ALPHA BANK

SEMI ANNUAL FINANCIAL REPORT

for the period from 1st January to 30th June 2017
(In accordance with Law 3556/2007)

Athens,
31 August 2017

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Statement by the Members of the Board of Directors
(in accordance with article 5 paragraph 2 of Law 3556/2007)

To the best of our knowledge, the interim financial statements that have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets, liabilities, equity and financial performance of Alpha Bank A.E. and of the group of companies included in the consolidated financial statements taken as a whole, as provided in article 5 paragraphs 3-5 of Law 3556/2007, and the Board of Directors' semi-annual management report presents fairly the information required by article 5 paragraph 6 of Law 3556/2007 and the related decisions of the Hellenic Capital Market Commission.

Athens, 31 August 2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE DEPUTY CEO OF NON-PERFORMING LOANS AND TREASURY MANAGEMENT
VASILEIOS T. RAPANOS	**DEMETRIOS P. MANTZOUNIS**	**ARTEMIOS CH. THEODORIDIS**
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Board of Directors' Semi Annual Management Report

THE GREEK ECONOMY

The Greek economy returned to a recovery path, as real Gross Domestic Product (GDP) registered a positive growth in Q1 2017, against a fall in Q4 2016 (Q4 2016: -1.1%, Q1 2017:+0.4% Source: Hellenic Statistical Authority), due to the delay of the completion of the second review of the third economic adjustment programme[1] . The resilience of private consumption continued in the first quarter of the current year, while investment and exports of goods and services recovered. The disbursement of the first tranche amounting to €7.7 bn after the completion of the second review sets a positive tone for the strengthening of economic activity in H2 2017. The reinforcement of business confidence in combination with the continuation of reforms, the acceleration of the privatization programme and the expected good tourism period are the elements that support the view for GDP increase by 1.6% in 2017 (the Bank of Greece, Monetary Policy Report, June 2017). Moreover, the restart of the clearance of the government arrears to the private sector in conjunction with the resolution of the NPL issue is estimated to improve liquidity conditions.

The conjunctural indicators developments signal the recovery of significant aspects of economic activity and the strengthening of business and investors confidence. In particular:

Real GDP increased by 0.4% yoy in Q1 2017 (seasonally adjusted data). Private consumption and investment had a positive contribution to GDP change (1.2 and 1.1 pps respectively), while net exports had a negative contribution (2.1 pps), as the increase of imports of goods and services on a yearly basis was higher than that of exports.

Regarding inflation, national Consumer Price Index (CPI) remained at a positive territory throughout H1 2017 and stood at 1.0% in June 2017. The increase in CPI does not reflect yet the strengthening of domestic demand but rather the effect of rising energy prices and the indirect tax hikes.

Labor market conditions, in the first few months of 2017, continued to improve mainly as a result of the increase of salaried employment and the fall in the number of unemployed. During the first five months of 2017, the creation of new jobs was mainly due to new hirings in view of good prospects in the tourism industry. In particular, in May 2017, the unemployment rate fell to 21.7%, from 23.6% in May 2016, due to the 8.8% drop in the number of unemployed and the 2.1% increase in the number of employed. The fall of unemployment rate and the increase of employment rate are expected to continue, as the economic activity strengthens via the revival of investment and the acceleration of privatizations

The General Index of Industrial Production increased by 6.0% on a yearly basis in the first six months of 2017, compared with a much smaller increase of 2.1% in the corresponding period of 2016. The improvement of the Greek industry stemmed from the significant increase in manufacture, by 4.2% yoy, and electricity production with an annual increase of 14.1%. This development confirms the increase of the export activity of the Greek manufacturing industry, observed after 2010, which managed to turn a significant part of its production to foreign markets.

In the Balance of Payments (Bank of Greece data), the current account (CA) deficit increased marginally by €3.7 mln during January – June 2017, compared to the corresponding period of 2016, and stood at €2.8 bn. This is due to the widening of the balance of goods deficit which was partially offset by the improved surpluses in the services balance, primary and secondary incomes. It is noted that the increase in the trade deficit, in the first six months of 2017, is due to the widening of the deficit in the fuels' balance as it increased by 65%, from a 49% drop in the first six months of 2016. The deficit in the goods and services balance - that represents the largest part of the CA - widened by 16.8% yoy in January – June 2017. The value of exports of goods and services increased by 17.5%, while the value of imports of goods and services increased by 15.4%.

Tourist arrivals, based on data of Bank of Greece, in the first six months of 2017 increased by 6,6% yoy, from a decrease of 1.6% in the same period of 2016, and travel receipts increased by 7.1% from a sharp drop of 7.9% in the first six months of 2016. 2017 is expected to be another good year for Greek tourism, as tourist arrivals are expected to reach 28.5 million and total receipts to increase by 7.5% (SETE estimates). In addition, according to the World Travel and Tourism Council, the total contribution of tourism to GDP in 2017 is expected to increase by 6.9%.

Regarding fiscal adjustment, in 2016 (according to the Financial Assistance Facility Agreement) a General Government primary surplus of 4.2% of GDP was achieved, against the target of a primary surplus of 0.5% of GDP. The good execution of the 2017 Budget in H1 2017, in combination with the new fiscal measures and the ratification from the parliament of the Medium Term Fiscal Strategy 2018-2021 indicate the achievement or even the over-performance of the target for the primary surplus for the whole year (1.75% of GDP). However, the extended negotiations for the completion of the second review led once again to the pause of the clearance

[1] *The third economic adjustment programme for Greece started on 19 August 2015 and is scheduled to run until 20 August 2018. The financial assistance of up to €86 billion under the programme is provided by the European Stability Mechanism (ESM).*

of the government arrears to the private sector, amounting to € 5.1 bn in the end of June 2017, compared to € 4.8 bn in the end of 2016.

In 2016 and the first months of 2017, Greek banks showed signs of stabilization, reported small earnings before taxes while their capital adequacy remained at a high level. In 2017, the financial system is expected to improve further, along with the strengthening of the macroeconomic conditions.

The non-performing exposures (NPE) to total exposures ratio at the end of March 2017 had a marginal increase to 45.2%[2] (from 44.8% at the end of 2016 and 44.2% at the end of 2015). In addition, the coverage ratio of non-performing exposures with provisions stabilized at levels less than 50% (Q12017: 49.1%[1], Q42016: 49.7%, Q4 2015: 50.1%).

The contraction of credit to the private sector[3] , which started at the second quarter of 2012, as a result of economic recession, continued at a slower pace in 2016, while in June 2017 the negative growth rate stood at 1.3%[4]. In particular, at the end of June 2017 the private sector loan outstanding amounted to € 190.8 bn, from € 195.1 bn at the end of December 2016. The private sector deposit[2] outstanding stood at € 120.4 bn. in June 2017. Household deposits amounted to € 99.5 bn and accounted for the 83% of the total private sector deposits, while enterprise deposits amounted to € 20.9 bn. Finally, total deposits in the banking system that include, apart from deposits of the private sector, those of General Government amounted to € 130.8 bn in June 2017, registering an increase of 4.2% yoy.

The main challenges for the banking system in the near future remain the efficient management of the high stock of NPEs and the further decrease of the banks' financing from the Emergency Liquidity Assistance mechanism.

INTERNATIONAL ECONOMY

The high uncertainty prevailing in the stock markets in the first months of 2017, mainly due to the campaign promises of the new president in the United States of America (U.S.A.), the planned elections in major Eurozone economies (France, the Netherlands) and the possibility of early elections in Italy has been limited to a considerable extent.

The reduction of uncertainty stemmed from the electoral results in France and the Netherlands, where pro-European parties prevailed against Eurosceptics, and the possibility of early elections in Italy was averted. Furthermore, the surprise of the markets from calling a snap general election in the United Kingdom did not have a significant impact on them. On the contrary, political and economic uncertainty about the new institutional relationship between the United Kingdom and the European Union, which had created turbulence in stock markets last year, has been reduced.

According to the latest estimates by the International Monetary Fund (IMF, July 2017), world GDP grew by 3.2% in 2016 and will accelerate to 3.5% in 2017 (2015: 3.4%). However, the international economy continues to suffer from geopolitical tensions and terrorist incidents which could possibly have a negative impact on the global economic activity.

As regards the rate of economic growth in developed economies, the IMF expects it to stand at 1.7% in 2016 and rise to 2.0% in 2017, from 2.1% in 2015.

Oil price, staying at a very low level for almost three years, has led to the prevalence of low inflationary pressures, especially in developed economies. Deflationary pressures were further strengthened by the decline in commodity prices by 1.8% in 2016 (IMF, July 2017). For developed economies in particular, low inflation permits the continuation of expansionary monetary policy in order to reinforce recovery and improve the financial conditions for the private sector. The major Central Banks aim to increase inflation close to 2% in the medium term, with a combination of conventional and unconventional measures of accommodative monetary policy (such as very low or even negative interest rates) and through forward guidance.

The international trade in goods and services is estimated to have grown by 2.3 % in 2016 and is expected to substantially increase to 4.0% in 2017 and 3.9% in 2018 (IMF, July 2017).

The Organization of Petroleum Exporting Countries (O.P.E.C), in late November 2016, reached an agreement with Russia and other oil-producing countries in order to reduce production in the first half of 2017. This development gave a significant boost to the oil price in December 2016, about 19% for Brent oil, to USD 53.3 per barrel. Despite enforcing the agreement and extending it by six months, from February 2017 the oil price is following a downward trend, with the average price of Brent oil in the first half of the year standing at about USD 52 per barrel.

In the U.S.A., GDP growth rate is expected to increase by 2.1% in 2017 from 1.6% in 2016. Economic activity is expected to benefit from prevailing improved labour market conditions and the expansionary fiscal policy, announced by the new President. In addition, the unemployment rate has declined significantly, approximately to the level of full-time employment (June: 4.4%), without creating the corresponding inflationary pressures. The above have led the US Federal Reserve to three increases in the federal fund rates, in December 2016, in March and June 2017. At the same time, in June, the Federal Reserve

[2] *Information retrived by the overall review of the Greek Banking Sector, July 2017.*

[3] *According to the Bank of Greece, as of December 2016, deposits and loans of the Consignment Deposits and Loan Fund are excluded from the domestic deposits and credit as the institution has been reclassified from the financial sector to the general government sector.*

[4] *Credit growth rates are calculated taking into account reclassifications and loan write-offs, exchange rate variations and corporate bonds and loans transferred by credit institutions to their non-resident subsidiaries..*

released the plan for shrinking its balance sheet, in an attempt to "normalise" monetary policy.

In China, GDP increased by 6.9% in the first quarter of 2017 and for the whole year the growth rate is expected to remain at 6.7%, as in 2016, and further decelerate to 6.4% in 2018 (IMF, July 2017), due to weak external demand and reduced private investment. In 2017, the economy rebalancing continues and growth is mainly supported by the services sector and the increase in the private sector investment.

In Japan, GDP increased by 1.0% in the first quarter of 2017, while for the whole year is expected to increase by 1.3% and fell to 0.6% in 2018 (IMF, July 2017) from 1.0% in 2016. In 2017, growth is supported by private investment and exports. Growth will be also boosted by a fiscal stimulus package and the postponement of the planned consumption tax hike for October 2019, instead of April 2017. The Bank of Japan, in order to achieve the medium-term target for inflation (2%), applies quantitative and qualitative monetary easing by means of yield curve control.

In Eurozone, GDP growth fell to 1.8% in 2016, compared with 2.0% in 2015, and it is forecasted to remain at 1.9% in 2017, according to the IMF. The recovery is driven mainly by domestic demand, as the European Central Bank (ECB) has adopted accommodative monetary policy from June 2014, extended until December 2017. Indicatively, the deposit facility rate is negative from June 2014 (-0.10%) and has been further reduced, to -0.40% from March 2016. However, as the ECB points out, the expansionary monetary policy is imperative to be complemented by the necessary reforms in the labour and product markets in order to improve the Eurozone competitiveness, create new jobs and render recovery sustainable. Economic recovery has led to job creation taking the Eurozone unemployment rate down to 10.0% in 2016. According to the European Commission forecasts (Winter 2017 Economic Forecast), the unemployment rate is expected to further decline to 9.6% in 2017 and to 9.1% in 2018.

Analysis of Group financial information [5]

On 30.6.2017 the total assets amounted to € 62.7 billion. This amount was reduced by €2.2 billion or 3.3% compared to 31.12.2016. At the end of June 2016, the total Group Loans and advances to customers, before impairment, amounted to € 56.1 billion showing a decrease of 0.9 billion compared to 31.12.2016 (€ 57 billion) mainly due to write offs of € 0.8 billion which were made in the context of the management of the Non Performing Loans. Loans and advances to customers after impairment amounted to € 43.8 billion compared to € 44.4 at 31.12.2016. Investment securities amounted to € 7.6 billion and were reduced by € 0.3 billion compared to 31.12.2016 (€ 7.9 billion) mainly due to the disposal of the bonds issued by the European Financial Stability Facility (EFSF).

Due to customers (including debt securities issued) of the Group amounted to € 33.1 billion, showing a marginal increase compared to € 33.0 billion at 31.12.2016. Loans before impairment to Due to customers ratio stood at 169% compared to 173% at 31.12.2016. Due to banks of the Group amounted to € 17.2 billion reduced by 9.9% or € 1.9 billion compared to 31.12.2016. More specifically Eurosystem funding decreased by € 3.3 billion during the first semester of 2017 mainly due to the sale of EFSF bonds through the Public Sector Purchase Programme (PSPP), and other bonds.

In Assets held for Sale and Liabilities related to Assets held for sale, have been included the figures of the subsidiary APE Fixed Assets, as well as of the joint ventures of APE Commercial Property AE and APE Investment Property AE, following the completion of the disposal of the banking subsidiary Alpha Bank Srbija A.D. on 11.4.2017, which was previously classified as held for sale.

Equity of the Group amounts to € 9.5 billion at 30.6.2017 increased compared to 31.12.2016 of € 9.1 billion while Common Equity Tier I stood at 17.9% at 30.6.2017.

Analyzing the financial performance of the first semester of 2017, the net interest income amounted to € 976.1 million compared to € 952.8 million at 30.6.2016, positively affected by the decrease of the bonds issued by the Bank with the guarantee of the Greek State in the context of L.3723/2008 and the decrease of the cost of funding.

Net fee and commission income amounted to € 161.5 million increased by 3.8% compared to € 155.7 million at the end of first semester of 2016. This increase is mainly attributed to management and underwriting of bond loans and the increase of mutual funds commissions income.

Gains less losses on financial transactions recorded net gain amounting to € 40.7 million, mainly comprising of gains from sales of Greek Government Bonds and derivatives fair valuations, which were partly offset by the loss of the initial recognition of financial assets of the Group.

Group's total income at 30.6.2017 amounted to € 1,199.6 million compared to € 1,196.2 million at the first semester of 2016.

Group's total expenses before impairment losses and provisions to cover credit risk, amounted to € 559.8 million at 30.6.2017, decreased by 4.9% compared to the first semester of 2016 which amounted to € 588.6 million.

The expenses to income ratio, excluding financial results and other non-recurring expenses, stood at 46.2%, decreased by 2% compared to the comparative period.

The impairment losses and provisions to cover credit risk amounted at 30.6.2017 to € 463.4 million compared to € 605.9

[5] *According to European Securities and Markets Authority guidelines (ESMA), the definition and precise calculation of the ratios are presented in the Semi Annual Report's Appendix.*

million in the first semester of 2016, setting the cost of credit risk to 155 bps compared to 196 bps at the same period of 2016.

Profit/(loss) before income tax for the Group amounted at 30.6.2017 to profit of € 174.8 million, while income tax for the Group amounted to € 56.8 million. At 30.6.2016 the Group reported a marginal loss of €0.3 million while income tax expense amounted to €24.5 million.

Following the above, profit/(loss) after income tax, from continuing operations amounted to a profit of € 118.0 million at 30.6.2017. Losses after tax from discontinued operations amounted to € 68.5 million at 30.6.2017, mainly due to the recycling in the income statement of the foreign exchange differences reserve of Alpha Bank Srbija AD, thereby setting the profit/(loss) after income tax of the Group to a profit of € 49.5 million.

Other information

Since 2016 there were no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 30.6.2017 decided the non-distribution of dividends to ordinary shareholders of the Bank.

Bank's branches as at 30.6.2017 were 480, out of which 479 established in Greece and 1 established in United Kingdom (London).

Risk Management

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

The main objective of the Group during the first semester of 2017 was to maintain the high quality internal corporate governance and compliance within the regulatory and supervisory provisions risk management in order to ensure the confidence in the conduct of its business activities through sound provision of suitable financial services.

Since November 2014, the Group falls within the Single Supervisory Mechanism (SSM) - the new financial supervision system which involves the European Central Bank (ECB) and the Bank of Greece - and as a major banking institution is directly supervised by the European Central Bank (ECB). The Single Supervisory Mechanism is working with the European Banking Authority (EBA), the European Parliament, the Eurogroup, the European Commission and the European Systemic Risk Board (ESRB) within their respective competences.

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

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

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

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

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

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

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

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

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

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

Credit Risk

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

The primary objective of the Group's strategy for the credit risk management in order to achieve the maximization of the adjusted relative to the risk performance is the continuous, timely and systematic monitoring of the loan portfolio and the maintenance of the credit risks within the framework of acceptable overall risk limits. At the same time, the conduct of daily business within a clearly defined framework of granting credit is ensured.

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

The indicative actions below represent the development and improvement that occurred the first semester of 2017 with respect to the aforementioned framework:

- Ongoing upgrade of Wholesale and Retail Banking Credit Policies in Greece and on abroad in order to be adapted in the given macroeconomic and financial conditions of the Group's risk profile as well as in the acceptable maximum risk appetite limits totally for each kind of risk.
- Ongoing update of the credit rating models for corporate and retail banking in Greece and abroad in order to ensure their proper and effective operation.
- Update of the Group Write-Off Policy.
- Update of Wholesale and Retail Banking Forbearance Policies, taking into consideration the Alpha Bank Group's NPE Business Plan for the reduction of the NPL/NPE stock (NPE Strategy).
- Establishment of Credit Risk Early Warning Policy aiming to identify at an early stage signals of deterioration of performing clients, so that, at the next stage, targeted actions can be carried out at borrower and/or portfolio level.
- Establishment of Environmental and Social Risk evaluation during the credit approval process, where supplementary to the credit risk assessment, the strict compliance of the principles of an environmentally and socially responsible credit facility is also examined. The main purpose is the management of potentially arising risk from the operations of obligors that may be connected or will be connected with damage to the environment and the society, having as a result a negative impact on the business operations and financial results of the Bank.
- 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 estimation and assessment of credit risk per counterparty and per sector of economic activity.
- Periodic stress tests as a tool of assessment of consequences of various macroeconomic scenarios to establish the business strategy, the business decisions and the capital position of the Group. The stress tests are performed according to the requirements of the regulatory framework and they are fundamental parameters of the Group's credit risk management Policy.

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

- Continuation of the preparation for the transition process for the Bank and the Group companies in Greece to the Advanced Method for the Calculation of Capital Requirements against Credit Risk. For the purpose of this transition, the Advanced Internal Ratings-Based Approach method will be used with regards to the corporate loan portfolios, retail banking, leasing and factoring.
- Implementation of the International Financial Reporting Standards (IFRS 9) program for the Bank and the Group companies, through the development of the necessary infrastructure and Credit Risk Models.
- Continuous upgrade of databases for performing statistical tests in the Group's credit risk rating models.
- Upgrade and automation of the aforementioned process in relation to the Wholesale and Retail banking by using specialized statistical software.
- Gradual implementation of an automatic interface of the credit risk rating systems with the central systems (core banking systems I-flex) for all Group companies abroad.

- Reinforcing the completeness and quality control mechanism of crucial fields of Wholesale and Retail Credit for monitoring, measuring and controlling of the credit risk.
- Determining a specific framework for the management of overdue and non-performing loans, in addition to the existing obligations, which arise from a) the Commission Implementing Regulation 2015/227 of January 9, 2015 of the European Committee for amending Executive Committee Act (EU) No. 680/2014 of the Committee for establishing executive technical standards regarding the submission of supervisory reports by institutions, b) the Regulation (EU) No.575/2013 of the European Parliament and the Council and Executive Committee Act of Bank of Greece, P.E.E. 42/30.5.2014 and c) the amendment of this with the Executive Committee Act of Bank of Greece, P.E.E. 47/9.2.2015 and P.E.E. 102/30.8.2016, which define the framework of supervisory commitments for the management of overdue and non-performing loans from credit institutions.

  This framework develops based on the following pillars:

  a. the establishment of an independent operation management for the "Troubled assets" (Troubled Asset Committee). This is achieved by the representation of the Administrative Bodies in the Evaluation and Monitoring of Denounced Customers Committee as well as in the Arrears Councils,
  b. the establishment of a separate management strategy for these loans, and
  c. the improvement of IT systems and processes in order to comply with the required periodic reporting to management and supervisory mechanisms.

Liquidity and interest rate risk of banking portfolio

During the first semester of 2017 capital controls in the Greek banking system, which were imposed for the first time in June 29th, 2015, remain (even though slightly relaxed) resulting to the reduction of capital sources from the banking system. The amount of customer deposits at Bank level did not change significantly since December 2016. More specifically, the Bank's customer deposits dropped slightly (0.34%), while the Group's deposits showed an increase trend by 0.58% with most important participation that of our subsidiary in Cyprus. The improvement of the economic environment, especially after the completion of the second evaluation of the Greek program, along with the improvement of confidence in the Greek economy, are evident in interbank transactions. In the first half of 2017 there was an increase of repurchase agreement transactions amounting to € 1.4 billion at Group level.

