72,427)
Net increase/(decrease) in cash and cash equivalents of the period (a)+(b)+(c)	(79,288)	(440,131)
Effect of exchange rate fluctuations on cash and cash equivalents	1,843	1,153
Total cash and cash equivalents at the beginning of the period	(77,445)	(438,978)
Cash and cash equivalents at the beginning of the period	1,194,244	1,223,029
Cash and cash equivalents at the end of the period	1,116,799	784,051

	Consolidated	Alpha Bank
	From 1 January to	From 1 January to
	30.6.2015	30.6.2015
Equity at the beginning of the period (1.1.2015 and 1.1.2014 respectively)	7,706,550	8,367,735
Total comprehensive income for the period, after income tax	(1,452,402)	307,732
Share capital increase	1,200,000	1,200,000
Acquisition of preference shares	(940,000)	(940,000)
Share capital increase related expenses, after income tax	(35,764)	(35,764)
Change of ownership interests in subsidiaries (Purchases), (Redemptions)/Sales of hybrid securities, after income tax	(51)	(51)
Other	(719)	63
Equity at the end of the period (30.6.2015 and 30.6.2014 respectively)	6,253,429	8,899,715

Equity at the beginning of the period (1.1.2015 and 1.1.2014 respectively)

	From 1 January to	Alpha Bank
	30.6.2015	From 1 January to
	30.6.2015	30.6.2014
Equity at the beginning of the period (1.1.2015 and 1.1.2014 respectively)	7,706,550	8,367,735
Total comprehensive income for the period, after income tax	(1,452,402)	307,732
Share capital increase	1,200,000	1,200,000
Acquisition of preference shares	(940,000)	(940,000)
Share capital increase related expenses, after income tax	(35,764)	(35,764)
Change of ownership interests in subsidiaries (Purchases), (Redemptions)/Sales of hybrid securities, after income tax	(51)	(51)
Other	(719)	63
Equity at the end of the period (30.6.2015 and 30.6.2014 respectively)	6,253,429	8,899,715

STATEMENT OF CHANGES IN EQUITY

	Consolidated	Alpha Bank
	From 1 January to	From 1 January to
	30.6.2015	30.6.2015
Equity at the beginning of the period (1.1.2015 and 1.1.2014 respectively)	7,706,550	8,367,735
Total comprehensive income for the period, after income tax	(1,452,402)	307,732
Share capital increase	1,200,000	1,200,000
Acquisition of preference shares	(940,000)	(940,000)
Share capital increase related expenses, after income tax	(35,764)	(35,764)
Change of ownership interests in subsidiaries (Purchases), (Redemptions)/Sales of hybrid securities, after income tax	(51)	(51)
Other	(719)	63
Equity at the end of the period (30.6.2015 and 30.6.2014 respectively)	6,253,429	8,899,715

ADDITIONAL DATA AND INFORMATION

1. Companies included in the Interim Consolidated Financial Statements, the Group's participation in them as at 30.6.2015 as well as the applied consolidation method, are presented in note 17 of the Interim Consolidated Financial Statements as at 30.6.2015. Companies, not included in the Interim Consolidated Financial Statements, are also listed in this note.

2. During the period from 1.7.2014 until 30.6.2015 the following changes took place in the Interim Consolidated Financial Statements:

- Concerning companies which are fully consolidated:
 - New Companies: On 27.2.2014, the Bank's subsidiary Alpha Group Investments Ltd founded the companies Alpha Investment Property Neas Kifissias A.E. and Alpha Investment Property Kalliros A.E., both registered in Greece. On 27.8.2014, the Bank's subsidiary, Alpha Group Investments Ltd acquired the total number of shares of the companies AGI-Cyprus Alaminos Ltd, AGI-Cyprus Tochini Ltd and AGI-Cyprus Evagoras Ltd, all registered in Cyprus. On 8.9.2014, the Bank's subsidiary Alpha Group Investments Ltd acquired the total number of shares of the companies AGI-Cyprus Tersefanou Ltd and AGI-Cyprus Mazotos Ltd, both registered in Cyprus. On 18.11.2014 the Bank's subsidiary, Alpha Group Investments Ltd founded the companies Alpha Investment Property Livadias S.A. and AGI-Cyprus Ermis Ltd. On 3.2.2015, the Group's subsidiary, AGI-SRE Ariadni Ltd acquired the total number of shares of AGI-SRE Ariadni DOO, registered in Serbia. On 16.4.2015 the subsidiary of the Bank, Alpha Group Investments Ltd founded the company Alpha Investment Property Kefalariou S.A. On 30.4.2015, the Group's subsidiary, AGI-RE Participations 1 Ltd acquired 99.996% of the shares of Asmita Gardens Srl, registered in Romania. On 7.5.2015 the Group subsidiary, AGI-RRE Possidon Ltd acquired 2.97% minority shareholder of Romflet Real Estate S.A. and therefore the Group holds 98.86%.
 - Liquidations/Sales: On 11.12.2014, the Bank signed a contract for the sale of all the shares of the subsidiary Alpha Insurance Ltd. On

30.12.2014 the subsidiary of the Bank, Alpha Group Investments Ltd proceeded with the sale of the total shares of its subsidiary Alpha Investment Property Eleona S.A. On 16.01.2015, the sale of the total number of shares of the subsidiary Alpha Insurance Ltd in Cyprus was completed.