In June 2017 and within the context of disengaging fully from the Government Guaranteed Bonds (Pillar II) placed as collateral for ELA funding, the Bank repaid fully a total nominal amount of €0.3 billion. Consequently, at the same date, the bank is not subject any longer to the provisions and the relevant restrictions of Law 3723/2008. It should be noted that, since April 2014, the Hellenic Republic has ceased to hold any preference shares of the Bank under article 1 of Law 3723/2008 (Pillar I), following their fully redemption and debt securities in accordance with article 3 of Law 3723/2008 (Pillar III) have been cancelled.

As a result from the above developments on 30.6.2017 the Bank's financing from the Eurosystem decreased by 18% (€ 3.3 billion), since 31.12.2016, reaching the level of €15.03 billion, of which €11.4 billion came from the emergency funding mechanism of Bank of Greece (ELA). At the same time the Bank's Targeted Long Term refinancing operations of ECB (TLTRO II) increased by € 1.6 billion. It is needed to be mentioned that during the first six months of 2017, the ECB Governing Council decreased the maximum limit of Emergency Liquidity Assistance (ELA) to the greek banking sector by €7.1 billion, from €50.7 billion to €43.6 billion (Source: Bank of Greece).

Under the new requirements of the Regulatory Environment (Basel III) for liquidity, the stability, cost and the diversification of liquidity sources are systematically monitored. During the first semester of 2017, new Liquidity Coverage Ratio has been submitted on a monthly basis. Relatively, the Net Stable Funding Ratio was calculated for internal purposes on a monthly basis and it will be in force for regulatory purposes in 2018. The detailed conditions for both liquidity and the analysis of financing sources and the effects of regulatory interest rate crisis scenarios on Group's profitability are given on a quarterly basis in the Single Supervisory Mechanism (SSM),while on a monthly basis the Bank submits to the Single Supervisory Mechanism (SSM) reports for the additional liquidity monitoring metrics.

In the first six months of 2017, the Bank reviewed, in the context of Pillar II requirements, both Internal Capital Adequacy Assesment Process (ICAAP) and Internal Liquidity Adequacy Asssesment Process (ILAAP).

The continuous update of the Assets and Liabilities Management (ALM) system, in which all Bank's reports are based, is essential for the evolution and the development of the product mix of the Bank, by taking into account the current structure of competition and the economic conditions. In particular, the audit and the finalization of the conventions of repricing and of movement of non-maturing assets-liabilities are parts of the efficient and the effective management of asset liability risk. The interbank financing (short, medium to long-term) and the Early Warning Indicators of the Bank and of Group's subsidiaries and foreign branches are monitored on a daily basis with reports and checks in order to capture daily variations.

Due to the critical condition of the Greek economy, stress tests incur frequently for liquidity purposes in order to assess potential outflows (contractual or contingent). The purpose of this process is to determine the level of the immediate liquidity which is available in order to cover the Bank's needs. These exercises are carried out in accordance with the approved Liquidity Buffer and Liquidity Stress Scenario of Group's policy.

Moreover, the stress tests are implemented for interest rate risk purposes of the Banking Portfolio in order to estimate the volatility of the net interest income of the banking portfolio and the value of the customer loans and deposits.

Market, Foreign Currency and Counterparty Risk

The Group has developed a strong control framework applying policies and procedures in accordance with the regulatory framework and the international best practices in order to meet business needs incurring market and counterparty risk while limiting adverse impact on results and equity. The framework of methodologies and systems for the effective management of those 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. Each new position is examined for its characteristics and an appropriate valuation methodology is developed, in case it is required. On a regular basis stress tests are conducted in order to assess the impact on the results and the equity, in the markets where the Group operates.

A detailed structure for trading and investment limits and counterparty limits has been adopted and implemented. This structure involves regular monitoring of trigger events in order to perform extra revisions. The limit usage is monitored on an ongoing basis and any limit breaches identified are reported officially.

For the mitigation of the market risk of the banking portfolio, hedging relationships are applied using derivatives 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.

Specifically, the RCSA method of operational risk self-assessment has been implemented in accordance with the general plan for the Bank and Group Companies. It is noted that this method provides the recognition and assessment of potential operational risks through the implementation of audits (residual risks). Further to the above the respective divisions proceed with the appropriate actions in order to mitigate the potential negative impacts. In addition, a process for the monthly production, assessment and monitoring of Key Risk Indicators (KRIs) regarding the Bank's Branches and selected Divisions of the Bank, has been initiated.

Moreover, several projects are in progress for the improvement of the Operational Risk Management Framework, the implementation of Advanced Techniques in Operational Risk Measurement as well as for the creation of a framework regarding the management of specific Operational Risk sub-categories as highlighted by recent guidelines issued by the European Banking Authority.

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

Management Non Performing Exposures (NPEs) and Strategy

As a result of the sustained downturn of the Greek economy, where GDP has declined by more than 30% since 2009, the quality of the Bank's loan portfolio has deteriorated, and the Bank experienced increased NPEs across all business segments. However, in a very challenging economic environment, the Bank is constantly reviewing and adjusting its strategy for the management of NPEs.

During the past two years, the Bank has undertaken a major overhaul of its NPE Management infrastructure and Strategy, leveraging, among others, recommendations of the Bank of Greece Troubled Asset Review as well as provisions in the Bank of Greece Executive Committee Act 42/47.

On September 30, 2016 the Bank submitted to the SSM the NPE/NPL targets along with the NPE Strategy Explanatory Note and the relevant Action Plan, depicting the Bank's full commitment towards the active Management and reduction of NPEs until the end of 2019.

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

At the same time four key operating indicators were adjusted and updated accordingly: i) strategy implementation, ii) organizational structure, iii) systems, tools and processes and iv) cooperations and sales. More specifically:

- Organizational restructuring: substantial reengineering aiming at creating and developing appropriate and independent management structures, which in tandem with improvements in the overall governance structure, provide increased control over governance, as well as the implementation of evidence-based practices and policies regarding the management of past due portfolio.
- Segmentation and Portfolio Analysis: clearly defined and detailed strategies are in progress, including a strict and well defined segmentation framework.

- Flexible and upgraded modification products and final settlement solutions (for example out of court settlements).
- Focused human resources management with specialised teams and targeted training.
- Significant IT investment and automated decision-making tools (for example NPV calculators).

These operational changes have been combined with major, recent strategic components, in particular:

- Cooperation with the Retail NPL Servicer, Cepal Holdings S.A. This action will allow the Bank to manage more effectively the portfolio of the non-performing loans.
- Cooperation with KKR Credit and Pillarstone on the management of selected large corporate NPL exposures (jointly with Eurobank) in order to optimize their value and improve their recoverability.
- Loss Budget allocation framework: the Bank, in collaboration with an international consultant, has formulated a granular loss budget allocation framework to facilitate the implementation of its strategy for the restructuring of the portfolio of non-performing exposures. This framework provides for:
  i) Loss allocation into sub-portfolios in order to achieve better non-performing exposures management objectives.
  ii) Control and monitoring of key performance indicators of the Bank's NPEs management strategy.
  iii) Identification of the most suitable resolution strategies per segment.
- Property Repossession Strategy (REO): Evaluation of the existing Property Repossession strategy in order to determine the best way to maximize their value for the Bank in the current economic environment.

Furthermore, these strategic initiatives and the execution of the resolution strategy will benefit from a number of changes in the Greek legislative landscape and economic environment, including:

- Structural reforms: The structural reforms as part of the third bailout package will benefit the Bank's ability to execute their resolution strategy, in particular the state-wide Juridical System Reform, the new Civil Procedure Code, and the new law framework that regulates the servicing industry.
- Improved macroeconomic environment forecast: The estimated improvement of the Greek economy, in conjunction with the eventual lifting of capital controls, is expected to reinforce the ability of borrowers to respect their repayment schedules. It is also expected that they will enhance the reliability of the planned business projects, by enhancing the value of the existing collaterals.

Administrative Structure Division - Arrears Management

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

Organizational Structure and Corporate Governance

Since 2009 discrete units for the management of Retail and Wholesale NPLs have been established and they are key pillars for the Bank. These independent Units report directly to the Bank Deputy CEO Non Performing Loans and Treasury Management through the Heads of each NPL division. Moreover, they are responsible for all the areas which are related to the exposure management – such as monitoring the portfolio and the front line services. Through those Units, the Bank has achieved the segregation of duties between the business line of PE and NPE management and the Approval Authorities, by combining automated and mass procedures for portfolio's low-risk segments and a case by case management of the portfolio's more complex and higher-risk segments.

Furthermore, the establishment of the Troubled Assets Committee (TAC) is a key pillar in the governance of NPEs management.

Law 4469/2017 Extra-Judical of debt settlement

The Greek government enacted Law 4469/2017 that provides to the debtor the possibility of settling through extra-judicial proceedings all financial debts (against public and social security institutions, financial institutions, suppliers and other creditors) arising from business activities. Non-business debts can also be settled, if their settlement is deemed necessary from the respective creditors for the viability of the debtor.

The effective period of the law is from 3 August 2017 to 31 December 2018. Eligible for the extra-judicial debt settlement mechanism are individuals with bankruptcy capacity and legal entities with business income that are Greek tax residents, provided that they meet the necessary eligibility criteria. By the law are exempted inter alia financial institutions, investment services providers, insurance companies, Undertakings for the Collective Investment of Transferable Securities (UCITS) and Alternative Investment Funds (AIF) as well as enterprises that are subject to the Bankruptcy Code, or are under dissolution / liquidation.

The management of the debtors of the Bank may be affected by the application of Law 4469/2017 given that:

- by being subject to the extra-judicial debt settlement, a seventy days protection period (extendable) is granted to the debtor, during which there is a suspension of the Code of Conduct, of all enforcement and injunction measures, with regard to all debts that are being settled;

- by virtue of the respective law also non- overdue debts of the debtor towards the Bank may be settled, if the borrower has been deemed eligible for another creditor;
- the non-participation of the Bank in the extra-judicial debt settlement mechanism does not entail the exemption of debts owed to it by the final settlement arrangement, if such is ratified by the court.

In this context the Bank in order to manage the extra-judicial applications has established a specilised work force which will hadle these applications, providing also specific training in the Banks' employees. In addition, the technical infrastructure has been set up so that the Bank will be able to exchange data among the total of Creditors through the Hellenic Banks Association.

The positive effect of the above mentioned Law for the active businesses that are operating in Greece, focuses on the fact that the debtor will be in the position to settle all debts in a common way per creditor category, so as to be viable. Additionally, the said Law guarantees that each settlement agreement for the viability of the company will not deteriorate creditor's position, in terms of present value, after company's liquidation including collaterals granted for the debt obligation.

Prospects

The future performance of the Bank will also be a function, among other parameters, of the developments in the Greek economy, as these will largely define the potential for positive developments in terms of the management of non-performing exposures and the restoration of a healthy liquidity profile for the Bank.

Year 2017 is considered to be a year of reference for the expansion of the Greek economy. Real GDP is expected to increase by 1.6% after three consecutive years of stagnation (2014: 0.4%, 2015: -0.2%, 2016: 0.0%). The contribution of all components of GDP is expected to be positive, with the private consumption to be the main contributor, as well as investment, reflecting the gradual restoration of confidence. The revival of investment combined with the improvement in employment and productivity are the key elements for a sustainable recovery.

The preconditions for the above positive developments are: (a) the elimination of uncertainty (b) the modernization and the replacement of machinery equipment after a long period of investment stagnation, (c) the acceleration of the reforms and the commitment to the implementation of the programme's agreements and (d) the optimal absorption of the available EU structural funds.

The challenges for the Greek economy remain the following: (a) the high unemployment rate, (b) the large volume of NPLs, (c) the specification of additional measures needed for debt sustainability, (d) the normalization of the liquidity conditions in the economy and (e) the potential for a permanent access to international markets.

Related parties

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

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

Amounts in thousands of Euro

Loans and advances to customers	1,299
Due to customers	10,544
Employee defined benefit obligations	265
Letters of guarantee and approved limits	2,317
Interest and similar income	24
Fee and commission income	3
Interest expense and similar charges	10
Fees paid to key management and close family members	1,858

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

A. SUBSIDIARIES

Amounts in thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Banks					
1. Alpha Bank London Ltd	17,517	2,871	2,978		637
2. Alpha Bank Cyprus Ltd	73,846	622,499	920	207	61,414

A. SUBSIDIARIES (continue)

Amounts in thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Banks (continue)					
3. Alpha Bank Romania S.A.	1,075,108	176,055	2,348	1,407	324,566
4. Alpha Bank Srbija A.D.			267	85	
5. Alpha Bank Albania SH.A.	20,336	30,980	31	240	
Leasing					
1. Alpha Leasing A.E.	192,842	537	2,332	55	
2. ABC Factors A.E.	344,259	2,450	8,865	29	23,000
Investment Banking					
1. Alpha Finance A.E.P.E.Y.	790	17,993	466	620	
2. SSIF Alpha Finance Romania S.A.		2			
3. Alpha A.E. Investment Holdings	3,897	34,514	3,886	123	
4. Alpha A.E. Ventures Capital Management - AKES		2,136	18	7	
5. Emporiki Ventures Capital Developed Markets Ltd		9,300			
6. Emporiki Ventures Capital Emerging Markets Ltd		8,894			
Asset Management					
1. Alpha Asset Management A.E.D.A.K.	7,496	35,714	10,344	190	
Insurance					
1. Alpha Insurance Agents A.E.		2,543		6	
2. Alphalife A.A.E.Z.	220	19,778	10,108	896	
Real estate and hotel					
1. Alpha Astika Akinita A.E.	10,193	60,611	492	2,872	
2. Oceanos A.T.O.E.E.	1,975	5,634	1,975	13	
3. Emporiki Development and Real Estate A.E.		108	1	40	
4. Alpha Real Estate Bulgaria E.O.O.D.		201			
5. Chardash Trading E.O.O.D.		3,495		10	
6. Alpha Investment Property Chalandriou A.E.	4	1,285	109		
7. Alpha Investment Property Attikis A.E.	6,301	3	82		
8. Alpha Investment Property Attikis II A.E.	38,615	245	310		
9. Alpha Investment Property Amaroussion I A.E.	1	153	8	1	
10. Alpha Investment Property Amaroussion II A.E.		186	2		
11. Stockfort Ltd	23,867	567	237		
12. AGI-RRE Zeus S.R.L.	33,652		494		
13. AGI-RRE Poseidon S.R.L.	13,377		223		
14. AGI-BRE Participations 2 E.O.O.D.	9,084		126		
15. AGI-BRE Participations 2BG E.O.O.D.	5,643		112		
16. AGI-BRE Participations 3 E.O.O.D.	19,798		203		
17. AGI-BRE Participations 4 E.O.O.D.	16,182	15,937			
18. APE Fixed Assets A.E.		8			
19. HT-1 E.O.O.D.	463		4		
20. SC Carmel Residential S.R.L.	6,987		240		
21. AGI-RRE Cleopatra S.R.L.	12,788		267		
22. AGI-RRE Hera S.R.L.	3,946		165		
23. Alpha Investment Property Neas Kifisias A.E.	2,959	16	25		
24. Alpha Investment Property Kallirois A.E.	50	45	1		
25. Alpha Investment Property Livadias A.E.	4,461	359	68		
26. Alpha Investment Property Kefalariou A.E.		291	1		
27. Ashtrom Residents S.R.L.	9,951		254		
28. AGI-BRE Participations 5 E.O.O.D.	8,700				
29. Cubic Center Development S.A.	27,969		507		
30. Alpha Investment Property Neas Erythreas A.E.	9,422	505	123		
31. Alpha Investment Property Chanion A.E	7,010	1,128	525		
32.AGI SRE Participation 1 DOO	22,303		107		
33. Alpha Investment Property Spaton A.E.	13,516	227	42		

A. SUBSIDIARIES (continue)

Amounts in thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
Special purpose and holding entities					
1. Alpha Credit Group Plc		9,029			
2. Alpha Group Jersey Ltd	36	15,281			15,542
3. Alpha Group Investments Ltd	1,940	59,073	1,940		
4. Ionian Holdings A.E.	4,290	344,091	4,290	859	
5. Ionian Equity Participations Ltd		9,514			
6. Emporiki Group Finance Plc		1,210			
7. AGI-RRE Participations 1 Ltd		1,935			
8. Alpha Group Ltd	15,777	15,804	15,777		
9. Katanalotika Plc	1,199				
10. Epihiro Plc		1,249			
11. Irida Plc	376,483	132,587	17		
12. Pisti 2010-1 Plc		142			
13. Alpha Shipping Finance Ltd	4	147,518	3,126	6,511	
14. Umera Ltd	415,778	26,645	758	35	1,467
15. AGI-RRE Poseidon Ltd	32,596		464		
16. AGI-BRE Participations 4 Ltd	3,368		32		
17. AGI-RRE Artemis Ltd	1,762		25		
18. Zerelda Ltd		998			
19. AGI-Cypre Ermis Ltd	1,041,380	141,472	9,612		622
20. AGI-SRE Ariadni DOO			771		
21. AGI-CYPRE ALAMINOS LTD	8,359		84		
22. AGI-CYPRE TOCHNI LTD	1,287		13		
23. AGI-CYPRE MAZOTOS LTD	7,410		74		
24. Alpha Proodos DAC	15	257,579	30	2,767	
Other					
1.Kafe Alpha A.E.		254	8	84	
2. Alpha Supporting Service A.E.	359	35,603	367	3,212	
3. Real Car Rental A.E.		12			
4. Evisak A.E.	33	736	33	2	
5. Emporiki Management A.E.	21	1,890	30	5	
6. Alpha Bank Notification Services A.E.	80	2,335	87	2,767	

B. JOINT VENTURES

Amounts in thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
1. APE Commercial Property A.E.		13,783		33	
2. APE Investment Property A.E.	152,542	6,659	809	3	
3. Alpha TANEO A.K.E.S.		182			
4. Rosequeens Properties S.R.L.	23,892		453		

C. ASSOCIATES

Amounts in thousands of Euro

Name	Assets	Liabilities	Income	Expenses	Letters of guarantee and other guarantees
1. AEDEP Thessalias and Stereas Ellados		206			
2. Banking Information Systems A.E.		320			
3. Olganos A.E.	3,044		5		
4. Alpha Investment Property Eleona A.E.	51,609	20	414		
5. Cepal Hellas Holdings A.E. (former Aktua Hellas Holdings A.E.)	544	11,235	15	375	

Total	**4,189,336**	**2,294,632**	**88,500**	**23,454**	**427,248**

c. Other related party transactions

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

Amounts in thousands of Euro

	Assets	Liabilities	Income	Expenses
Employees Supplementary Funds – TAP		181		1
Hellenic Financial Stability Fund – HFSF			5	

Athens, 31 August 2017

THE CHAIRMAN
OF THE BOARD OF DIRECTORS

VASILEIOS T. RAPANOS
I.D. No AI 666242

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TRANSLATION

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Shareholders of ALPHA BANK A.E.

Introduction

We have reviewed the accompanying condensed separate and consolidated balance sheet of the Bank and the Group of ALPHA BANK A.E. (the "Group") as of 30 June 2017 and the related condensed separate and consolidated statements of income and comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes, which together comprise the condensed six month interim financial information and which represent an integral part of the six month financial report provided under Law 3556/2007. Management is responsible for the preparation and presentation of this condensed six month interim financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to Interim Financial Reporting (International Accounting Standard "IAS" 34). Our responsibility is to express a conclusion on this condensed six month 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 it 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 six month interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy in the content of the other information in the six month financial report provided under article 5 of Law 3556/2007 when compared to the accompanying condensed six month interim financial information.

Athens, 31 August 2017

The Certified Public Accountant

Alexandra B. Kostara
Reg. No. SOEL: 19981
Deloitte Certified Public Accountants S.A.
3a Fragoklissias & Granikou Str.
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Interim Consolidated Financial Statements as at 30.6.2017

Interim Consolidated Income Statement

(Amounts in thousands of Euro)

		From 1 January to		From 1 April to	
	Note	30.6.2017	30.6.2016*	30.6.2017	30.6.2016*
Interest and similar income		1,271,758	1,366,823	639,647	669,589
Interest expense and similar charges		(295,653)	(414,033)	(146,042)	(192,824)
Net interest income	2	976,105	952,790	493,605	476,765
Fee and commission income		192,141	178,595	104,584	92,014
Commission expense		(30,623)	(22,930)	(18,796)	(13,467)
Net fee and commission income		161,518	155,665	85,788	78,547
Dividend income		530	1,120	499	529
Gains less losses on financial transactions	3	40,743	59,749	7,254	56,779
Other income		20,716	26,851	10,591	14,776
		61,989	87,720	18,344	72,084
Total income		**1,199,612**	**1,196,175**	**597,737**	**627,396**
Staff costs	4	(236,541)	(252,550)	(119,390)	(126,035)
Cost of voluntary separation scheme			(31,480)		(487)
General administrative expenses	5	(261,081)	(239,956)	(129,735)	(125,345)
Depreciation and amortization		(50,008)	(48,415)	(24,615)	(23,082)
Other expenses		(12,219)	(16,229)	(6,883)	(12,677)
Total expenses before impairment losses and provisions to cover credit risk		**(559,849)**	**(588,630)**	**(280,623)**	**(287,626)**
Impairment losses and provisions to cover credit risk	6	(463,396)	(605,925)	(216,637)	(350,039)
Share of profit/(loss) of associates and joint ventures		(1,612)	(1,967)	(1,015)	(506)
Profit/(loss) before income tax		**174,755**	**(347)**	**99,462**	**(10,775)**
Income tax	7	(56,768)	(24,455)	(28,719)	(9,546)
Profit/(loss) after income tax from continuing operations		**117,987**	**(24,802)**	**70,743**	**(20,321)**
Profit/(Loss) after income tax from discontinued operations	27	(68,457)	5,858	(69,367)	3,541
Profit/(loss) after income tax		**49,530**	**(18,944)**	**1,376**	**(16,780)**
Profit/(loss) attributable to:					
Equity owners of the Bank					
- from continuing operations		118,027	(24,901)	70,805	(20,377)
- from discontinued operations		(68,457)	5,858	(69,367)	3,541
		49,570	**(19,043)**	**1,438**	**(16,836)**
Non-controlling interests					
- from continuing operations		(40)	99	(62)	56
Earnings/(losses) per share:					
Basic and diluted (€ per share)	8	0.03	(0.01)	0.00	(0.01)
Basic and diluted from continuing operations (€ per share)	8	0.08	(0.02)	0.05	(0.01)
Basic and diluted from discontinued operations (€ per share)	8	(0.04)	0.00	(0.04)	0.00

* *The figures of the Interim Consolidated Income Statement of the comparative periods have been restated due to the presentation of Alpha Bank Srbija A.D. as discontinued operation (note 29).*

The attached notes (pages 27 - 83) form an integral part of these interim consolidated financial statements

Interim Consolidated Balance Sheet

(Amounts in thousands of Euro)

	Note	30.6.2017	31.12.2016
ASSETS			
Cash and balances with Central Banks		1,200,466	1,514,607
Due from banks		1,807,881	1,969,281
Trading securities	10	7,278	4,701
Derivative financial assets		569,399	634,323
Loans and advances to customers	9	43,785,350	44,408,760
Investment securities			
- Available for sale	10	5,670,718	5,217,053
- Held to maturity	10	21,356	44,999
- Loans and receivables	10	1,919,723	2,682,655
Investments in associates and joint ventures		19,917	21,792
Investment property	11	605,693	614,092
Property, plant and equipment	12	792,850	793,968
Goodwill and other intangible assets	13	374,610	371,314
Deferred tax assets		4,394,321	4,519,046
Other assets		1,427,374	1,450,459
		62,596,936	64,247,050
Assets held for sale	27	113,042	625,216
Total Assets		**62,709,978**	**64,872,266**
LIABILITIES			
Due to banks	14	17,216,061	19,105,577
Derivative financial liabilities		1,136,142	1,336,227
Due to customers (including debt securities in issue)		33,140,798	32,946,116
Debt securities in issue and other borrowed funds	15	505,377	616,865
Liabilities of current income tax and other taxes		28,432	33,778
Deferred tax liabilities		25,928	21,219
Employee defined benefit obligations		93,767	91,828
Other liabilities		758,809	879,185
Provisions	16	346,956	321,704
		53,252,270	55,352,499
Liabilities related to assets held for sale	27	363	406,354
Total Liabilities		**53,252,633**	**55,758,853**
EQUITY			
Equity attributable to equity owners of the Bank			
Share capital	17	463,110	461,064
Share premium	17	10,801,029	10,790,870
Reserves		608,099	400,640
Amounts recognized directly in equity for held for sale items		(122)	(68,579)
Retained earnings	17	(2,459,079)	(2,506,711)
		9,413,037	**9,077,284**
Non-controlling interests		**29,176**	**20,997**
Hybrid securities	18	**15,132**	**15,132**
Total Equity		**9,457,345**	**9,113,413**
Total Liabilities and Equity		**62,709,978**	**64,872,266**

The attached notes (pages 27 - 83) form an integral part of these interim consolidated financial statements

Interim Consolidated Statement of Comprehensive Income

(Amounts in thousands of Euro)

	Note	From 1 January to		From 1 April to	
		30.6.2017	30.6.2016*	30.6.2017	30.6.2016*
Profit/(loss), after income tax, recognized in the income statement		**49,530**	**(18,944)**	**1,376**	**(16,780)**
Other comprehensive income recognized directly in equity:					
Amounts that may be reclassified to the income statement					
Net change in available for sale securities' reserve		236,380	(20,578)	208,168	73,568
Net change in cash flow hedge reserve		50,608	(127,695)	25,193	(28,443)
Exchange differences on translating and hedging the net investment in foreign operations		1,737	(601)	2,331	1,710
Income tax	7	(82,682)	38,643	(66,560)	(15,856)
Amounts that may be reclassified to the income statement from continuing operations		**206,043**	**(110,231)**	**169,132**	**30,979**
Amounts that may be reclassified to the income statement from discontinued operations		**68,457**	**(1,608)**	**69,367**	**(410)**
Amounts that may not be reclassified to the income statement					
Net change in actuarial gains/ (losses) in defined benefit obligations		4		29	
Income Tax		(1)		(9)	
		3	-	20	-
Total of other comprehensive income recognized directly in equity, after income tax	7	**274,503**	**(111,839)**	**238,519**	**30,569**
Total comprehensive income for the period, after income tax		**324,033**	**(130,783)**	**239,895**	**13,789**
Total comprehensive income for the period attributable to:					
Equity owners of the Bank					
- from continuing operations		324,081	(135,094)	239,911	10,618
- from discontinued opearations			4,250		3,131
		324,081	**(130,844)**	**239,911**	**13,749**
Non controlling interests					
-from continuing operations		(48)	61	(16)	40

* *The figures of the Interim Consolidated Income Statement of the comparative periods have been restated due to the presentation of Alpha Bank Srbija A.D. as discontinued operation (note 29).*

Interim Consolidated Statement of Changes in Equity

(Amounts in thousands of Euro)

	Note	Share Capital	Share Premium	Reserves	Retained earnings	Total	Non controlling interests	Hybrid securities	Total Equity
Balance 1.1.2016		**461,064**	**10,790,870**	**308,920**	**(2,546,885)**	**9,013,969**	**23,998**	**15,232**	**9,053,199**
Changes for the period 1.1 - 30.6.2016									
Profit/(loss) after income tax					(19,043)	(19,043)	99		(18,944)
Total comprehensive income recognized directly in Equity, after income tax				(111,801)		(111,801)	(38)		(111,839)
Total comprehensive income for the period, after income tax		**-**	**-**	**(111,801)**	**(19,043)**	**(130,844)**	**61**	**-**	**(130,783)**
Share capital increase expenses, after income tax					(689)	(689)			(689)
Purchases/sales and change of ownership interests in subsidiaries				(8,794)	8,794	-			-
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					60	60		(100)	(40)
Appropriation to reserves				1,315	(1,315)	-			-
Other					163	163			163
Balance 30.6.2016		**461,064**	**10,790,870**	**189,640**	**(2,558,915)**	**8,882,659**	**24,059**	**15,132**	**8,921,850**
Changes for the period 1.7 - 31.12.2016									**-**
Profit/(loss) after income tax					61,183	61,183	63		61,246
Total comprehensive income recognized directly in Equity, after income tax				141,009	(7,588)	133,421	26		133,447
Total comprehensive income for the period, after income tax		**-**	**-**	**141,009**	**53,595**	**194,604**	**89**	**-**	**194,693**
Purchases/sales and change of ownership interests in subsidiaries				(32)	32	-	(3,151)		(3,151)
(Purchases), (redemptions)/ sales of hybrid securities, after income tax					1	1			1
Appropriation to reserves				1,444	(1,444)	-			-
Other					20	20			20
Balance 31.12.2016		**461,064**	**10,790,870**	**332,061**	**(2,506,711)**	**9,077,284**	**20,997**	**15,132**	**9,113,413**

The attached notes (pages 27 - 83) form an integral part of these interim consolidated financial statements

(Amounts in thousands of Euro)

	Note	Share Capital	Share Premium	Reserves	Retained earnings	Total	Non controlling interests	Hybrid securities	Total Equity
Balance 1.1.2017		**461,064**	**10,790,870**	**332,061**	**(2,506,711)**	**9,077,284**	**20,997**	**15,132**	**9,113,413**
Changes for the period 1.1 - 30.6.2017									
Profit/(loss) after income tax					49,570	49,570	(40)		49,530
Total comprehensive income recognized directly in Equity, after income tax				274,508	3	274,511	(8)		274,503
Total comprehensive income for the period, after income tax		**-**	**-**	**274,508**	**49,573**	**324,081**	**(48)**	**-**	**324,033**
Conversion of convertible bond into shares	17	2,046	10,159			12,205			12,205
Share capital increase expenses, after income tax					(384)	(384)			(384)
Distribution of dividends						-	(7)		(7)
Purchases/sales and change of ownership interests in subsidiaries						-	8,234		8,234
Appropriation of reserves				1,408	(1,408)	-			-
Other					(149)	(149)			(149)
Balance 30.6.2017		**463,110**	**10,801,029**	**607,977**	**(2,459,079)**	**9,413,037**	**29,176**	**15,132**	**9,457,345**

Interim Consolidated Statement of Cash Flows

(Amounts in thousands of Euro)

	Note	From 1 January to	
		30.6.2017	30.6.2016*
Cash flows from continuing operating activities			
Profit/(loss) before income tax		174,755	(347)
Adjustments for gains/(losses) before income tax for:			
Depreciation/impairment/write-off of fixed assets		27,547	26,443
Amortization/impairment/write-off of intangible assets		26,832	21,972
Impairment losses from loans, provisions and staff leaving indemnity		507,345	642,620
(Gains)/losses from investing activities		7,960	(69,292)
(Gains)/losses from financing activities		(10,826)	31,017
Share of (profit)/loss of associates and joint ventures		1,612	1,967
		735,225	**654,380**
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks		326,838	(192,576)
Trading securities and derivative financial assets		62,346	(45,962)
Loans and advances to customers		201,411	276,939
Other assets		28,723	2,878
Net increase/(decrease) in liabilities relating to continuing operating activities:			
Due to banks		(1,889,517)	(1,706,602)
Derivative financial liabilities		(149,477)	(18,826)
Due to customers		177,289	238,720
Other liabilities		(123,805)	32,051
Net cash flows from continuing operating activities before taxes		**(630,967)**	**(758,998)**
Income taxes and other taxes paid		(16,322)	(17,767)
Net cash flows from continuing operating activities		**(647,289)**	**(776,765)**
Net cash flows from discontinued operating activities		**7,010**	**(42,492)**
Cash flows from continuing investing activities			
Investments in associates and joint ventures		(8,418)	(98)
Amounts received from disposal of subsidiary		53,100	
Dividends received		530	1,120
Acquisitions of fixed and intangible assets	11,12,13	(79,033)	(97,357)
Disposals of fixed and intangible assets		23,491	44,008
Net (increase)/decrease in investement securities		609,736	638,708
Net cash flows from continuing investing activities		**599,406**	**586,381**
Net cash flows from discontinued investing activities		**(52,684)**	**(349)**
Cash flows from continuing financing activities			
Receipts/(Repayments) of debt securities in issue and other borrowed funds		(100,038)	(81,617)
(Purchases)/sales of hybrid securities			(15)
Share capital increase expenses	17	(463)	(970)
Net cash flows from continuing financing activities		**(100,501)**	**(82,602)**
Effect of exchange rate differences on cash and cash equivalents		(319)	(24,489)
Net increase/(decrease) in cash flows from continuing activities		**(148,703)**	**(297,475)**
Net increase/(decrease) in cash flows from discontinued activities		**(45,674)**	**(42,841)**
Cash and cash equivalents at the beginning of the period		**974,888**	**1,328,133**
Cash and cash equivalents at the end of the period		**780,511**	**987,817**

* *The figures of the Interim Consolidated Income Statement of the comparative period have been restated due to the presentation of Alpha Bank Srbija A.D. as discontinued operation (note 29).*

The attached notes (pages 27 - 83) form an integral part of these interim consolidated financial statements

Notes to the Interim Consolidated Financial Statements

GENERAL INFORMATION

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

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

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

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

The Board of Directors as at 30 June 2017, consists of:

CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

VICE CHAIRMAN
(Non Executive Independent Member)

Evangelos J. Kaloussis */***

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

DEPUTY MANAGING DIRECTORS

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

NON-EXECUTIVE MEMBERS

Efthimios O. Vidalis **/****

NON-EXECUTIVE INDEPENDENT MEMBERS

Ibrahim S. Dabdoub **/****
Carolyn Adele G.Dittmeier *
Richard R. Gildea **/***
Shahzad A. Shahbaz ***/****
Jan Oscar A. Vanhevel */***

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

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

SECRETARY

George P. Triantafyllides

On 29.6.2017, the Board of Directors of the Bank has concluded that the Bank is not subject to the provisions of Law 3723/2008, and as a result Greek State's right and requirement to appoint a representative to the Bank's Board of Directors, arising from the aforementioned Law, is ceased.

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

On 30.6.2017, Ordinary General Meeting of shareholders has appointed the audit firm "Deloitte Certified Public Accountants S.A." for the statutory audit of the year 2017.

The Bank's shares are listed in the Athens Stock Exchange since 1925 and are constantly included among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, the FTSE All World, the FTSE Med100 and the FTSE4Good Emerging Index.

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

Total ordinary shares in issue as at 30 June 2017 were 1,543,699,381.

In Athens Stock Exchange are traded 1,374,524,235 ordinary shares of the Bank, while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 169,175,146 ordinary, registered, voting, paperless shares or percentage equal to 10.96% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

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

During the first semester of 2017, the average volume of shares trade stood at € 10,927,362 and for warrants at €3,555.

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

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

It is noted that according to No.8/754/14.4.2016 decision of the Hellenic Capital Market Commission Board of Directors with subject "Special Topics for Periodic Reporting according to Law. 3556/30.4.2007", the obligation to publish Data and Information arising from the quarterly and half-yearly financial statements, as previously stated by the No.4/507/28.4.2009 decision of the Hellenic Capital Market Commission Board of Directors, was abolished.

These interim financial statements have been approved by the Board of Directors on 31 August 2017.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Group has prepared the condensed interim financial statements as at 30.6.2017 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union.

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

- Securities held for trading
- Derivative financial instruments
- Available for sale securities
- The convertible bond issued by the Bank which, until its conversion into shares that took place in the first quarter of this year, was included in "Debt securities in issue held by institutional investors and other borrowed funds"

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

The accounting policies applied by the Group in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2016.

The adoption by the European Union, by 31.12.2017, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 1.1.2017, may affect retrospectively the periods presented in these interim financial statements.

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

Progress of the IFRS 9 Implementation Program

The design of the governance framework and the process that will be followed for the classification of financial instruments that will be recognized after 1.1.2018 is in progress. In particular, the high level design of the process for the definition of business models as well as for the assessment of the characteristics of contractual cash flows has significantly progressed. At the same time a detailed recording of the classification process in manuals is being carried out and necessary enhancements/modifications are being implemented to IT applications.

Furthermore, regarding the classification of the existing portfolio, the following are noted:

- Loans and advances to customers and Due from banks are expected to be included in business models that permit the classification of instruments at amortised cost (hold to collect), to the extent that from the assessment of their contractual terms it is concluded that their contractual cash flows meet the definition of capital and interest as defined by the new Standard (SPPI test). The above assessment of the contractual terms is in progress, while the final classification into a business model will be held on 1.1.2018, based on the facts and circumstances prevailing at that date.
- Bonds, and fixed income investments in general that have been classified as available-for-sale securities under IAS 39 will be recognized at amortized cost or at fair value through other comprehensive income recognised directly in equity, depending on their business model, with the exception of those instruments whose contractual cash flows do not meet the definition of capital and interest and that will be measured at fair value through profit or loss.
- For the majority of investments that meet the definition of an equity instrument, the Group plans to elect the measurement at fair value through other comprehensive income recognised directly in equity.

With regards to the impairment work stream, the Group is completing the development of models for the calculation of credit risk losses. The key parameters for determining the expected credit risk losses are the Probability of Default, the Loss given Default, and the Exposure at Default.

At the same time, the process of developing analytical methodologies for the staging of financial instruments for which impairment losses will be calculated depending on the degree of deterioration of the issuer/borrower's creditworthiness, which will determine the financial instruments for which impairment losses will be calculated based on the probability of default in the next twelve months (12 m expected losses) and those for which the corresponding impairment losses will be calculated based on the probability of default over the life of the instruments (lifetime expected losses). In assessing whether the credit risk of an instrument has increased significantly since initial recognition (sifnificant credit deterioration), the Group will take into account reasonable and reliable information, both qualitative and quantitative, that could be different between portfolios.

Finally, the Group is in the phase of designing the new governance framework for the calculation of credit loss allowances and of recording the relevant process, which will be carried out through a new IT application.

Regarding hedge accounting, the Group intends to continue to apply the provisions of IAS 39.

Finally, the classification, measurement and impairment requirements apply retrospectively from 1.1.2018 without any requirement to restate comparative information. The Group does not intend to restate comparative information in the context of the transition to IFRS 9.

Impact of the application of IFRS 9

Until today, important assumptions in relation to IFRS 9 application have not been finalized and any impact analysis (e.g. the exercise submitted to EBA) can be based on hypotheses, assumptions and simplified approaches that are still being developed. Therefore, there is no specific and reliable information on the estimated quantitative and qualitative impact of IFRS 9 on the Group's key supervisory indicators and / or financial position.

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 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 cases related to 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 30.6.2017. For the application of this principle, the Group takes into consideration current economic developments in order to make estimations for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the unstable economic environment in Greece and abroad and to the liquidity levels of the Hellenic Republic and the banking system, as specifically analysed in Note 1.31.1 of the annual financial statements as at 31.12.2016. In addition, regarding the progress of the Hellenic Republic financial support program, it is noted that within June the second assessment of the program was completed and the partial disbursement of the third installment amounting to € 8.5 billion was approved. The first disbursement of € 7.7 billion took place in July and covered public debt servicing needs by an amount of € 6.9 billion and clearance of amounts in arrears due from the Hellenic Republic to individuals by an amount of € 0.8 billion. The second disbursement of€ 0.8 billion will be made under the condition that the Hellenic Republic will contribute using its own economic recourses to the arrears clearance effort. The completion of the second evaluation, the disbursement of installments and the successful issue by the Hellenic Republic, in July of the current year, of a five year bond of €3 billion, which is the first step for the gradual return to the markets, are expected to contribute to the decrease of uncertainty, the enhancement of business community and investors confidence and consequently, to the return of the economy to positive growth rates.

Based on the above and taking into account the Group's high capital adequacy (note 25) as well as the amount of available eligible collaterals through which liquidity is obtained through the mechanisms of the eurosystem, the Group estimates that the conditions for the application of the going concern principle for the preparation of its financial statements are met.

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

The Group's total exposure to Greek Government securities and loans related to the Hellenic Republic is presented in note 23. The main uncertainties regarding the estimations for the recoverability of the Group's total exposure relate to the debt service capacity of the Hellenic Republic, which, in turn, is affected by the development of the macroeconomic environment in Greece and the Eurozone as well as by the levels of liquidity of the Hellenic Republic.

As far as debt sustainability is concerned and in accordance with the relevant framework set out by the Eurogroup of 9.5.2016, in the meeting of the same body held in 24.5.2016 measures for enhancing the Greek debt sustainability were broadly described, separately for the short, the medium and the long term. In accordance with this framework, based on the baseline scenario, the gross financing needs of the Greek government should be less than the 15% of GDP after the completion of the program in the medium term while subsequently they should be less than the 20% of GDP. The Eurogroup of 15.6.2017 confirmed the above target. From the above measures of debt relief only the short-term have been specified and put in place.

Following the successful completion of the program for the financial support of the Hellenic Republic, and to the degree deemed necessary, the medium term measures for the Greek debt will be put in place. The specification of these measures will be validated at the end of the program by the Eurogroup so that debt sustainability is ensured. In a long term horizon and in the case of an unexpected unfavorable scenario additional measures for the debt could be applied.

Finally, within July of the current year, the Hellenic Republic issued a five year bond of an amount of € 3 billion. The issuance of the bond and the fact that it was successfully covered are the first steps for the Hellenic Republic to gradually regain access to the financial markets to cover its financing needs.

Based on the above, the Group has not recognized impairment losses on the Greek Government securities that it held as at 30.6.2017, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

1.2.3 Recoverability of deferred tax assets

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

The amount of deferred tax assets recognized in the consolidated financial statements as at 30.6.2017 has not changed significantly compared to the respective amount as at 31.12.2016. Therefore, what is stated in note 1.31.3 of the annual financial statements of 31.12.2016 regarding the main categories of deferred tax assets recognized is also applicable to these financial statements. In addition, regarding the methodology applied for the recoverability assessment, what is stated in the aforementioned note of the annual financial statements is also applicable, taking also into consideration the elements that formed the result of the current period.