- Changes/Renames: On 27.11.2014 the subsidiary of the Group, AGI-RRE Apollo Ltd was renamed to Alpha Real Estate Services Ltd. On 2.12.2014 the Group's subsidiary, Alpha Astika Akinita Romania Srl was renamed to Alpha Real Estate Services Srl. On 29.12.2014 the Bank's subsidiary Emporiki Venture Capital Developed Markets Ltd acquired 0.73% of minority shareholder of Emporiki Bank Cyprus Ltd and therefore the Group held 100%. On 6.2.2015, the Group's subsidiary, AGI-Cyprus Arsinoo Ltd was renamed to AGI-RRE Arsinoo Ltd. On 27.3.2015 the merger of Alpha Bank Cyprus Ltd and Emporiki Bank Cyprus Ltd was completed, through absorption of the second from the first.
 - Concerning companies consolidated under the equity method:
 - New companies: On 17.3.2015 the Bank acquired 23.01% of the shares of the company Aquaculture SELONDA AEGE
 - Liquidations/Sales: On 23.1.2015 the Bank proceeded in the sale of the total number of shares of the joint venture Cardlink.
 - On 2.6.2015, the merger of the Bank with its subsidiary, since 30.9.2014, Diners Club SA was approved, through absorption of the second from the first, pursuant to the Decision No 5907/372.6.2015 of the Company's and General Commerce Division of the Ministry of Economy, Infrastructure, Shipping and Tourism, with registration No 367376/2.6.2015 in the General Commercial Register.
 - The unaudited tax years of the Bank and the Group companies are listed in notes 16b and 15b of the Interim Financial Statements as at 30.6.2015 of the Group and the Bank respectively.
 - There are neither pending legal cases nor issues in progress, nor deci-

sions of legal or arbitrary authorities, which may have a material impact on the financial position or operation of the Group and the Bank. The Group and the Bank have raised a provision for them which amounts to Euro 30.5 mil. and Euro 28.2 mil. respectively, as well as other provisions amounting to Euro 238.7 mil. and Euro 305.6 mil. respectively.

- The Bank and the Group companies did not hold any treasury shares as at 30.6.2015.
- The total number of employees of the Group as at 30.6.2015 was 15,106 (30.6.2014: 16,855) and of the Bank was 9,781 (30.6.2014: 11,213), of which 744 relate to Bulgaria branch that has been reclassified as a discontinued operation.
- The results arising from the related party transactions during the period 1.1.2015 until 30.6.2015 are as follows:
 - With members of the Board of Directors and other key management personnel: **a)** of the Group: income Euro 240 thousand, expenses Euro 1,828 thousand **b)** of the Bank: income Euro 207 thousand, expenses Euro 1,823 thousand
 - With other related parties: **a)** of the Group: income Euro 3,296 thousand, expenses Euro 1,794 thousand **b)** of the Bank: income Euro 65,091 thousand, expenses Euro 87,313 thousand

The balances as at 30.6.2015 of the receivables and liabilities arising from the above transactions are as follows:

- With members of the Board of Directors and other key management personnel: **a)** of the Group: receivables Euro 32,150 thousand, liabilities Euro 19,132 thousand, letters of guarantee Euro 11,680 thousand **b)** of the Bank: receivables Euro 32,150 thousand, liabilities Euro 11,036 thousand, letters of guarantee Euro 11,680 thousand.
- With other related parties: **a)** of the Group: receivables Euro 168,795 thousand, liabilities Euro 47,294 thousand **b)** of the Bank: receivables Euro 6,143,581 thousand, liabilities Euro 3,045,854 thousand, letters of guarantee and other guarantees Euro 972,565 thousand.

9. The income and expense items recognized directly in Equity are analyzed in the "Statement of total comprehensive income", as presented above. Due to the fact that no distributable profits exist for the Bank as at 31.12.2014 and, therefore the article 44a of Codified Law 2190/1920 applies, the Ordinary General Meeting of Shareholders held on 26.6.2015 decided the:

- the non distribution of dividends to the common shareholders of the Bank.
- the non-payment to the Greek State of the respective return for the year 2014 on the preference shares, it owned until 17.4.2014, under article 1 paragraph 3 of Law 3723/2008.
- The figures of the comparative periods of the Interim Financial Statements of the Group and the Bank were restated due to modification of the presentation of legal expenses and of Bank's Branch in Bulgaria as a discontinued operation. Relevant reference is made in notes 26 and 28 of the Interim Financial Statements of the Group and 24 and 26 of the Interim Financial Statements of the Bank respectively.
- Profits and losses from discontinued operations are stated in detail in note 26 and 24 of the Financial Statements as at 30.9.2015 of the Group and Bank respectively.
- The emphasis of matter concerns an uncertainty that could adversely affect the going concern assumption of the Bank, as referred to the disclosures made in note 1.2.1 of the Interim Financial Statements of the Group and the Bank respectively.
- The accounting policies applied by the Group and the Bank for the preparation of the Interim Financial Statements as at 30.6.2015, are in accordance with those stated in the Financial Statements as at 31.12.2014, which are available on the website of the Bank, after taken into consideration the amendments stated in note 1 of the Interim Financial Statements as at 30.6.2015 of the Group and the Bank.

Athens, October 31, 2015

THE MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER

DEMETRIOS P. MANTZOUNIS
ID. No. I 166670

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

VASILEIOS T. RAPANOS
ID. No. AI 666242

THE GENERAL MANAGER
AND CHIEF FINANCIAL OFFICER

VASSILIOS E. PSALITS
ID. No. AI 666591

THE ACCOUNTING
AND TAX MANAGER

MARIANNA D. ANTONIOU
ID. No. X 694507