INCOME STATEMENT

2. Net interest income

	From 1 January to		From 1 April to	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
Interest and similar income				
Due from banks	277	6,921	185	7,604
Loans and advances to customers	1,103,214	1,158,506	553,755	569,068
Trading securities	136	108	59	46
Available for sale securities	112,228	117,332	56,183	58,348
Held to maturity securities	372	2,179	142	1,397
Loans and receivables securities	749	4,819	326	2,030
Derivative financial instruments	48,441	69,877	25,366	27,881
Other	6,341	7,081	3,631	3,215
Total	**1,271,758**	**1,366,823**	**639,647**	**669,589**
Interest and similar expense				
Due to banks	(102,967)	(153,900)	(50,858)	(75,195)
Due to customers	(91,774)	(102,344)	(46,236)	(47,926)
Debt securities in issue and other borrowed funds	(7,717)	(44,298)	(2,356)	(18,960)
Derivative financial instruments	(52,557)	(71,634)	(26,876)	(29,785)
Other	(40,638)	(41,857)	(19,716)	(20,958)
Total	**(295,653)**	**(414,033)**	**(146,042)**	**(192,824)**
Net interest income	**976,105**	**952,790**	**493,605**	**476,765**

During the first Semester of 2017, net interest income was increased due to the reduction of securities issued by the Bank, that are guaranteed by the Greek Government, according to the Law 3723/2008, amounting to € 5.2 billion and the reduction of borrowing cost.

3. Gains less losses on financial transactions

	From 1 January to		From 1 April to	
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
Foreign exchange differences	7,153	5,816	2,714	2,400
Trading securities				
- Bonds	726	515	397	385
- Shares	188	(148)	139	9
Investment securities:				
- Bonds	33,466	13,930	29,177	10,126
- Shares	467	79,761	692	76,378
- Other securities	2,329	(1,592)	2,084	(2,722)
From sale of holdings	1,415	(1,695)	1,810	(1,705)
From sales of loans	3,346	10,876	289	10,876
Derivative financial instruments	28,371	(20,644)	8,699	(7,968)
Other financial instruments	(36,718)	(27,070)	(38,747)	(31,000)
Total	**40,743**	**59,749**	**7,254**	**56,779**

Current period's "Gains less losses on financial transactions" were affected mainly by:

- Loss of € 37.3 million included in the account "Other financial instruments" arising from a fair value measurement, at the initial recognition, of the Group's financial assets in the context of loans and receivables restructuring.

- Gains of € 33.5 million included in the account "Bonds" of investment portfolio as a result of the sale of Greek Bonds amounting to € 20.8 million. An amount of € 12.7 million concerns the disposal of other Corporate bonds.
- Gains of € 30 million included in the account "Derivative financial instruments" concern the Credit Valuation Adjustment of transactions with the Greek Government due to the reduce of its credit margin.

The "Gains less losses from financial transactions" from financial transactions of the first semester of 2016 were affected mainly by :

- the acquisition of the shares of Visa Europe from Visa Inc. in the context of which the Group recognized in the account "shares of Investment Securities" the amount of € 55.6 million. This amount consists of the cash received at the closing of the transaction and the recognition of the present value of the deferred payment on the third anniversary.
- recognition at a fair value of € 16.3 million of preference shares of Visa Inc. that the Group acquired under with the above transaction in credit of "Gains less losses on financial transactions".
- Losses amounting to € 36.4 million in caption "Other financial instruments" concern the valuation of Ionian Hotel Enterprises A.E. due to its reclassification as asset held for sale. (note 27)

4. Staff costs

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Wages and salaries	168,866	180,763	84,903	90,273
Social security contribution	48,591	50,012	24,193	24,674
Common insurance fund of Bank employees		1,314		661
Employee defined benefit obligation of Group	2,135	3,654	1,067	1,674
Other charges	16,949	16,807	9,227	8,753
Total	**236,541**	**252,550**	**119,390**	**126,035**

The caption of Staff Costs amounted to € 236.5 million for first semester of 2017 compared to € 252.6 million of the first semester of 2016 mainly due to the reduction of personnel following the implementation of a separation scheme.

The total number of Group's employees as at 30.6.2017 stood at 11,923 (30.6.2016: 13,569 out of which 936 are employed in Alpha Bank Srbija A.D. which was classified as discontinued operations) out of which 8,896 (30.6.2016:9,661) were employed in Greece and 3,027 (30.6.2016:3,908) were employed abroad.

5. General Administrative expenses

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Operating leases of buildings	19,927	21,196	9,868	10,497
Rent and maintenance of EDP equipment	10,726	9,794	4,681	4,886
EDP expenses	14,075	14,504	7,309	7,486
Marketing and advertisement expenses	11,197	10,604	6,683	6,226
Telecommunications and postage	9,342	11,633	4,261	5,932
Third party fees	32,806	21,239	13,866	11,800
Consultants fees	4,406	3,376	1,763	1,503
Contribution to the Deposit guarantee fund - Investment fund and Solvency Fund	26,496	33,110	12,044	12,251
Insurance	4,979	6,674	2,439	2,977
Consumables	1,869	2,941	929	1,396
Electricity	4,754	5,428	2,618	2,130
Third party fees for customer acquisition	23	15	10	11
Taxes (VAT, real estate etc)	40,007	35,167	21,489	18,088
Services from collection agencies	16,795	13,193	8,417	8,636
Building and equipment maintenance	3,622	4,340	1,891	2,341
Security	5,745	6,138	2,913	3,380
Cleaning fees	2,158	2,644	1,162	1,436
Commission for the amount of Deferred Tax Asset guaranteed by the Greek State (Note 7)	8,666		4,333	
Other	43,488	37,960	23,059	24,369
Total	**261,081**	**239,956**	**129,735**	**125,345**

General administrative expenses for the first semester of 2017 present an increase compared to the previous period, mainly due to intensified debt collection activities which led to an increase in the account "Third party fees" and "Services from collection agencies".

Moreover, the results of the first semester of 2017 were burdened by €8.7 million, which relates to the annual commission attributed to the amount of deferred tax asset, guaranteed by the Greek State, according to the article 82 of Law 4472/19.5.2017, out of which €5.8 million relates to the commission for the year 2016. According to the Law, the respective commission is paid within 6 months from the end of the taxable period, starting from 30.6.2017.

6. Impairment losses and provisions to cover credit risk

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Impairment losses on loans and advances to customers (note 9)	476,924	620,806	223,733	360,616
Provisions to cover credit risk relating to off balance sheet items (note 16)	(1,671)	557	(222)	38
Recoveries	(11,857)	(15,438)	(6,874)	(10,615)
Total	**463,396**	**605,925**	**216,637**	**350,039**

7. Income tax

In accordance with Article 1 par. 4 of Law 4334/2015 "Urgent prerequisites for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)" the corporate income tax rate for legal entities is 29% after 1 January 2015, from 26% that was in force.

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

Cyprus	12.5
Bulgaria	10
Serbia	15
Romania	16
FYROM	10
Albania	15
Jersey	10
United Kingdom	19* (from 1.4.2017)
Ireland	12.5

In accordance with article 65A of Law 4174/2013, from 2011 the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme, are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within the first 10 days of the 10th month after the end of the audited financial year, as well as electronically to the Ministry of Finance, no later than the end of the 10th month after the end of the audited financial year. In accordance with article 56 of Law 4410/3.8.2016 for the fiscal years from 1.1.2016 onwards, the issuance of tax certificate is rendered optional. Intention of the companies of the Group is to continue receiving a tax certificate. For fiscal years 2011 up to 2015 the Bank and its local subsidiaries have obtained the relevant tax certificate without any qualifications on the tax issues covered, whereas for year 2016 the Bank is expected to receive tax certificate without any qualifications.

The income tax in the income statement from continuing operations is analysed in the table below, while the income tax from discontinued operations is presented in note 27:

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Current	11,004	6,817	6,813	3,745
Deferred	45,764	17,638	21,906	5,801
Total	**56,768**	**24,455**	**28,719**	**9,546**

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

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Debit difference of Law 4046/2012	22,277	22,277	11,138	11,139
Debit difference of Law 4465/2017	1,264		1,264	
Write-offs, depreciation and impairment of fixed assets	6,044	6,660	4,740	3,301
Valuation/impairment of loans	(65,574)	(60,449)	(47,154)	(47,171)
Valuation of loans due to hedging	(110)	(640)	(48)	(348)
Employee defined benefit obligations and insurance funds	18,960	25,199	(257)	6,161
Valuation of derivatives	14,684	(6,053)	7,897	(2,569)
Effective interest rate	760	(279)	325	(87)
Fair value change of liabilities to credit institutions and other borrowed funds due to fair value hedge	(39,501)	3,471	(29)	2,264
Valuation/impairment of bonds, participations and other securities	104,069	10,561	94,100	9,857
Tax losses carried forward	12,088	23,952	(34,761)	22,929
Other temporary differences	(29,197)	(7,061)	(15,309)	325
Total	**45,764**	**17,638**	**21,906**	**5,801**

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

The inclusion in the Law is implemented by the approval of the General Meeting of Shareholders, relates to tax assets arising from 2016 onwards and refers to tax period of 2015 onwards,

* *Until 31.3.2017 the tax rate was 20%.*

whereas it is envisaged the end of inclusion in the law with the same procedure and after obtaining relevant approval from the Regulatory Authority.

According to article 4 of Law 4340/1.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of Finance" the above were amended regarding the time of the application which is postponed for a year. In addition, the amount of deferred tax asset which is included to the legislation according to article 5 of Law 4303/17.10.2014 and relates to accumulated provisions and other general losses due to credit risk, is limited to the amount related to the provisions for credit risk, which were accounted until 30.6.2015.

According to article 43 of Law 4465/4.4.2017 "Integration of Directive 2014/92/EU of the European Parliament and Council held on 23.7.2014 for the comparability of charges related to payment accounts, the change of payment account and the access to payment accounts with basic characteristics and other provisions, into national law", the articles 27 and 27a of the Income Tax Code were amended (Law 4172/2013).

According to the new legislation, the debit difference, that will arise from the write-off of debtors' debts and the loss from the sale of loans of the legal entities supervised by the Bank of Greece, is recognised as a deduction from gross income and is amortized over a period of 20 years. The deferred tax asset which will be recognized from the abovementioned debit difference as well as of any accounting write-offs of loans or credits, not converted into debit difference until the end of the year when the accounting write-off took place, are converted into a final and settled claim against the State, based on the abovementioned terms and conditions.

The total amount of deferred tax asset from (a) the debit difference from the write-off of debtors' debts and the sale of loans, (b) the temporary differences from any accounting write-off of loans and credits and (c) the temporary differences from acccumulated provisions and other lossses due to credit risk, is limited to the total tax amount related to accumulated provisions and other losses due to credit risk, recognised until 30.6.2015.

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

The above apply from 1.1.2016.

As at 30.6.2017 the amount of deferred tax assets which is estimated to be within the scope of the aforementioned Law is €3,318 million (31.12.2016: €3,342 million).

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

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

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

During 2016, the Bank recognized deferred tax assets of €84.4 million relating to the impairment of the Bank's investment in the subsidiary, Alpha Bank Srbija A.D. The loss from the sale of the investment in a foreign subsidiary is recognized as deductible from the gross expenses during the year upon the finalization of the disposal, in accordance with article 124 of Law 4446/22.12.2016 "Bankruptcy Code, Administration Justice, Duties-Fees, Voluntary Disclosure of Previous Years' Taxable Income, Online Transactions, Amendments of Law 4270/2014 and other provisions". The sale of the subsidiary was completed during the first semester of 2017.

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

	From 1 January to			
	30.6.2017		30.6.2016	
	%		%	
Profit/(loss) before income tax		**174,755**		**(347)**
Income tax (nominal tax rate)	35.57	62,162	94.81	(329)
Increase/(decrease) due to:				
Non taxable income	(0.43)	(747)		(11,252)
Non deductible expenses	1.69	2,954		11,708
Other tax adjustments	(4.35)	(7,601)		24,328
Income tax (effective tax rate)	**32.48**	**56,768**	**-**	**24,455**

	From 1 April to			
	30.6.2017		30.6.2016	
	%		%	
Profit/(loss) before income tax		**99,462**		**(10,775)**
Income tax (weighted average nominal tax rate)	34.29	34,103	33.69	(3,630)
Increase/(decrease) due to:				
Tax losses carried forward	(0.50)	(493)		(10,899)
Adjustments Tax rates	1.69	1,685	40.02	(4,312)
Other tax adjustments	(6.61)	(6,576)		28,387
Income tax (effective tax rate)	**28.87**	**28,719**		**9,546**

The nominal tax rate is the weighted average nominal tax rate which is calculated using the income tax ratio on earnings before taxes, for each of the Group's subsidiaries.

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	30.6.2017			30.6.2016		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Net change in available for sale securities' reserve	234,821	(67,561)	167,260	(20,838)	3,543	(17,295)
Net change in cash flow hedge reserve	50,608	(14,676)	35,932	(127,695)	37,126	(90,569)
Foreign exchange differences on translating and hedging the net investment in foreign operations	71,753	(445)	71,308	(1,941)	(2,034)	(3,975)
Total	**357,182**	**(82,682)**	**274,500**	**(150,474)**	**38,635**	**(111,839)**
Amounts that may not be reclassified to the Income Statement						
Net change in actuarial gains / (losses) of defined benefit obligations	4	(1)	3			
Total	**357,186**	**(82,683)**	**274,503**	**(150,474)**	**38,635**	**(111,839)**

	From 1 April to					
	30.6.2017			30.6.2016		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Net change in available for sale securities' reserve	207,210	(58,814)	148,396	73,668	(22,090)	51,578
Net change in cash flow hedge reserve	25,193	(7,306)	17,887	(28,443)	7,976	(20,467)
Foreign exchange differences on translating and hedging the net investment in foreign operations	72,656	(440)	72,216	1,206	(1,748)	(542)
Total	**305,059**	**(66,560)**	**238,499**	**46,431**	**(15,862)**	**30,569**
Amounts that may not be reclassified to the Income Statement						
Net change in actuarial gains / (losses) of defined benefit obligations	29	(9)	20			
Total	**305,088**	**(66,569)**	**238,519**	**46,431**	**(15,862)**	**30,569**

On the above appendix, the tax from discontinued operations is nill (30.6.2016 : debit tax € 8)

During the first semester of 2017, "Retained earnings" includes a credit tax amount of € 79 which relates to the share capital increase which took place on 23.2.2017.

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

8. Earnings/(losses) per share

a. Basic

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

b. Diluted

Diluted earnings/(losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to the presumed conversion amount of all dilutive potential ordinary shares. The Bank does not have any dilutive potential ordinary shares and consequently the basic and dilutive earnings/(losses) per share should not differ.

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Profit/(loss) attributable to Equity owners of the Bank	49,570	(19,043)	1,438	(16,836)
Weighted average number of outstanding ordinary shares	1,541,665,228	1,536,881,200	1,541,665,228	1,536,881,200
Basic and diluted earnings/(losses) per share (in€)	0.0322	(0.0124)	0.0009	(0.0110)

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Profit/(loss) from continuing operations attributable to Equity owners of the Bank	118,027	(24,901)	70,805	(20,377)
Weighted average number of outstanding ordinary shares	1,541,665,228	1,536,881,200	1,541,665,228	1,536,881,200
Basic and diluted earnings/(losses) per share from continuing operations (in €)	0.0766	(0.0162)	0.0459	(0.0133)

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Profit/(loss) from discontinued operations attributable to Equity owners of the Bank	(68,457)	5,858	(69,367)	3,541
Weighted average number of outstanding ordinary shares	1,541,665,228	1,536,881,200	1,541,665,228	1,536,881,200
Basic and diluted earnings/(losses) per share from discontinued operations (in €)	(0.0444)	0.0038	(0.0450)	0.0023

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank increased its share capital, due to the conversion of the total convertible bond that was issued on 1.2.2013, under the agreement with Credit Agricole SA for the acquisition of former Emporiki Bank. From the conversion, 6,818,181 new common shares were issued representing 0.44% of total shares, which were taken under consideration for the the calculation of the weighted average number of outstanding ordinary shares of the period 1.1 - 30.6.2017.

ASSETS

9. Loans and advances to customers

	30.6.2017	31.12.2016
Individuals		
Mortgages	19,538,962	19,670,133
Consumer:		
- Non-securitized	4,126,012	4,041,109
- Securitized	1,131,631	1,272,572
Credit cards:		
- Non-securitized	714,923	718,425
- Securitized	536,406	540,376
Other	943	705
Total	**26,048,877**	**26,243,320**
Companies:		
Corporate loans:		
- Non-securitized	26,128,711	26,595,645
- Securitized	2,419,237	2,514,014
Finance leases (Leasing):		
- Non-Securitized	367,850	347,810
- Securitized	325,788	324,773
Factoring	472,959	528,618
Total	**29,714,545**	**30,310,860**
Other receivables	344,095	412,833
	56,107,517	**56,967,013**
Less:		
Allowance for impairment losses *	(12,322,167)	(12,558,253)
Total	**43,785,350**	**44,408,760**

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

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

As at 30.6.2017 mortgage loans included loans amounting to € 15.1 million (31.12.2016: € 15.5 million) that have been granted as collateral in the covered bonds program of the Bank. On 30.6.2017 the above mentioned covered bonds amounted to € 5 million (31.12.2016: € 5 million) (note 15).

* *In addition to the allowance for impairment losses regarding loans and advances to customers, a provision of € 1,358 (31.12.2016: € 3,195) has been recorded to cover credit risk relating to off-balance sheet items. The total provision recorded to cover credit risk amounts to € 12,323,525 (31.12.2016: € 12,561,448).*

Allowance for impairment losses

Balance 1.1.2016	**12,021,755**
Impairment losses for the period from continuing operations (note 6)	620,806
Impairment losses for the period from discontinued operations	(991)
Transfers of accumulated provisions to assets held for sale	(99,975)
Sales of impaired loans	(8,596)
Change in present value of the allowance account	261,047
Foreign exchange differences	(6,209)
Loans written-off during the period	(467,387)
Balance 30.6.2016	**12,320,450**
Changes for the period 1.7. - 31.12.2016	
Impairment losses for the period for continued operations	572,942
Impairment losses for the period for discontinued operations	3,204
Transfers of accumulated provisions to assets held for sale	(73,818)
Utilization of accumulated provisions for other movements	(16,425)
Sales of impaired loans	(9,199)
Change in present value of the allowance account	152,788
Foreign Exchange differences	14,102
Loans written-off during the period	(405,791)
Balance 31.12.2016	**12,558,253**
Changes for the period 1.1. - 30.6.2017	
Impairment losses for the period (note 6)	476,924
Transfers of accumulated provisions from assets held for sale	3,417
Sales of impaired loans/Disposal of subsidiaries	(51,717)
Change in present value of the allowance account	171,170
Foreign exchange differences	(28,042)
Loans written-off during the period	(807,838)
Balance 30.6.2017	**12,322,167**

In the context of management of non performing loans, the Group proceeded during the first semester of 2017 in loans' write-offs of €808 million.

The finance lease receivables by duration are as follows:

	30.6.2017	31.12.2016
Up to 1 year	336,281	324,206
From 1 year to 5 years	220,371	202,472
Over 5 years	220,454	237,799
	777,106	**764,477**
Non accrued finance lease income	(83,468)	(91,894)
Total	**693,638**	**672,583**

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

	30.6.2017	31.12.2016
Up to 1 year	322,566	309,997
From 1 year to 5 years	185,952	165,083
Over 5 years	185,120	197,503
Total	**693,638**	**672,583**

10. Investment and held for trading securities

i. Held for trading securities

Securities held for trading amounted to € 7.3 million on 30.6.2017 (31.12.2016: € 4.7 million) out of which Greek government bonds € 4.7 million (31.12.2016: €2.3 million).

ii. Investment securities

a. Available for sale

The available for sale portfolio amounted to € 5,670.7 million as at 30.6.2017 (31.12.2016: € 5,217.1 million). These amounts include securities issued by the Greek State that amounted to € 3,757.8 million as at 30.6.2017 (31.12.2016: € 3,589.7 million) of which € 1,420.4 million (31.12.2016: € 1,510.8 million) related to Greek Government treasury bills.

In addition, the available for sale portfolio includes bonds issued by the European Financial Stability Facility (EFSF), with a book value of € 415.2 million (31.12.2016: € 9.2 million), out of which amount of € 185.3 million relates to the exchange of loan portfolio with the EFSF, in the context of the implementation of short-term measures for public debt relief and €229.9 from placements in secondary market .

The Group during the first semester of 2017 has recognized impairment losses for other bonds amounting to € 1.8 million, for shares amounting to € 203 and for mutual funds amounting to € 87 which are included in "Gains less losses on financial transactions".

On 26.7.2017, the Group participated in the new issue of a five-year Greek government bond with a start date on 1.8.2017, maturity date on 1.8.2022 and a 4.625% yield, by exchanging a bond with a nominal value of € 440 million, of a 5-year duration, maturity on 17.4.2019 and a fixed price of 102,6% of its nominal value.

b. Held to maturity

The held to maturity portfolio amounts to € 21.4 million as at 30.6.2017 (31.12.2016: € 45 million). The variation between the comparative periods is mainly attributed to the maturity of a bank bond with a carrying amount of € 10 million and due to recall corporate bonds carrying value amounting to € 9.2 million

c. Loans and receivables

Loans and receivables include bonds issued by the European Financial Stability Facility (E.F.S.F.)

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

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

Until 23.01.2017, the Bank conducted sale transactions of EFSF securities at a nominal value of € 140 million, under the PSPP program.

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

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

During the first semester of 2017 and under this agreement, the Bank exchanged floating rate bonds of nominal value € 614.8 million, issued by EFSF, with equal in nominal value bonds, of fixed coupon, issued by EFSF, with a maturity of 30 years. Out of these bonds EFSF repurchased bonds with a nominal value of € 429.6 million whilst the remaining bond of € 185.2 million nominal value was reclassified in the available for sale portfolio. On 30.06.2017 the book value of the loans and receivables portfolio stood at € 1,919.7 million. (31.12.2016: € 2,682.7 million).

11. Investment property

	Land-Buildings
Balance 1.1.2016	
Cost	800,910
Accumulated depreciation and impairment losses	(177,248)
1.1.2016 - 30.6.2016	
Net book value 1.1.2016	623,662
Additions	40,481
Reclassification from "Property, plant and equipment"	25,314
Reclassification to "Assets held for sale"	(40,233)
Foreign exchange differences	(101)
Disposals/Write-offs	(14,368)
Depreciation charge for the period from continuing operations	(6,393)
Depreciation charge for the period from discontinued operations	(72)
Net book value 30.6.2016	**628,290**
Balance 30.6.2016	
Cost	802,219
Accumulated depreciation and impairment losses	(173,929)
1.7.2016 - 31.12.2016	
Net book value 1.7.2016	628,290
Additions	35,588
Additions from companies consolidated for the first time in 2016	11,907
Reclassification from "Property, plant and equipment"	(2)
Reclassification of investment assets of discontinued operations to "Assets held for sale"	(6,302)
Foreign exchange differences	(438)
Disposals/Write-offs	(16,216)
Depreciation charge for the period from continuing operations	(6,544)
Impairment losses	(32,191)
Net book value 31.12.2016	**614,092**
Balance 31.12.2016	
Cost	800,527
Accumulated depreciation and impairment losses	(186,435)
1.1.2017 - 30.6.2017	
Net book value 1.1.2017	614,092
Additions	24,728
Reclassification from "Property, plant and equipment"	28
Reclassification to "Property, plant and equipment"	(1,377)
Foreign exchange differences	(393)
Disposals/Write-offs	(20,876)
Subsidiary disposal	(3,700)
Depreciation charge for the period from continuing operations	(6,570)
Impairment losses	(239)
Net book value 30.6.2017	**605,693**
Balance 30.6.2017	
Cost	821,711
Accumulated depreciation and impairment losses	(216,018)

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

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

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

12. Property, plant and equipment

	Land and Buildings	Leased Equipment	Equipment	Total
Balance 1.1.2016				
Cost	1,169,294	4,090	472,059	1,645,443
Accumulated depreciation and impairment losses	(376,667)	(2,649)	(405,226)	(784,542)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	792,627	1,441	66,833	860,901
Foreign exchange differences	(450)		(48)	(498)
Additions	3,428		10,710	14,138
Disposals/Write-offs	(1,199)	(3)	(57)	(1,259)
Reclassification to "Investment property"	(25,314)			(25,314)
Reclassification from/to "Other assets" and to "Assets held for sale"	(3,379)	(467)	544	(3,302)
Depreciation charge for the period from continuing operations	(10,291)	(179)	(9,580)	(20,050)
Depreciation charge for the period from discontinued operations	(627)		(258)	(885)
Net book value 30.6.2016	**754,795**	**792**	**68,144**	**823,731**
Balance 30.6.2016				
Cost	1,135,677	3,334	475,766	1,614,777
Accumulated depreciation and impairment losses	(380,882)	(2,542)	(407,622)	(791,046)
1.7.2016 - 31.12.2016				
Net book value 1.7.2016	754,795	792	68,144	823,731
Foreign exchange differences	164	(1)	11	174
Additions	6,646	71	9,704	16,421
Additions from companies consolidated for the first time in 2016			278	278
Disposals/Write-offs	(1,841)		(29)	(1,870)
Reclassification from "Investment property"	2			2
Reclassification to "Assets held for sale"	227		258	485
Reclassification of assets from discontinued operations to "Assets held for sale"	(19,579)		(1,387)	(20,966)
Reclassification from/to "Property, plant and equipment"	(77)	(471)	548	
Reclassification to "Other assets"	(656)	467	(544)	(733)
Depreciation charge for the period from continuing operations	(10,313)	(137)	(9,165)	(19,615)
Impairment losses	(3,818)	-	(121)	(3,939)
Net book value 31.12.2016	**725,550**	**721**	**67,697**	**793,968**
Balance 31.12.2016				
Cost	1,097,399	3,389	462,904	1,563,692
Accumulated depreciation and impairment losses	(371,849)	(2,668)	(395,207)	(769,724)
1.1.2017 - 30.6.2017				
Net book value 1.1.2017	725,550	721	67,697	793,968
Foreign exchange differences	111	1	(61)	51
Additions	14,129		10,042	24,171
Disposals/Write-offs	(1,247)		(14)	(1,261)
Reclassification to "Investment property"	(28)			(28)
Reclassification from "Investment property"	1,377			1,377
Reclassification to "Other assets"	(5,867)			(5,867)
Depreciation charge from continuing operations	(10,052)	(137)	(9,257)	(19,446)
Impairment losses			(115)	(115)
Net book value 30.6.2017	**723,973**	**585**	**68,292**	**792,850**
Balance 30.6.2017				
Cost	1,099,855	3,386	471,380	1,574,621
Accumulated depreciation and impairment losses	(375,882)	(2,801)	(403,088)	(781,771)

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

In 2016, an impairment loss of €3.9 million was recognized for property, plant and equipment and was recorded in "Other Expenses".

13. Goodwill and other intangible assets

	Goodwill	Software	Other	Total
Balance 1.1.2016				
Cost	2,900	544,009	152,363	699,272
Accumulated amortization and impairment loss		(300,555)	(53,566)	(354,121)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	2,900	243,454	98,797	345,151
Additions		43,205		43,205
Foreign exchange differences		(38)	1	(37)
Amortization for the period from continuing operations		(12,826)	(9,146)	(21,972)
Amortization for the period from discontinued opearations		(123)		(123)
Net book value 30.6.2016	**2,900**	**273,672**	**89,652**	**366,224**
Balance 30.6.2016				
Cost	2,900	586,672	152,192	741,764
Accumulated amortization and impairment loss		(313,000)	(62,540)	(375,540)
1.7.2016 - 31.12.2016				
Net book value 1.7.2016	2,900	273,672	89,652	366,224
Additions		36,215		36,215
Reclassification to “Assets held for sale”		(2)		(2)
Reclassification of assets of discontinued operations to “Assets held for sale”		(1,338)		(1,338)
Foreign exchange differences		(8)	(1)	(9)
Disposals/ Write-offs		(170)		(170)
Amortization charge for the period from continuing operations		(13,705)	(9,146)	(22,851)
Impairment losses	(2,900)	(3,855)		(6,755)
Net book value 31.12.2016	**-**	**290,809**	**80,505**	**371,314**
Balance 31.12.2016				
Cost		617,620	140,128	757,748
Accumulated amortization and impairment loss		(326,811)	(59,623)	(386,434)
1.1.2017 - 30.6.2017				
Net book value 1.1.2017		290,809	80,505	371,314
Additions		30,134		30,134
Foreign exchange differences		(7)	1	(6)
Amortization charge for the period from continuing operations		(14,847)	(9,145)	(23,992)
Impairment losses		(2,840)		(2,840)
Net book value 30.6.2017	**-**	**303,249**	**71,361**	**374,610**
Balance 30.6.2017				
Cost		647,638	140,129	787,767
Accumulated amortization and impairment loss		(344,389)	(68,768)	(413,157)

The additions of the first semester of 2017 mainly concern acquisitions of user rights for computer applications.

LIABILITIES

14. Due to Banks

	30.6.2017	31.12.2016
Deposits:		
- Current accounts	38,253	35,304
- Term deposits:		
Central Banks	15,030,475	18,331,086
Other credit institutions	24,218	21,053
Cash collateral for derivative margin account	34,543	25,465
Sale of repurchase agreements (Repos)	1,772,557	411,914
Borrowing funds	312,268	277,404
Deposits on demand:		
- Other credit institutions	3,747	3,351
Total	**17,216,061**	**19,105,577**

Group's deposits from Eurosystem decreased by €3.3 billion during the first semester, mainly due to the signing of new repurchase agreements (Repos), the sale of EFSF bonds through the PSPP programme (note 10), and other bonds.

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

The caption "Borrowed funds" mainly includes liabilities due to European Investment Bank and European Bank for Reconstruction and Development amounting to € 294.4 million (31.12.2016: €276.3 million).

15. Debt securities in issue and other borrowed funds

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

Under the programme for the enhancement of the Greek's economy liquidity, according to Law 3723/2008, the first semester of 2017 the Bank proceeded to the issuance of senior debt securities guaranteed by the Greek State amounting to € 300 million whilst the maturities/redemptions for the same period amounted to € 1.3 billion.

The total balance of senior debt securities guaranteed by the Greek State as at 30.6.2017 amounts to €nil (31.12.2016: € 1 billion).

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

ii. Covered bonds *

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

The total balance of covered bonds as at 30.6.2017 amounts to € 5 million.

In the context of the existing program of direct covered bonds issuance of amount € 8 billion, the Bank issued, on 2.8.2017, a bond with a nominal value of € 1 billion collateralized with mortgage loans of an amount € 1.2 billion, maturity date on 23.10.2018 and bearing an interest rate corresponding to Euribor 3 months plus a margin of 1.2%. The issuance that is wholly purchased by the Bank, is used as collateral in financing operations.

iii. Senior debt securities

Balance 1.1.2017	**26,834**
Changes for the period 1.1 - 30.6.2017	
Maturities/Repayments	(17,719)
Accrued interest	326
Balance 30.6.2017	**9,441**

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

iv. Liabilities from the securitization of shipping loans

Balance 1.1.2017	**252,320**
Changes for the period 1.1 - 30.6.2017	
Maturities/Repayments	(71,942)
Accrued interest	3,625
Foreign exchange differences	(16,113)
Balance 30.6.2017	**167,890**

The Bank has proceeded to a shipping loan securitization transaction, transferring them to the fully consolidated Special Purpose Entity, Alpha Shipping Finance Ltd, which raised funding from third parties. The liability of the Group to third parties on 30.6.2017 amounts to € 168 million.

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

Balance 1.1.2017	**320,053**
Changes for the period 1.1 – 30.6.2017	
Capitalized expenses	(1,411)
Maturities/Repayments	(1,882)
Accrued interest	2.552
Balance 30.6.2017	**319,312**

In prior year, the Bank has proceeded with the securitization of SME's loans, transferring the aforementioned loans to the fully consolidated special purpose entity, Alpha Proodos Designated Activity Company (D.A.C.), which in turn raised funding from third parties and from the Bank. The liability of the Group to third parties on 30.6.2017 amounts to €319 million.

vi. Liabilities from the securitization of other loans

Liabilities arising from the securitization of consumer loans, corporate loans, credit cards and leasing are not included in "Debt securities in issue and other borrowed funds" since these securities of nominal value €4.5 billion have been issued by special purpose entities and are held by the Bank.

vii. Subordinated debt

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

Balance 1.1.2017	**82,338**
Changes for the period 1.1 - 30.6.2017	
Maturities/Repayments	(25,415)
Accrued interest	237
Balance 30.6.2017	**57,160**

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

2. Convertible bond loan

Balance 1.1.2017	**13,995**
Changes for the period 1.1 - 30.6.2017	
Fair value change	(1,790)
Maturities	(12,205)
Balance 30.6.2017	**-**

The convertible bond concerns to bond issuance with nominal value € 150 million issued by the Bank on 1.2.2013 under an agreement with Credit Agricole SA for the acquisition of former Emporiki Bank. The convertible bond matured on 1.2.2017, and on 23.2.2017 following the exercise of the conversion right from the total bondholders, the Bank proceeded to a share capital increase. (Note 17)

Total of debt securities in issue and other borrowed funds as at 30.6.2017	**553,803**

Of the above debt securities in issue amounting to € 553,803 an amount of € 48,426 (31.12.2016: € 78,675) held by Group customers has been reclassified to "Due to customer". Therefore, the balance of "Debt securities in issue held by institutional investors and other borrowed funds" as at 30.6.2017, amounts to € 505,377 (31.12.2016: € 616,865).

16. Provisions

	30.6.2017	31.12.2016
Insurance	243,645	219,530
Provisions to cover credit risk and other provisions	103,311	102,174
Total	**346,956**	**321,704**

a. Insurance

	30.6.2017	31.12.2016
Life insurance		
Mathematical reserves	243,148	218,996
Outstanding claim reserves	497	534
Total	**243,645**	**219,530**

b. Provisions to cover credit risk and other provisions

Balance 1.1.2016	**129,640**
Changes for the period 1.1 - 30.6.2016	
Provisions to cover credit risk relating to off balance sheet items from continuing operations (note 6)	557
Provisions to cover credit risk relating to off-balance sheet items from discontinued operations	(63)
Provision for voluntary separation scheme	30,993
Used provision for voluntary separation scheme	(30,993)
Other provisions for the period	11,212
Other provisions used during the period	(3,094)
Foreign exchange differences	34
Balance 30.6.2016	**138,286**
Changes for the period 1.7 - 31.12.2016	
Reclassification of provisions from Alpha Bank Srbija A.D. to "Liabilities related assets held for sale"	(1,076)
Provisions to cover credit risk relating to off-balance sheet items	(1,914)
Used provision for voluntary separation scheme	(35,262)
Other provisions for the period	5,573
Other provisions used for companies that were consolidated for the first time in 2016	(2,444)
Other provisions used during the period	(998)
Foreign exchange differences	9
Balance 31.12.2016	**102,174**
Changes for the period 1.1. - 30.6.2017	
Provisions to cover credit risk relating to off-balance sheet items (note 6)	(1,671)
Used provision for voluntary separation scheme of Alpha Bank A.E.	(754)
Other provisions used during the period	(4,109)
Other provisions for the period	7,689
Foreign exchange differences	(18)
Balance 30.6.2017	**103,311**

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

On 30.6.2017 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to € 1.3 million (31.12.2016: € 3.2 million) and other provisions to € 102 million (31.12.2016: € 99 million) out of which:

- An amount of € 41.2 million relates to pending legal cases. (31.12.2016: € 38.6 million).
- An amount of € 28.3 million (31.12.2016: € 29 million) refers to the remaining of the € 64.3 million provision of separation scheme which was recorded by the Bank on 31.12.2015, in the context of the updated restructuring plan and other commitments. The Bank, within the second quarter of 2017 set up a specific program for personnel working in the Prefecture of Thessaloniki which includes the legal compensation and other inceptives depending on personnel's age which will also be covered by this provision.

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

EQUITY

17. Share capital and Retained earnings

a. Share capital

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

As a result of the above the Bank's share capital on 30.6.2017 amounts to €463,109,814.30.

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

b. Share premium

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

c. Retained earnings

i. Since in 2016 there were no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 30.6.2017 decided the non-distribution of dividends to ordinary shareholders of the Bank.

ii. The caption "Retained Earnings" as at 30.6.2017 includes expenses relating to the share capital increase, amounting to €0.4 million (31.12.2016: €0.7 million) net of income tax.

18. Hybrid securities

	30.6.2017	31.12.2016
Perpetual with 1st call option on 18.2.2015 and annually	15,232	15,232
Securities held by Group companies	(100)	(100)
Total	**15,132**	**15,132**

ADDITIONAL INFORMATION

19. Contingent liabilities and commitments

a. Legal cases

The Group, in the ordinary course of business, is defendant in claims from customers and other legal proceedings. In the context of managing the operational risk events and on the basis of the accounting principles followed, the Group records all the filed lawsuits or similar actions raised by third parties against the Group and considers any possibility of their success, as well as the possible outcome.

For cases where there is a significant probability of an advesre outcome, and the result may be reliable estimated, the Group books a provision which is included in the Balance Sheet, under the caption "Provisions". On 30.6.2017 the amount of the such provision stood at €41.2 million.

For cases where according to their progress and the evaluation of the Legal department on 30.06.2017, an adverse outcome is not probable or the potential outflow cannot be reliably estimated due to the complexity of the cases, the time period they will last and the uncertainty of their outcome, the Group has not booked a provision.

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

b. Tax issues

The Bank has been audited by the tax authorities for the years up to and including 2009. For the year 2010, tax audit is in progress. For the years 2011 up to 2015, the Bank has obtained a tax certificate with no qualifications according to the article 82 of Law 2238/1994 and the article 65a of Law 4174/2013, whereas for the year 2016 the Bank is expected to receive tax certificate with no qualifications. Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. For the years 2011 up to 2013 it has obtained a tax certificate with no qualifications.

Alpha Bank's branches in London and Bulgaria have been audited by the tax authorities up to and including the years 2013 and 2016 respectively. For Bulgaria Branch, the tax audit for the year 2016 was completed in February 2017. Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations (year 2011), until its deletion from Department of Registrar of Companies of Cyprus (August 2015), meanwhile it has ceased its operations since September 2014.

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

Based on Ministerial Decision 1006/5.1.2016 there is no exemption from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and they have received an unqualified tax audit certificate. Therefore, the tax authorities may reaudit the tax books for previous years.

Additional taxes and penalties may be imposed as a result of such tax audits, which cannot be reliably determined.

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

Name	Year
Banks	
1. Alpha Bank London Ltd (voluntary settlement of tax obligation)	2014
2. Alpha Bank Cyprus Ltd (tax audit is in progress for years from 2012-2014)	2011
3. Alpha Bank Romania S.A.	2006
4. Alpha Bank Srbija A.D. (the Bank has been disposed as of 11.4.2017)	2004
5. Alpha Bank Albania SH.A.	2011
Leasing companies	
1. Alpha Leasing A.E. **	2010
2. Alpha Leasing Romania IFN S.A.	2007
3. ABC Factors A.E. ** (tax audit is in progress for the year 2010)	2009
Investment Banking	
1. Alpha Finance A.E.P.E.Y. **/***	2009
2. SSIF Alpha Finance Romania S.A.	2002
3. Alpha A.E. Investment Holdings **/***	2009

** *These companies received tax certificate for the years 2011 to 2015 without any qualification (note 7).*

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

Name	Year
Investment Banking (continue)	
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)	2014
Insurance	
1. Alpha Insurance Brokers A.E. **/***	2009
2. Alpha Insurance Brokers S.R.L.	2005
3. Alphalife A.A.E.Z. **/*** (tax audit is in progress for 2010)	2009
Real estate and hotel	
1. Alpha Astika Akinita A.E.** (tax audit is in progress for 2010)	2009
2. Ioniki Hotel Enterprises ** (the company was disposed on 16.12.2016)	2011
3. Oceanos A.T.O.E.E. **/***	2009
4. Emporiki Development and Real Estate Management A.E.	2008
5. Alpha Real Estate D.O.O. Beograd	2008
6. Alpha Astika Akinita D.O.O.E.L. Skopje (the company was disposed on 21.10.2016)	2005
7. Alpha Real Estate Bulgaria E.O.O.D. (commencement of operation 2007)	*
8. Chardash Trading E.O.O.D. (commencement of operation 2006)	*
9. Alpha Real Estate Services S.R.L. (commencement of operation 1998)	*
10. Alpha Investment Property Chalandriou A.E. (commencement of operation 2012)	**
11. Alpha Investment Property Attikis A.E (commencement of operation 2012)	**
12. Alpha Investment Property Attikis II A.E. (commencement of operation 2012)	**
13. Alpha Investment Property Amarousion I A.E. (commencement of operation 2012)	**
14. Alpha Investment Property Amarousion II A.E. (commencement of operation 2012)	**
15. AGI-RRE Participations 1 S.R.L. (commencement of operation 2010)	*
16. AGI-BRE Participations 1 E.O.O.D. (commencement of operation 2012- the company was disposed on 18.5.2017)	*
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 Poseidon S.R.L. (commencement of operation 2012)	*
21. AGI-RRE Hera S.R.L. (commencement of operation 2012)	*
22. AGI-BRE Participations 2 E.O.O.D. (commencement of operation 2012)	*
23. AGI-BRE Participations 2BG E.O.O.D. (commencement of operation 2012)	*
24. AGI-BRE Participations 3 E.O.O.D. (commencement of operation 2012)	*
25. AGI-BRE Participations 4 E.O.O.D. (commencement of operation 2012)	*
26. APE Fixed Assets A.E.**/***	2009
27. SC Cordia Residence S.R.L.	2013
28. HT-1 E.O.O.D (commencement of operation 2013)	*
29. AGI-RRE Cleopatra S.R.L. (commencement of operation 2014)	*
30. AGI-RRE Hermes S.R.L. (commencement of operation 2014)	*
31. SC Carmel Residential S.R.L. (commencement of operation 2013)	*
32. Alpha Investment Property Neas Kifissias A.E. (commencement of operation 2014)	*
33. Alpha Investment Property Kallirois A.E. (commencement of operation 2014)	*
34. Alpha Investment Property Livadias A.E. (commencement of operation 2014)	*
35. AGI-SRE Ariadni DOO (commencement of operation 2015- the company was disposed on 20.6.2017)	*
36. Alpha Investment Property Kefalariou A.E. (commencement of operation 2015)	*
37. Alpha Investment Property Neas Erythreas A.E. (commencement of operation 2015)	*
38. Alpha Investment Property Chanion AE (Former Anaplasi Plagias AE- commencement of operation 2011)	*
39. Asmita Gardens S.R.L.	2010
40. Ashtrom Residents S.R.L. (commencement of operation 2006)	*
41. Cubic Center Development S.A. (commencement of operation 2010)	*
42. AGI-BRE Participations 5 EOOD (commencement of operation 2015)	*
43. AGI-SRE Participations 1 DOO (commencement of operation 2016)	*
44. Alpha Investment Property Spaton AE (commencement of operation 2017)	*

* *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 to 2015 without any qualification (note 7).*

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

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

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

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

** *These companies received tax certificate for the years 2011 to 2015 without any qualification (note 7).*

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

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

c. Operating leases

The Group's minimum future lease payments are:

	30.6.2017	31.12.2016
- less than one year	40,184	41,708
- between one and five years	96,889	104,517
- over five years	135,322	146,383
Total	**272,395**	**292,608**

The minimum future lease fees are:

	30.6.2017	31.12.2016
- less than one year	13,765	13,419
- between one and five years	46,787	43,754
- over five years	43,472	48,527
Total	**104,024**	**105,700**

d. Off balance sheet liabilities

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

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

The outstanding balances are as follows:

	30.6.2017	31.12.2016
Letters of credit	33,458	47,993
Letters of guarantee and other guarantees	3,461,405	3,519,793

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

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 30.6.2017 amounts to € 423.3 million (31.12.2016: € 494.7 million) and are included in the calculation of risk weighted assets.

The Bank has committed to contribute in the share capital of the joint venture Alpha TANEO AKES up to the amount of €0.3 million.

e. Assets pledged

Assets pledged, as at 30.6.2017 are analyzed as follows:

- Deposits pledged amounting to € 0.8 billion concerning the Group's obligation to maintain deposits in Central Banks according to ratios determined in the respective country.
- Deposits pledged amounting to € 0.2 billion concerning guarantees provided on behalf of the Greek State.
- Deposits pledged to credit institutions amounting to € 1.1 billion which have been provided as guarantee for derivative transactions.
- Deposits pledged to credit institutions amounting to € 0.04 billion which have been provided for Letter of Credit or Guarantee Letters issued by the Bank in order to facilitate clients' imports.
- Deposits of € 6.2 million were pledged to the Resolution Fund as irrevocable payment commitment for a part of 2016 and 2017 contribution. The commitment has to be fully secured by cash as decided by the Single Resolution Board.
- Loans and advances to customers:

i. an amount of nominal value of € 20.7 billion pledged to Central Banks for liquidity purposes.

ii. a carrying amount of € 3.3 billion which relates to corporate, consumer loans, receivables from finance lease agreements and credit cards has been securitized for the issuance of the Group's special purpose entities' bonds of a nominal value of € 4.2 billion, which are held by the Bank and pledged to Central Banks for liquidity purposes, whilst an amount of € 3.8 billion has been given for purposes of raising funding and an amount of €0.37 billion has been given as collateral for repurchase agreements (repo).

iii. a carrying amount of € 0.5 billion, which relates to shipping loans, has been securitized for the purpose of financing the Group through a Special Purpose Entitiy, which amounts to € 0.2 billion at 30.6.2017.

iv. a carrying amount of € 0.6 billion which relates to corporate loans have been securitized for the issuance of the Group's special purpose entitie's bonds, which amounts to € 0.6 billion on 30.6.2017, out of which amount € 0.3 billion is held by the Bank.

v. an amount of nominal value of € 0.2 billion has been pledged for other loan facilities.

- Securities held for trading and investment securities portfolio:

i. An amount of nominal value of € 3.89 billion of Greek Government securities, of which a nominal amount of € 3.34 billion has been pledged to Central Banks for liquidity purposes, of a nominal amount of € 0.01 billion has been pledged for other loan facilities, whilst a nominal amount of € 0.54 billion has been given as collateral for repurchase agreements (repo).

The above include an amount of nominal value €0.06 billion which relates to Greek Government securities received as collateral for reverse repos.

ii. An amount of nominal value of € 1.71 billion relates to securities issued by the European Financial Stability Facility (EFSF) that : a) they were attributed to the Bank by the HFSF in the context of its participation to the Banks share capital increase that was completed on 6.6.2013, b) they were attributed to the Bank by the HFSF in order to cover the difference between the values of assets and liabilities transferred from Cooperative Banks, (c) they have been acquired in the secondary market and (d) they have been acquired in the context of the implementation of shortterm measures for public debt relief, out of which an amount of nominal value of € 0.66 billion has been pledged to Central Banks with the purpose to participate in main refinancing operations and an amount of nominal value of € 1.05 billion has been given as collateral for repurchase agreements (repo).

iii. An amount of € 0.21 billion of other corporate securities has been given as a collateral of repo agreements.

iv. An amount of € 0.08 billion which relates to bonds issued by third parties, has been given to Central Banks for liquidity purposes.

v. An amount of € 16.2 million of other government bonds has been pledged as a collateral for repurchase agreements (repo).

20. Group Consolidated Companies

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

A. SUBSIDIARIES

		Group's ownership interest %	
Name	**Country**	**30.6.2017**	**31.12.2016**
Banks			
1. Alpha Bank London Ltd	United Kingdom	100.00	100.00
2. Alpha Bank Cyprus Ltd	Cyprus	100.00	100.00
3. Alpha Bank Romania S.A.	Romania	99.92	99.92
4. Alpha Bank Srbija A.D. (28e,28l)	Serbia		100.00
5. Alpha Bank Albania SH.A.	Albania	100.00	100.00
Leasing Companies			
1. Alpha Leasing A.E.	Greece	100.00	100.00
2. Alpha Leasing Romania IFN S.A.	Romania	100.00	100.00
3. ABC Factors A.E.	Greece	100.00	100.00

		Group's ownership interest %	
Name	**Country**	**30.6.2017**	**31.12.2016**
Investment Banking			
1. Alpha Finance A.E.P.E.Y.	Greece	100.00	100.00
2. SSIF Alpha Finance Romania S.A.	Romania	100.00	100.00
3. Alpha A.E. Investment Holdings	Greece	100.00	100.00
4. Alpha A.E. Ventures Capital Management – AKES	Greece	100.00	100.00
5. Emporiki Ventures Capital Developed Markets Ltd	Cyprus	100.00	100.00
6. Emporiki Ventures Capital Emerging Markets Ltd	Cyprus	100.00	100.00
Asset Management			
1. Alpha Asset Management A.E.D.A.K.	Greece	100.00	100.00
2. ABL Independent Financial Advisers Ltd	United Kingdom	100.00	100.00
Insurance			
1. Alpha Insurance Agents A.E.	Greece	100.00	100.00
2. Alpha Insurance Brokers S.R.L.	Romania	100.00	100.00
3. Alphalife A.A.E.Z. (28b)	Greece	100.00	100.00
Real estate and hotel			
1. Alpha Astika Akinita A.E.	Greece	93.17	93.17
2. Oceanos A.T.O.E.E.	Greece	100.00	100.00
3. Emporiki Development and Real Estate Management A.E (28o)	Greece	100.00	100.00
4. Alpha Real Estate D.O.O. Beograd	Serbia	93.17	93.17
5. Alpha Real Estate Bulgaria E.O.O.D.	Bulgaria	93.17	93.17
6. Chardash Trading E.O.O.D.	Bulgaria	93.17	93.17
7. Alpha Real Estate Services S.R.L.	Romania	93.17	93.17
8. Alpha Investment Property Chalandriou A.E. (28j)	Greece	100.00	100.00
9. Alpha Investment Property Attikis A.E.	Greece	100.00	100.00
10. Alpha Investment Property Attikis II A.E.	Greece	100.00	100.00
11. Alpha Investment Property Amarousion I A.E. (28j)	Greece	100.00	100.00
12. Alpha Investment Property Amarousion II A.E.(28j)	Greece	100.00	100.00
13. AGI-RRE Participations 1 S.R.L.	Romania	100.00	100.00
14. AGI-BRE Participations 1 E.O.O.D. (28p)	Bulgaria		100.00
15. Stockfort Ltd	Cyprus	100.00	100.00
16. Romfelt Real Estate S.A.	Romania	98.86	98.86
17. AGI-RRE Zeus S.R.L.	Romania	100.00	100.00
18. AGI-RRE Athena S.R.L. (28q) *	Romania		100.00
19. AGI-RRE Poseidon S.R.L.	Romania	100.00	100.00
20. AGI-RRE Hera S.R.L.	Romania	100.00	100.00
21. AGI-BRE Participations 2 E.O.O.D.	Bulgaria	100.00	100.00
22. AGI-BRE Participations 2BG E.O.O.D.	Bulgaria	100.00	100.00
23. AGI-BRE Participations 3 E.O.O.D.	Bulgaria	100.00	100.00
24. AGI-BRE Participations 4 E.O.O.D.	Bulgaria	100.00	100.00
25. APE Fixed Assets A.E.	Greece	72.20	72.20
26. SC Cordia Residence S.R.L.	Romania	100.00	100.00
27. HT-1 E.O.O.D.	Bulgaria	100.00	100.00
28. AGI-RRE Venus S.R.L.(28q) *	Romania		100.00
29. AGI-RRE Cleopatra S.R.L. (26s)	Romania	100.00	100.00
30. AGI-RRE Hermes S.R.L. **	Romania	100.00	100.00
31. SC Carmel Residential S.R.L.	Romania	100.00	100.00
32. Alpha Investment Property Neas Kifisias A.E. (28j)	Greece	100.00	100.00
33. Alpha Investment Property Kallirois A.E.	Greece	100.00	100.00
34. Alpha Investment Property Livadias A.E.	Greece	100.00	100.00
35. AGI-SRE Ariadni DOO (28r)	Serbia		100.00

* *The companies are deleted from the Company Register.*

** *The company does not have financial activity.*

Name	Country	Group's ownership interest % 30.6.2017	31.12.2016
Real estate and hotel (continue)			
36. Asmita Gardens SRL	Romania	100.00	100.00
37. Alpha Investment Property Kefalariou A.E. (26a, 26f)	Greece	54.17	100.00
38. Ashtrom Residents S.R.L.	Romania	100.00	100.00
39. AGI-BRE Participations 5 E.O.O.D. *	Bulgaria	100.00	100.00
40. Cubic Center Development S.A.	Romania	100.00	100.00
41. Alpha Investment Property Neas Erythreas A.E.	Greece	100.00	100.00
42. Alpha Investement Property Chanion AE (former Anaplasi Plagias AE) (28j) *	Greece	100.00	100.00
43. AGI-SRE Participations 1 DOO	Serbia	100.00	100.00
44. Alpha Investment Property Spaton AE (28k)	Greece	100.00	
45. TH Top Hotels S.R.L. (28s)	Romania	97.50	
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 (28a, 28f, 28j, 28k)	Cyprus	100.00	100.00
4. Ionian Holdings A.E.	Greece	100.00	100.00
5. Ionian Equity Participations Ltd	Cyprus	100.00	100.00
6. Emporiki Group Finance Plc	United Kingdom	100.00	100.00
7. AGI-BRE Participations 1 Ltd	Cyprus	100.00	100.00
8. AGI-RRE Participations 1 Ltd	Cyprus	100.00	100.00
9. Alpha Group Ltd	Cyprus	100.00	100.00
10. Katanalotika Plc	United Kingdom		
11. Epihiro Plc	United Kingdom		
12. Irida Plc	United Kingdom		
13. Pisti 2010-1 Plc	United Kingdom		
14. Alpha Shipping Finance Ltd	United Kingdom		
15. Alpha Proodos DAC	Ireland		
16. AGI – RRE Athena Ltd	Cyprus	100.00	100.00
17. AGI – RRE Poseidon Ltd	Cyprus	100.00	100.00
18. AGI – RRE Hera Ltd	Cyprus	100.00	100.00
19. Umera Ltd	Cyprus	100.00	100.00
20. AGI-BRE Participations 2 Ltd	Cyprus	100.00	100.00
21. AGI-BRE Participations 3 Ltd	Cyprus	100.00	100.00
22. AGI-BRE Participations 4 Ltd	Cyprus	100.00	100.00
23. Alpha Real Estate Services LLC	Cyprus	93.17	93.17
24. AGI-RRE Ares Ltd	Cyprus	100.00	100.00
25. AGI-RRE Venus Ltd	Cyprus	100.00	100.00
26. AGI-RRE Artemis Ltd	Cyprus	100.00	100.00
27. AGI-BRE Participations 5 Ltd	Cyprus	100.00	100.00
28. AGI-RRE Cleopatra Ltd	Cyprus	100.00	100.00
29. AGI-RRE Hermes Ltd	Cyprus	100.00	100.00
30. AGI-RRE Arsinoe Ltd	Cyprus	100.00	100.00
31. AGI-SRE Ariadni Ltd	Cyprus	100.00	100.00
32. Zerelda Ltd	Cyprus	100.00	100.00
33. AGI-Cypre Alaminos Ltd	Cyprus	100.00	100.00
34. AGI-Cypre Tochni Ltd	Cyprus	100.00	100.00
35. AGI-Cypre Evagoras Ltd	Cyprus	100.00	100.00
36. AGI-Cypre Tersefanou Ltd	Cyprus	100.00	100.00
37. AGI-Cypre Mazotos Ltd	Cyprus	100.00	100.00
38. AGI-Cypre Ermis Ltd (28h)	Cyprus	100.00	100.00
39. AGI-SRE Participations 1 Ltd	Cyprus	100.00	100.00
Other companies			
1. Alpha Bank London Nominees Ltd	United Kingdom	100.00	100.00
2. Alpha Trustees Ltd	Cyprus	100.00	100.00
3. Kafe Alpha A.E.	Greece	100.00	100.00

Name	Country	Group's ownership interest %	
		30.6.2017	31.12.2016
Other companies (continue)			
4. Alpha Supporting Services A.E.	Greece	100.00	100.00
5. Real Car Rental A.E.	Greece	100.00	100.00
6. Evisak A.E.	Greece	85.71	85.71
7. Emporiki Management A.E.	Greece	100.00	100.00
8. Alpha Bank Notification Services A.E.	Greece	100.00	100.00

B. JOINT VENTURES

1. APE Commercial Property A.E.	Greece	72.20	72.20
2. APE Investment Property A.E.	Greece	72.80	72.80
3. Alpha TANEO A.K.E.S.	Greece	51.00	51.00
4. Rosequeens Properties Ltd.	Cyprus	33.33	33.33
5. Cepal Holding A.E.	Greece		45.00

APE Investment Property is the parent Company of a Group of Companies, in which the subsidiaries SYMET SA, Astakos Terminal SA, Akarport SA and NA.VI.PE SA are included. Furthemore, Rosequeens Properties Ltd is the Parent Company of a group of Companies in which the subsidiary Rosequeens Properties SRL is included.The Group accounts for the above groups of companies under the equity method based on the consolidated financial statements.

C. ASSOCIATES

Name	Country	Group's ownership interest %	
		30.6.2017	31.12.2016
1. AEDEP Thessalias and Stereas Ellados	Greece	50.00	50.00
2. A.L.C. Novelle Investments Ltd	Cyprus	33.33	33.33
3. Banking Information Systems A.E.	Greece	23.77	23.77
4. Propindex A.E.D.A.	Greece	35.58	35.58
5. Olganos A.E.	Greece	30.44	30.44
6. Alpha Investment Property Eleona A.E.	Greece	50.00	50.00
7. Selonda Aquaculture A.E.G.E.	Greece	21.97	21.97
8. Nireus Aquaculture AE	Greece	20.65	20.65
9. Famar S.A. (28i)	Luxembourg	47.04	
10. Cepal Holding AE (28c, 28m, 28n)	Greece	42.77	

During the current period the Bank acquired 47,04% of the share capital of the company Famar S.A., which is parent company of a group, at a price of four euro and seventy cents. This acquisition of the shares by the Bank as well as by three other Greek banks, lenders of the company, took place within the context of the French pre-bankruptcy procedure, that Famar entered into with a view to its restructuring. At the same time, the banks and a loan management company entered into an agreement, which determines the way of decision making regarding the management of Famar, in order to maximize the recovery potential of the value of the loans granted to the company by the Greek Banks. In addition, it is noted that according to Famar's Articles of Association, there are corporate issues for which decision making is based on the number of shareholders instead of the percentage of shares held. The company's shares are pledged for loans granted by the aforementioned Greek banks to the previous shareholder of Famar S.A, both before and after the restructuring agreement. The Bank assesses the above and classified the participation of Famar S.A. investments in associates.

Cepal Holdings S.A. is the parent company of the group companies with subsidiaries the companies Cepal Hellas Financial Services Societe Anonyme for the Management of Receivables from Loans and Credits, Kaican Services Limited and Kaican Hellas S.A.

Bank's participation in Cepal Holdings S.A. reclassified from joint ventures to associates following the agreement of company's shareholders, signed during the second quarter of 2017, and the 4.5.2017 company's amended Articles of Association.

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

21. Disclosures of Law 4261/5.5.2014

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

The required information is listed below.

Greece

Turnover in Greece on 31.12.2016 amounted to € 3,150,986 thousands, results before tax amounted to gains € 138,516 thousands, credit taxes on results amounted to € 123,529 thousands and the number of employees was 8,918 for the following companies that included:

Banks

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

Investment Banking

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

Financing Companies

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

Asset Management

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

Insurance

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

Real estate and hotels

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

Special purpose and holding entities

1. Ionian Holdings A.E.

Other companies

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

Bulgaria

Turnover in Bulgaria on 31.12.2016 amounted to € 2,614 thousands, results before tax amounted to losses € (2,384) thousands, taxes on results amounted to € (42) thousands and the following companies included:

Real estate and hotels

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

Cyprus

Turnover in Cyprus on 31.12.2016 amounted to € 232,317 thousands, results before tax amounted to losses € (90,680) thousands, credit taxes on results amounted to € 1,793 thousands the number of employees was 656 and the following companies were included:

Banks
1. Alpha Bank Cyprus Ltd

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

Real estate and hotels
1. Stockfort Ltd

Special purpose and holding entities
1. Alpha Group Investments Ltd
2. Ionian Equity Participations Ltd
3. AGI-BRE Participations 1 Ltd
4. AGI-RRE Participations 1 Ltd
5. Alpha Group Ltd
6. AGI-RRE Athena Ltd
7. AGI-RRE Poseidon Ltd
8. AGI-RRE Hera Ltd
9. Umera Ltd
10. AGI-BRE Participations 2 Ltd
11. AGI-BRE Participations 3 Ltd
12. AGI-BRE Participations 4 Ltd
13. Alpha Real Estate Services LLC
14. AGI-RRE Ares Ltd
15. AGI-RRE Venus Ltd
16. AGI-RRE Artemis Ltd
17. AGI-BRE Participations 5 Ltd
18. AGI-RRE Cleopatra Ltd
19. AGI-RRE Hermes Ltd
20. AGI-RRE Arsinoe Ltd
21. AGI-SRE Ariadni Ltd
22. AGI-Cypre Alaminos Ltd
23. AGI-Cypre Tochni Ltd
24. AGI-Cypre Evagoras Ltd
25. AGI-Cypre Tersefanou Ltd
26. AGI-Cypre Mazotos Ltd
27. AGI-Cypre Ermis Ltd
28. AGI-SRE Participations 1 Ltd

Other companies
1. Alpha Trustees Ltd
2. Zerelda Ltd

United Kingdom

Turnover in United Kingdom on 31.12.2016 amounted to € 27,451 thousands, results before tax amounted to gains € 3,761 thousands, taxes on results amounted to € (794) thousands, the number of employees was 42 and the following companies included were:

Banks
1. Alpha Bank London Ltd

Asset Management
1. ABL Independent Financial Advisers Ltd

Special purpose and holding entities
1. Alpha Credit Group Plc
2. Emporiki Group Finance Plc
3. Alpha Finance Shipping LTD

Other companies
1. Alpha Bank London Nominees Ltd
2. Flagbright Ltd

Jersey

Turnover in Jersey on 31.12.2016 amounted to € 454 thousands and the results before tax amounted to losses € (79) thousands.

Special purpose and holding entities
1. Alpha Group Jersey Ltd

Serbia

Turnover in Serbia on 31.12.2016 amounted to €41,037 thousands, results before tax amounted to gains €6,037 thousands, tax on results amounted to €(32) thousands, the number of employees was 836 and the following companies included were:

Banks

1. Alpha Bank Srbija A.D.

Real estate and hotels

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

Special purpose and holding entities

1. AGI-SRE Ariadni DOO

Romania

Turnover in Romania on 31.12.2016 amounted to €159,666 thousands, results before tax amounted to gains €20,286 thousands, taxes on results amounted to €(4,533) thousands, the number of employees was 1,882 and the following companies included were:

Banks

1. Alpha Bank Romania S.A.

Leasing companies

1. Alpha Leasing Romania IFN S.A.

Investment Banking

1. SSIF Alpha Finance Romania S.A.

Insurance

1. Alpha Insurance Brokers S.R.L.

Real estate and hotels

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

Albania

Turnover in Albania on 31.12.2016 amounted to €22,924 thousands, results before tax amounted to losses €(10,238) thousands, tax on results amounted to €(92) thousands the number of employees was 415 and the following companies included were:

Banks

1. Alpha Bank Albania SH.A.

FYROM

Turnover in FYROM on 31.12.2016 amounted to €2,090 thousands, results before tax amounted to losses €(991) thousands, credit tax on results amounted to €21 thousands and the following companies included were:

Banks

1. Alpha Bank AD Skopje

Real estate and hotels

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

Ireland

On 31.12.2016, turnover in Ireland amounted to € 383 thousands.

Special purpose and holding entities
Alpha Proodos D.A.C.

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 2016 amounted to 0.1% (31.12.2015: (1.9)%).

22. Operating segments

(Amounts in million of Euro)

	1.1 - 30.6.2017						
	Retail Banking	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South Eastern Europe**	**Other**	**Group**
Net interest income	483.6	320.6	6.4	43.4	120.1	2.0	976.1
Net fee and commission income	51.5	59.9	23.5	13.3	12.6	0.7	161.5
Other income	4.4	(30.5)	1.6	79.1	9.0	(3.2)	60.4
Total income	**539.5**	**350.0**	**31.5**	**135.8**	**141.7**	**(0.5)**	**1,198.0**
Total expenses before impairment losses and provisions to cover credit risk	**(325.0)**	**(80.1)**	**(15.0)**	**(14.1)**	**(85.4)**	**(40.2)**	**(559.8)**
Impairment losses	(436.3)	58.3			(85.4)		(463.4)
Profit/(Loss) before income tax	**(221.8)**	**328.2**	**16.5**	**121.7**	**(29.1)**	**(40.7)**	**174.8**
Income tax							(56.8)
Profit/(Loss) after income tax from continuing operations							**118.0**
Profit/(Loss) from discontinued operations					(68.5)		(68.5)
Profit/(Loss) after income tax							**49.5**
Assets 30.6.2017	24,870.8	15,277.2	383.2	9,595.6	7,676.1	4,907.1	62,710.0
Liabilities 30.6.2017	22,443.8	5,630.6	1,549.3	17,714.0	5,736.4	178.5	53,252.6

* *According to European Securities and Markets Authority guidelines (ESMA), the definition and precise calculation of the ratio is presented in the Semi Annual Report's Appendix.*

(Amounts in million of Euro)

	1.1 - 30.6.2016						
	Retail Banking	Corporate Banking	Asset Management/ Insurance	Investment Banking/ Treasury	South Eastern Europe	Other	Group
Net interest income	506.0	349.0	7.6	(40.5)	129.1	1.6	952.8
Net fee and commission income	54.1	67.0	16.6	4.6	12.7	0.7	155.7
Other income	3.3	5.8	(0.7)	18.6	26.4	32.3	85.7
Total income	**563.4**	**421.8**	**23.5**	**(17.3)**	**168.2**	**34.6**	**1,194.2**
Total expenses before impairment losses and provisions to cover credit risk	**(326.1)**	**(75.3)**	**(13.3)**	**(14.5)**	**(90.8)**	**(37.1)**	**(557.1)**
Impairment losses	(166.0)	(357.2)			(82.7)		(605.9)
Voluntary separation scheme cost					(31.5)		(31.5)
Profit/(losses) before income tax	**71.3**	**(10.7)**	**10.2**	**(31.8)**	**(36.8)**	**(2.5)**	**(0.3)**
Income tax							(24.5)
Profit/(losses) after income tax from continuing operations							**(24.8)**
Profit/(losses) from discontinued operations					5.9		5.9
Profit/(losses) after income tax							**(18.9)**
Assets 31.12.2016	24,887.3	15,379.1	380.7	10,436.6	8,813.3	4,975.3	64,872.3
Liabilities 31.12.2016	22,459.0	5,809.3	1,658.7	19,634.3	6,125.6	72.0	55,758.9

i. Retail Banking

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

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

ii. Corporate Banking

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

iii. Asset Management/Insurance

Consists of a wide range of asset management services offered through Group's private banking units and its subsidiary, Alpha Asset Management A.E.D.A.K. In addition, it includes income received from the sale of a wide range of insurance products to individuals and companies through either AXA Insurance, which is the corporate successor of the former subsidiary Alpha Insurance A.E. or through the subsidiary Alphalife A.A.E.Z.

iv. Investment Banking/Treasury

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

v. South Eastern Europe

Consists of the Bank's branches and the Group's subsidiaries, which operate in South-Eastern Europe. It is noted that Bulgaria's Branch and Alpha Bank's subsidiary Alpha Bank AD Skopje and Alpha Bank Srbija A.D, are not included anymore in the results of the continuing activities in this sector anymore. Their financial result is included in the category "Profit/Loss from discontinued operations".

vi. Other

This segment consists of the non-financial subsidiaries of the Group and Bank's income and expenses that are not related to its operating activity.The relevant figures of subsidiaries abroad are included in the Southeast Europe operating segment.

The following lending figures of the Bank are included in the assets of "Retail Banking" operating segments. In addition, ABC Factors S.A. and Alpha Leasing S.A. lending figures, that are administered by Non-Performing Loans Division and Wholesale Banking, according to the internal procedures of the Bank, are included in the Southeast Europe operating segment.

	30.6.2017			31.12.2016		
	Balance before Impairment	Accumulated Impairment	Balance after Impairment	Balance before Impairment	Accumulated Impairment	Balance after Impairment
Mortgages	7,732,369	2,347,510	5,384,859	7,655,203	2,032,511	5,622,692
Consumer loans	4,312,369	2,400,266	1,912,103	4,336,599	2,394,214	1,942,385
Corporate loans	13,522,060	6,991,109	6,530,951	14,030,221	7,785,885	6,244,336
Total	**25,566,798**	**11,738,885**	**13,827,913**	**26,022,023**	**12,212,610**	**13,809,413**

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

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

i. Exposure to the Greek State

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

	30.6.2017		31.12.2016	
Portfolio	Nominal value	Carrying amount	Nominal value	Carrying amount
Available for sale	4,100,876	3,757,756	4,175,594	3,589,720
Trading	5,591	4,715	2,861	2,256
Total	**4,106,467**	**3,762,471**	**4,178,455**	**3,591,976**

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

In addition the carrying amount of securities issued by the public entities/organizations on 30.6.2017 amounted to € 111.1 million (31.12.2016: € 151.9 million.).

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

On balance sheet exposure

	30.6.2017	31.12.2016
	Carrying amount	Carrying amount
Derivative financial instruments – assets	319,387	342,737
Derivative financial instruments – liabilities	(45,648)	(69,299)

Derivative financial liabilities from public sector entities/organizations amounted to € 5.4 million as at 30.6.2017 (31.12.2016: € 8.4 million assets).

The Group's exposure in loans granted to public sector entities/organizations as at 30.6.2017 amounted to € 1,135.5 million (31.12.2016: € 1,112 million). The Group for the above receivables has recognized impairment amounted to€ 48.3 million as at 30.6.2017 (31.12.2016: € 49.1 million).

In addition the balance of Group's loans guaranteed by the Greek State (directly guaranteed by Greek government, loans guaranteed by TEMPE, loans guaranteed by Common Ministerial Decisions) as at 30.6.2017 amounted to € 695.3 million (31.12.2016: € 720.6 million). For these loans the Bank has recognized impairment amounted to € 122.7 million as at 30.6.2017 (31.12.2016: € 149.2 million).

Off balance sheet exposure

	30.6.2017		31.12.2016	
	Nominal value	Fair Value	Nominal value	Fair Value
Greek Government Treasury Bills received as guarantee for financing	56,100	55,999	56,373	57,162

ii. Exposure to other peripheral Eurozone countries debt

The Group holds in its available for sale portfolio, bonds and treasury bills of the Republic of Cyprus with a book value of € 88 million (31.12.2016: € 114.5 million), bonds issued by the Italian Republic with a book value of € 9.7 million (31.12.2016: € 9.8 million) and bonds issued by the Spanish Republic with a book value of € 12.4 million (31.12.2016: € 10.8 million).

As at 30.6.2017 the Group had no exposure to bonds issued by Portugal and Ireland.

24. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	30.6.2017		31.12.2016	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets				
Loans and advances to customers	43,475,123	43,785,350	44,102,220	44,408,760
Investments securities				
- Held to maturity	19,902	21,356	41,859	44,999
- Loans and receivables	1,963,832	1,919,723	2,743,600	2,682,655
Financial Liabilities				
Due to customers	33,117,609	33,140,798	32,913,723	32,946,116
Debt securities in issue *	505,174	505,377	599,743	602,870

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 adjustments for credit loss. The fair value of deposits is estimated based on the interbank market yield curves by deducting customer's spread depending on the type of deposit. In both of these cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

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

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

** On 31.12.2016 Debt securities in issue do not include the convertible bond loan issued by the Bank in the context of the agreement with Credit Agricole S.A. regarding the acquisition of Emporiki Bank since this security is measured at fair value. The convertible bond matured on 1.2.2017.*

Hierarchy of financial instruments measured at fair value

	30.6.2017			
	Level 1	Level 2	Level 3	Total Fair value
Derivative Financial Assets	3,874	547,179	18,346	569,399
Securities held for trading				
- Bonds and Treasury bills	4,715			4,715
- Shares	2,563			2,563
Available for sale securities				
- Bonds and treasury bills	5,047,791	433,365	30,220	5,511,376
- Shares	62,674	20,035	52,489	135,198
- Other variable yield securities	24,144			24,144
Derivative financial liabilities	6	1,136,136		1,136,142
Convertible bond	-	-	-	-

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

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

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

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

Shares whose fair value is assessed based on calculations are classified either in Level 2 or Level 3, depending on the extent of the contribution of unobservable data to the estimation of their fair value. The fair value of both non listed shares and shares not traded in an active market is determined based either on multiples valuation method or on the estimations made by the Group which relate to the future profitability of the issuer, taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate.

In particular, with respect to investments in quoted shares for which it has not been used market price, the market was considered inactive because the number of daily transactions was low, whilst no transactions were inquired at a substantial numer of daily sessions. On the basis of the above and after taking into account the fact that the main shareholders hold a high share of voting rights resulting to a low degree of diversification in the Athens Stock Exchange over time, the market price of the shares was not considered to be representative of their fair value and the Group determines the fair value using the multiples method. These shares were classified at Level 3 and their fair value stood at euro 9.5 million.

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 in the context of the daily process of collaterals's endowement and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified as Level 3 or otherwise as Level 2.

Regarding derivatives, the Group estimates a Credit Valuation Adjustment by taking into account counterparty credit risk for Derivative Financial Instruments trading in OTC.

Credit valuation adjustments (CVA) are estimated in order to account for the credit risk of the counterparty inherent in OTC derivative transactions. In order to consider the bilateral nature of counterparty risk, Alpha Group estimates bilateral credit valuation adjustments (BCVA) for the OTC derivatives held on a counterparty level taking into consideration netting and collateral agreements in force. BCVA is calculated across all counterparties with a material effect on the respective derivative fair values taking into consideration the default probability of both the counterparty and Alpha Group, the impact of first to default, the expected OTC derivative exposure and loss given default of the counterparty and of Alpha Group and the specific characteristics of netting and collateral agreements in force.

Collateral is simulated along with the derivative portfolio exposure over the life of the related instruments. Calculations performed depend largely on observable market data. Market quoted counterparty and group CDS spreads are used in order to derive the respective probability of default, a market standard recovery rate is assumed for developed market counterparties, correlations between market data are taken into account and a series of simulations is performed to model the portfolio exposure over the life of the related instruments. In the absence of quoted market data, counterparty probability of default and loss given default are provided by the group's internal credit and facility rating systems for the valuation of collaterals and credit worthiness.

A breakdown of BCVA across counterparty sectors and credit quality (as defined for presentation purposes of the table "Analysis of neither past due nor impaired Loans and Advances to customers) is given below:

	30.6.2017	31.12.2016
Counterparty Sector		
Corporate	(8,028)	(7,874)
Sovereign	(40,789)	(71,084)

	30.6.2017	31.12.2016
Counterparty Credit Quality		
Strong	(347)	
Satisfactory	(41,191)	(72,337)
Watch List (higher Risk)	(7,279)	(6,621)

The Group used the discount cash flow method to assess the contingent sale price of Ionian Hotel Enterprises S.A., which reached the amount of €4.5 million and was classified to"Other assets". The above method used was based to a business plan submitted by Ionian Hotel Enterprises A.E. Net present value of discounted cash flows amounted to €9.7 million on 30.6.2017. Taking into account that the cost for preferred shares' acquisition of Ionian Hotel Enterprises S.A. amounts to €5.2 million, the estimated fair value of sales price as of 30.6.2017 amounted to €4.5 million. The above valuation is classified to Level 3 as for the estimation of fair value unobservable inputs were used.

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

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

Within the period, €6.6 million of Greek corporate bonds were transferred from Level 1 to Level 2 as the liquidity margin (bid-ask spread) exceeded the limit set out for the characterization of market as an active one.

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

	30.6.2017			
	Total Fair Value	**Fair Value**	**Valuation Method**	**Significant non-observable inputs**
Derivative Financial Assets	18,346	3,588	Discounted cash flows with interest rates being the underlying instruments, taking into account the credit risk	The probability of default and the loss given default of the counterparty (BCVA adjustment) is calculated with an internal model
		14,594	Discounted option taking into account the counterparty's credit risk	Credit Risk Spread
		164	Discounted cashflows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	30,220	30,220	Based on issuer price - Market prices due to low market activity - Discounted cash flows with estimation of credit risk - Discounted cash flows with estimation of bond's return and estimation of shares return as a result of expected restructuring	Issuer's Price - Margin of Credit Risk / Return of Bonds and Shares
Available for sale shares	52,489	52,489	Discounted cash flows - Multiples valuation method	Future profitability of the issuer

	31.12.2016			
	Total Fair Value	**Fair Value**	**Valuation Method**	**Significant non-observable inputs**
Derivative Financial Assets	5.359	5.226	Discounted cash flows with interest being the underlying instruments, taking into account the credit risk	The probability of default and loss given default of the counterparty (BCVA adjustment) calculated using an internal model
		133	Discounted cash flows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	16.987	16.987	Based on issuer price	Issuer price / Credit spread
Available for sale shares	46.326	46.326	Discounted cash flows - Multiples valuation method	Future profitability of the issuer
Convertible bond	13.995	13.995	Discounted cash flows - Multiples valuation method	Assessment of issuers market price

Material unobservable inputs that were used for the valuation of Ionian Hotel Enterprises A.E. contingent sale price, which amounted to € 4.5 million, is the cost of equity for both Ionian Hotel Enterprises S.A. and the Bank.

The table below presents changes in financial instruments that are estimated in fair value and classified as Level 3:

	30.6.2017			
	Assets		Liabilities	
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities	Convertible Bond
Opening balance 1.1.2017	**63,313**	**5,359**		**(13,995)**
Total gain or loss recognized in the income statement	8,801	14,324		1,790
Total gain or loss recognized directly in equity	241			
Purchases/issues	10,206			
Sales/repayments/settlements/redemptions	(22,813)	(961)		12,205
Transfers to Level 3 from Level 2	22,971	482		
Transfers to Level 2 from Level 3	(10)	(858)		
Balance 30.6.2017	**82,709**	**18,346**		**-**
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 - 30.6.2017	595	14,324		

During the period, a bond was transferred from Level 2 to Level 3 amounting to €23 million, since non observable parameters were used for valuation purposes. In addition, during the period, a bond was transferred from Level 3 to Level 2 amounting to €10, since observable parameters were used for valuation purposes.

Finally, in the context of the debt restructuring of acertain borrower, the Bank acquired the option to purchase a stake in its share capital for a symbolic price. This option was recognized as a derivative with a fair value of €14,594.49.

	31.12.2016			
	Assets		Liabilities	
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities	Convertible Bond
Opening balance 1.1.2016	**62,797**	**3,530**		**(24,600)**
Total gain or loss recognized in the income statement	(706)	(112)		9,300
Total gain or loss recognized directly in equity	1,962			
Purchases/Issues	420			
Sales/Repayments/Settlements	(1,281)	(177)		
Transfers to Level 3 from Level 1	4,838			
Transfers to Level 3 from Level 2		3,672	(1,570)	
Balance 30.6.2016	**68,030**	**6,913**	**(1,570)**	**(15,300)**
Changes for the period 1.7 - 31.12.2016				
Total gain or loss recognized in the income statement	320	(691)	119	1,305
Total gain or loss recognized directly in equity	942			
Purchases/Issues	36			
Sales/Repayments/Settlements	(5,083)	(355)	638	
Transfers to Level 3 from Level 2		852		
Transfers to Level 1 from Level 3	(932)			
Transfers to Level 2 from Level 3		(1,360)	813	
Balance 31.12.2016	**63,313**	**5,359**	**-**	**(13,995)**
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 – 30.6.2016.	(579)	(113)		9,300

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

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

Sensitivity analysis for Level 3 financial instruments that their valuation on 30.6.2017 was based on significant non-observable data is presented in the following table:

	Significant non-observable inputs	Significant non-observable inputs change	Total effect in Income Statement		Total effect in Equity	
			Favourable Variation	Unfavourable Variation	Favourable Variation	Unfavourable Variation
Derivative Financial Assets	The probability of default and the loss given default of the counterparty (BCVA adjustment) are calculated with the use of an internal model	Increase the probability of default through reduction of credit ratings by 2 grades / Increase the loss given default by 10%		(760)		
	Assessment of the adequacy of reserves for the payment of hybrid securities dividends	Increase the probability of dividend payments to 100%		(121)		
	Credit Risk Spread	Increase credit risk's spread by 10%		(851)		
Available for sale bonds	Issuer price / Adjustment due to low trading / Credit spread/ Return of Bond's and Share Price	Variation +/-10% in issuer's price, -/+ 10% on the adjustment due to low marketability and estimation of credit risk, -/+ 10% on estimated return, furthermore +/-10% on the estimated valuation of shares			1,877	(1,857)
Available for sale shares	Future profitability of the Issuer	Variation +/- 10% in P/B and EV/Sales ratios (multiples valuation method)		(89)	1,433	(1,344)
Total				**(1,821)**	**3,310**	**(3,201)**

As far as Ionian Hotel Enterprises A.E. contingent sale price is concerned, according to the sensitivity analysis performed and fluctuation to 0.50% in cost of equity, the range in sale price is at a minimum value of €4.06 million and at a maximum value of €4.54 million.

25. Capital adequacy

The policy of the Group is to maintain a strong capital base, in order to ensure the Group's development, and the trust of depositors, shareholders, markets and business partners.

Share capital increases are conducted following resolutions of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the relevant laws.

The Group is allowed to purchase treasury shares, as permitted under the applicable laws.

The capital adequacy is supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), to which reports are submitted on a quarterly basis. The minimum capital requirements regarding Common Equity Tier I (CET1), Tier 1 and Capital Adequacy Ratios of the Group are stipulated by Bank of Greece (BoG) Executive Committee Acts.

The Capital Adequacy Ratio compares the Group's regulatory capital with the risks that the Group undertakes (Risk Weighted Assets-RWAs). Regulatory capital includes CET1 capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the banking book, the market risk of the trading portfolio and operational risk.

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

According to the above regulatory framework, the Group follows the transitional arrangements in force for the calculation of capital ratios. Moreover:

- Besides the 8% Capital Adequacy Ratio limit, there are limits of 4.5% for the CET1 ratio and 6% for the Tier 1 ratio.
- The gradual maintenance, from 1.1.2016 until 31.12.2019, of capital buffers additional to the CET1 Capital, is required. In particular:
  - Since 1.1.2017 a capital conservation buffer of 1.25% exists, which will gradually rise to 2.5% by 31.12.2019.
  - The Bank of Greece through Executive Committee Acts set the following capital buffers:
    - A countercyclical capital buffer rate for the first nine months of 2017, standing at "zero percent" (0%) (Executive Committee Act 107/ 19.12.2016, 115/ 15.3.2017 & 119/15.6.2017).
    - Other systemically important institutions (O-SII) buffer for 2017 standing at "zero percent" (0%) (Executive Committee Act 104/18.11.2016).

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

	30.6.2017 (estimated)	31.12.2016
Common Equity Tier I	17,9%	17,1%
Tier I	17,9%	17,1%
Capital adequacy ratio	**18,0%**	**17,1%**

On 8 December 2016, the ECB informed Alpha Bank that for 2017 the minimum limit for the Overall Capital Requirement (OCR) is 12.25%. The OCR is composed by the minimum own fund requirements (8%), according to article 92(1) of the CRR, the additional own fund requirements (P2R), according to article 16(2)(a) of the Regulation 1024/2013/EU, and the combined buffer requirements (CBR), according to article 128(6) of the Directive 2013/36/EU. The above minimum ratio should be maintained on a phase-in basis under applicable transitional rules under CRR/ CRD IV, at all times.

26. Related party transactions

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

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

	30.6.2017	31.12.2016*
Assets		
Loans and advances to customers	1,299	1,320
Liabilities		
Due to customers	10,544	12,302
Debt securities in issue		
Employee defined benefit obligations	265	260
Total	**10,809**	**12,562**
Letters of guarantee and approved limits	**2,317**	**2,315**

	From 1 January	
	30.6.2017	30.6.2016
Income		
Interest and similar income	24	58
Fee and commission income	3	68
Total	**27**	**126**
Expenses		
Interest expense and similar charges	10	31
Fees paid to key management and close family members	1,858	1,753
Total	**1,868**	**1,784**

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

	30.6.2017	31.12.2016
Assets		
Loans and advances to customers	231,187	229,559
Other assets	812	229
Total	**231,999**	**229,788**
Liabilities		
Due to customers	32,701	22,642

	From 1 January to	
	30.6.2017	30.6.2016*
Income		
Interest and similar income	1,675	2,856
Fee and commission income	7	1
Other income	119	111
Total	**1,801**	**2,968**
Expenses		
Interest expense and similar charges	36	86
General administrative expenses	375	1,047
Total	**411**	**1,133**

* *Certain amounts of the comparative period have been restated in order to be comparable.*

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 181 (31.12.2016: € 296). Periods' interest expenses relating to deposits amount to € 1 (30.06.2016: € 16).

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

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

	From 1 January to	
	30.6.2017	**30.6.2016**
Income		
Fee and commission income	5	5

27. Assets held for sale and discontinued operations

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

Bank's branch in Bulgaria

On 17.7.2015, the Bank and Eurobank, announced, with a joint statement, their agreement, in the main terms, for the transfer of the operations of the Bank's branch in Bulgaria to Eurobank's subsidiary in Bulgaria (PostBank). On 6.11.2015 the Bank and Postbank signed the relevant contract, the terms of the transfer which provide for a cash consideration of 1 Euro and a partial undertaking of Branch's debt obligations by the buyer.

From 30.6.2015 the assets of Bulgaria Branch and direct related liabilities met the criteria to be classified as "held for sale" in accordance with IFRS 5, since on that date the management had already taken the decision to sell the unit and negotiations with the potential buyer had been initiated. In addition, Bulgaria Branch represents a separate geographical area of operations for the Group, which is part of the South-Eastern Europe sector for reporting purposes per operational segment. Following the classification of Bulgaria Branch, which is the only company in the banking sector through which the Group operates in Bulgaria, as held for sale, its operations represent "discontinued operations" for the Group.

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

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

Income Statement and Statement of Comprehensive Income

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

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Interest and similar income		3,123		
Interest expense and similar charges		(556)		
Net interest income		2,567		-
Fee and commission income		842		
Commission expense		(74)		
Net fee and commission income		768		-
Dividend Income				
Gains less losses on financial transactions		64		
Other income		79		
Total income		**3,478**		-
Staff costs		(1,575)		
General administrative expenses		(2,042)		
Depreciation		(397)		
Other expenses		(30)		
Total expenses before impairment losses and provisions to cover credit risk		**(4,044)**		-
Impairment losses and provisions to cover credit risk		1,563		
Profit/(loss) before income tax		**997**		
Income tax				
Profit/(loss), after income tax		**997**		-
Difference due to valuation at fair value				
Gain/(loss) from the disposal after income tax		(188)		102
Net profit/(loss) after income tax from discontinued operations		**809**		**102**

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

Investment in subsidiary Alpha Bank AD Skopje

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

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

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

Income Statement and Statement of Comprehensive Income

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

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

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Interest and similar income		1,525		429
Interest expense and similar charges		(382)		(86)
Net interest income		1,143		343
Fee and commission income		404		121
Commission expense		(183)		(55)
Net fee and commission income		221		66
Dividend Income				
Gains less losses on financial transactions		132		68
Other income		40		16
Total income		**1,536**		**493**
Staff costs		(907)		(226)
General administrative expenses		(691)		(216)
Depreciation		(134)		(33)
Other expenses		(80)		(28)
Total expenses before impairment losses and provisions to cover credit risk		**(1,812)**		**(503)**
Impairment losses and provisions to cover credit risk		(482)		39
Profit/(Loss) before income tax		**(758)**		**29**
Income tax		21		
Profit/(loss) after income tax		**(737)**		**29**
Gain from the disposal after income tax		1,535		1,535
Net profit/(Loss) after income tax from discontinued operations		**798**		**1,564**
Exchange differences on translating and hedging the net investment in foreign operations		(40)		7
Amounts that may be reclassified in the Income Statement from discontinued operations		**(40)**		**7**
Total Comprehensive Income after income tax		**758**		**1,571**

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

Ionian Hotel Enterprises A.E.

On 27.10.2016, the Group, following the announcement on 17.2.2016 for its intention to sell Ionian Hotel Enterprises A.E. through an invitation for Expressions of Interest, signed the final sale agreement for the subsidiary. The sale was completed on 16.12.2016. The final price of the transaction, including the refinancing of the existing debt of the subsidiary (€ 67.2 million), amounted to € 143.3 million.

In addition, following the sale agreement, the Group acquired the option to invest € 5.2 million and receive in return preference shares issued by the subsidiary or shares of the company that will emerge following the merger of the subsidiary with the buyer. The issuance of preference shares will be accompanied by sale/purchase option contracts between the Group and the buyer's shareholders. This option enables the Group to collect an additional amount depending on the financial performance of the company's and therefore represents a contingent consideration. This option was recognized in the caption of "other assets" at fair value, which was € 4.5 million as at 31.12.2016.

The outcome from the sale of Ionian Hotel Enterprises A.E.

was a loss of € 38,273 and it was recorded in the caption "gains less losses on financial transactions".

From the above, an amount of € 36,389 had already been recorded as a loss during the first six month period of the 2016 as the Group valued its assets and related liabilities at the lower of carrying amount and fair value less cost to sell, under IFRS 5, due to their classification as "Held for sale" on 31.12.2015. Because the company is not a separate material business segment for the Group, the requirements in order to be classified as discontinued operation are not met. The company is included in "Other" for operating segment disclosure purposes. The amount of cash and cash equivalents of Ionian Hotel Enterprises A.E. which was transferred at disposal amounted to € 67.8.

Alpha Bank Srbija A.D.

In the fourth quarter of 2016, the Bank initiated the procedures in order to sell its subsidiary Alpha Bank Srbija A.D. In this context, on 30.1.2017, the Bank agreed with a potential buyer, to sell all the shares owned. The relative contract signed on 23.2.2017, whilst on 11.4.2017 the transaction was completed for a total price of € 53 million following the necessary supervisory approvals. In addition to the transfer of all shares of the subsidiary, the agreement includes the assignment of a subordinated debt contract, which amounts to € 27.11 million and was granted to the subsidiary by the Bank.

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

Consequently, for the purpose of the preparation of financial statements for the year ended 31.12.2016, the Group valued the subsidiary's assets and liabilities at the lower of carrying amount and fair value less cost to sell, recognizing a loss of € 72,722 in the caption "Profit/(Loss) after tax from discontinued operations". After the above valuation, the assets of Alpha Bank Srbija A.D. on 31.12.2016 amounted to € 512,403, and its liabilities to € 406,058.

Taking into account the classification of subsidiary as held for sale and the tax laws, at this caption was also recorded a deferred tax income of amount € 84,441 which was calculated as the difference between the carrying amount of assets and liabilities and their tax base, resulting in a profit after tax which amounts to € 11,719.

The loss recognized directly in equity up to the date of the completion of the disposal, amounted to € 69,275 and was recycled in Income Statement and is presented in the caption "Profit/(Loss) after income tax from discontinued operations". The respective loss as of 31.12.2016 amounted to € 68,457.

Income Statement and Statement of Comprehensive Income

The results and cash flows resulted from Alpha Bank Srbija A.D. are presented as "discontinued operations" in the Income Statement, in the Statement of Comprehensive Income and in the Cash Flow Statement.

In the table below, the figures presented in the Statement of Comprehensive Income are analyzed.

	From 1 January to		From 1 April to	
	30.6.2017	**30.6.2016**	**30.6.2017**	**30.6.2016**
Interest and similar income	6,943	16,128	599	7,875
Interest expense and similar charges	(1,374)	(2,611)	(129)	(1,275)
Net interest income	5,569	13,517	470	6,600
Fee and commission income	1,860	3,852	118	2,049
Commission expense	(476)	(747)	(35)	(402)
Net fee and commission income	1,384	3,105	83	1,647
Dividend income				
Gains less losses on financial transactions	991	289	375	220
Other income	156	424	8	145
Total income	**8,100**	**17,335**	**936**	**8,612**
Staff costs	(3,069)	(5,931)	(441)	(2,991)
General administrative expenses	(3,749)	(7,133)	(94)	(3,502)
Depreciation		(1,080)		(550)
Other expenses	(19)	(45)		(29)
Total expenses before impairment losses and provisions to cover credit risk	**(6,837)**	**(14,189)**	**(535)**	**(7,072)**
Impairment losses and provisions to cover credit risk	1,111	1,097	(1)	329
Profit/(Loss) before income tax	**2,374**	**4,243**	**400**	**1,869**
Income tax		8		6
Profit/(loss), after income tax	**2,374**	**4,251**	**400**	**1,875**
Loss from the disposal after income tax	(70,831)		(69,767)	
Profit/(Losses) after income tax from discontinued operations	**(68,457)**	**4,251**	**(69,367)**	**1,875**
Net change in the reserve from available for sale securities	(1,559)	(260)	(958)	100
Exchange differences on translating and hedging the net investment in foreign operations	70,016	(1,300)	70,325	(512)
Income tax		(8)		(5)
Amounts that may be reclassified in the Income Statement	**68,457**	**(1,568)**	**69,367**	**(417)**
Total Comprehensive Income after income tax	**-**	**2,683**	**-**	**1,458**

The amount of cash and cash equivalents of Alpha Bank Srbija A.D. which was transferred at disposal amounted to € 89,265.

APE Fixed Assets A.E., APE Commercial Property A.E., APE Investment Property A.E.

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

Since 30.6.2016 the abovementioned investments meet the requirements to be classified as "held for sale" in accordance with IFRS 5, due to the fact that on that date the Management had decided their sale, had initiated an active programme to find buyer while the sale is expected to be completed within the forthcoming period. Consequently the above mentioned companies continue to be classified as Assets held for sale.

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

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

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

	30.6.2017	31.12.2016
ASSETS		
Loans and advances to customers	47,570	47,570
Investments in associates and joint ventures	39,244	39,244
Investment property	39,872	39,872
	126,686	126,686
Valuation at fair value	(19,264)	(19,317)
Total assets held for sale	**107,422**	**107,369**
LIABILITIES		
Income tax and other taxes	62	
Deferred tax liabilities	291	296
Other liabilities	10	
Total liabilities related to assets held for sale	**363**	**296**
Amounts recognized directly in equity related to assets held for sale	**(122)**	**(122)**
Non-controlling interests related to assets held for sale	**10,940**	**10,953**

Other asset held for sale

Assets held for sale include also other fixed assets held for sale of the Group of an amount of 5.6 million (31.12.2016: € 5.4 million). Thereby total amount of Assets held for sale of the Group as at 30.06.2017 amounts to € 113,042 (31.12.2016: € 625,216).

In addition, the Bank has classified its participation in Selonda Aquaculture A.E.G.E. and Nireus Aquaculture A.E. as Assets held for sale since its intention is to dispose them in the near future. The estimated fair value of the companies is one Euro.

The Group, for the purpose of the preparation of its financial statements, evaluates the undertaken actions in the context of its restructuring plan, in order to classify, were applicable based on IFRS 5, the assets and its related liabilities to held for sale (presented in note 1.17 of the financial statements as at 31.12.2016)

28. Corporate events

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

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

c. On 24.1.2017 the Group's joint venture Aktua Hellas Holding A.E., was renamed to Cepal Holdings A.E.

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

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

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

g. On 23.2.2017 following the exercise of the option of conversion from the total bondholders, the Bank participated in the capital increase due to the conversion of the convertible bond issue of 1.2.2013, in the context of the agreement with Credit Agricole S.A. for the acquisition of Former Emporiki Bank. From the conversion, 6,818,181 common shares issued corresponding to the 0.44% of total shares.

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

i. On 7.3.2017 following the restructuring plan, the Bank acquired the 47.04% of the share capital of Famar S.A. (note 20).

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

k. On 10.4.2017, the Bank's subsidiary Alpha Group Investments Ltd founded the company Alpha Investments Periousias Spaton A.E. for an amount of € 24.

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

m. On 4.5.2017, the Bank proceeded to the sale of 1% Cepal Holdings S.A. shares, and participated in its share capital increase by issuing preferred shares, paying an amount of € 8.33 million, whilst on 18.5.2017 the Bank proceeded to the sale of 1.23% Cepal Holdings S.A. shares.

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

o. On 9.5.2017, a capital repayment of € 28.6 million of Bank's subsidiary, Emporiki Development and Real Estate Management A.E., was completed.

p. On 18.5.2017, the sale of all shares of Group's subsidiary, AGI BRE Participations 1 EOOD was completed.

q. On 26.5.2017, the deregistration of Group's subsidiaries, AGI-RRE Athena Srl and AGI-RRE Venus Srl, from Romanian Company Register was completed.

r. On 20.6.2017, the sale of all shares of Group's subsidiary, AGI-SRE Ariadni DOO was completed.

s. On 27.6.2017, the Group's subsidiary, AGI-RRE Cleopatra Srl, acquired 97.5% of TH Top Hotels Srl shares for an amount of € 85.7.

29. Restatement of financial statements

The figures of the comparative period were restated as a result of the classification of the Alpha Bank Srbija A.D. as discontinued operations (note 27).

Below are restated statements of income and cash flows for the period 1.1-30.6.2016 due to this classification.

Consolidated Income Statement

	From 1 January to 30.06.2016		
	Published amounts	Restatements due to the presentation of Alpha Bank Srbija A.D. as discontinued operation	Restated amounts
Interest and similar income	1,382,951	(16,128)	1,366,823
Interest expense and similar charges	(416,644)	2,611	(414,033)
Net interest income	966,307	(13,517)	952,790
Fee and commission income	182,447	(3,852)	178,595
Commission expense	(23,677)	747	(22,930)
Net fee and commission income	158,770	(3,105)	155,665
Dividend income	1,120		1,120
Gains less losses on financial transactions	60,038	(289)	59,749
Other income	27,275	(424)	26,851
	88,433	(713)	87,720
Total income	**1,213,510**	**(17,335)**	**1,196,175**
Staff costs	(258,481)	5,931	(252,550)
Cost of Voluntary Separation Scheme cost	(31,480)		(31,480)
General administrative expenses	(247,089)	7,133	(239,956)
Depreciation and amortization	(49,495)	1,080	(48,415)
Other expenses	(16,274)	45	(16,229)
Total expenses before impairment losses and provisions to cover credit risk	**(602,819)**	**14,189**	**(588,630)**
Impairment losses and provisions to cover credit risk	(604,828)	(1,097)	(605,925)
Share of profit/(loss) of associates and joint ventures	(1,967)		(1,967)
Profit/(losses) before income tax	**3,896**	**(4,243)**	**(347)**
Income tax	(24,447)	(8)	(24,455)
Profit/(losses) after income tax	**(20,551)**	**(4,251)**	**(24,802)**
Profit/(losses) after income tax from discontinued operations	1,607	4,251	5,858
Profit/(losses) after income tax	**(18,944)**	**-**	**(18,944)**
Profit/(losses) attributable to:			
Equity owners of the Bank			
- from continuing operations	(20,650)	(4,251)	(24,901)
- from discontinued operations	1,607	4,251	5,858
	(19,043)		**(19,043)**
Non-controlling interests	99		99
Profit/(losses) per share:			
Basic and diluted (€ per share)	(0.01)		(0.01)

	From 1 April to 30.6.2016		
	Published amounts	**Restatements due to the presentation of Alpha Bank Srbija A.D. as discontinued operation**	**Restated amounts**
Interest and similar income	677,464	(7,875)	669,589
Interest expense and similar charges	(194,099)	1,275	(192,824)
Net interest income	483,365	(6,600)	476,765
Fee and commission income	94,063	(2,049)	92,014
Commission expense	(13,869)	402	(13,467)
Net fee and commission income	80,194	(1,647)	78,547
Dividend income	529		529
Gains less losses on financial transactions	56,999	(220)	56,779
Other income	14,921	(145)	14,776
	72,449	(365)	72,084
Total income	**636,008**	**(8,612)**	**627,396**
Staff costs	(129,026)	2,991	(126,035)
Cost of voluntary separation scheme	(487)		(487)
General administrative expenses	(128,847)	3,502	(125,345)
Depreciation and amortization	(23,632)	550	(23,082)
Other expenses	(12,706)	29	(12,677)
Total expenses before impairment losses and provisions to cover credit risk	**(294,698)**	**7,072**	**(287,626)**
Impairment losses and provisions to cover credit risk	(349,710)	(329)	(350,039)
Share of profit/(loss) of associates and joint ventures	(506)		(506)
Profit/(loss) before income tax	**(8,906)**	**(1,869)**	**(10,775)**
Income tax	(9,540)	(6)	(9,546)
Net profit/(loss) after income tax	**(18,446)**	**(1,875)**	**(20,321)**
Net profit/(loss) after income tax from discontinued operations	1,666	1,875	3,541
Net profit/(loss) after income tax	**(16,780)**	**-**	**(16,780)**
Profit/(loss) attributable to:			
Equity owners of the Bank			
- from continuing operations	(18,502)	(1,875)	(20,377)
- from discontinued operations	1,666	1,875	3,541
	(16,836)		**(16,836)**
Non-controlling interests	56		56
Earnings/(losses) per share:			
Basic and diluted (€ per share)	(0.01)		(0.01)

Consolidated Statement of Cash Flows

	From 1 January to 30.6.2016		
	Published amounts	Restatements due to the presentation of Alpha Bank Srbija A.D. as discontinued operation	Restated amounts
Cash flows from continuing operating activities			
Profit / (loss) before income tax	**3,896**	**(4,243)**	**(347)**
Adjustments for gain/(losses) before income tax for:			
Depreciation/Impairment of fixed assets	27,400	(957)	26,443
Amortization/Impairment of intangible assets	22,095	(123)	21,972
Impairment losses from loans, provisions and staff leaving indemnity	641,523	1,097	642,620
(Gains)/losses from investing activities	(69,292)		(69,292)
(Gains)/losses from financing activities	31,017		31,017
(Gains)/losses ratio from associates and joint ventures	1,967		1,967
	658,606	**(4,226)**	**654,380**
Net (increase)/decrease in assets relating to continuing operating activities:			
Due from banks	(225,373)	32,797	(192,576)
Trading securities and derivative financial assets	(45,962)		(45,962)
Loans and advances to customers	298,866	(21,927)	276,939
Other assets	2,562	316	2,878
Net increase/(decrease) in liabilities relating to continuing operating activities:			
Due to banks	(1,697,694)	(8,908)	(1,706,602)
Derivative financial liabilities	(18,826)		(18,826)
Due to customers	229,900	8,820	238,720
Other liabilities	18,010	14,041	32,051
Net cash flows from continuing operating activities before taxes	**(779,911)**	**20,913**	**(758,998)**
Income taxes and other taxes paid	(18,076)	309	(17,767)
Net cash flows from continuing operating activities	**(797,987)**	**21,222**	**(776,765)**
Net cash flows from discontinued operating activities	**(21,270)**	**(21,222)**	**(42,492)**
Cash flows from continuing investing activities			
Investments in subsidiaries and associates	(98)		(98)
Acquisitions during the period			
Income from subsidiary disposal			
Dividends received	1,120		1,120
Purchases of fixed and intangible assets	(97,824)	467	(97,357)
Disposals of fixed and intangible assets	44,176	(168)	44,008
Net (increase)/decrease in investement securities	663,048	(24,340)	638,708
Net cash flows from continuing investing activities	**610,422**	**(24,041)**	**586,381**
Net cash flows from discontinued investing activities	**(24,390)**	**24,041**	**(349)**
Cash flows from continuing financing activities			
Receipts/(Repayments) of debt securities in issue and other borrowed funds	(81,617)		(81,617)
(Purchases)/sales of hybrid securities	(15)		(15)
Share capital increase expenses	(970)		(970)
Net cash flows from continuing financing activities	**(82,602)**	**-**	**(82,602)**
Effect of exchange rate differences on cash and cash equivalents	(24,489)		(24,489)
Net increase/(decrease) in cash flows – continuing activities	**(294,656)**	**(2,819)**	**(297,475)**
Net increase/(decrease) in cash flows – discontinued activities	**(45,660)**	**2,819**	**(42,841)**
Cash and cash equivalents at the beginning of the period	**1,328,133**	**-**	**1,328,133**
Cash and cash equivalents at the end of the period	**987,817**	**-**	**987,817**

30. Events after the balance sheet date

There are no significant subsequent events after balance sheet date that have an effect to these interim consolidated financial statements.

Athens, 31 August 2017

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE MANAGING DIRECTOR	THE GENERAL MANAGER AND CHIEF FINANCIAL OFFICER	THE ACCOUNTING AND TAX MANAGER
VASILEIOS T. RAPANOS **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**

Interim Financial Statements as at 30.6.2017

Interim Income Statement

(Amounts in thousands of Euro)

	Note	From 1 January to 30.6.2017	30.6.2016
Interest and similar income	2	1,127,970	1,217,793
Interest expense and similar charges	2	(276,301)	(394,512)
Net interest income	2	851,669	823,281
Fee and commission income		165,133	152,019
Commission expense		(28,196)	(20,210)
Net fee and commission income		136,937	131,809
Dividend income	3	35,488	75,756
Gains less losses on financial transactions	4	42,599	48,850
Other income		7,187	5,111
		85,274	129,717
Total income		**1,073,880**	**1,084,807**
Staff costs	5	(188,945)	(197,364)
General administrative expenses	6	(219,440)	(194,496)
Depreciation and amortization	13,14,15	(36,741)	(35,276)
Other expenses		(7,716)	(7,677)
Total expenses before impairment losses and provisions to cover credit risk		**(452,842)**	**(434,813)**
Impairment losses and provisions to cover credit risk	7	(354,608)	(520,732)
Profit/(Loss) before income tax		**266,430**	**129,262**
Income tax	8	(54,510)	(4,720)
Profit/(Loss) after income tax from continuing operations		**211,920**	**124,542**
Profit/(Loss) after income tax from discontinued operations	26		233
Profit/(loss), after income tax		**211,920**	**124,775**
Earnings/(losses) per share:			
Basic and diluted (€ per share)	9	0.1375	0.0812
Basic and diluted from continuing operations (€ per share)	9	0.1375	0.0810
Basic and diluted from discontinued operations (€ per share)	9	-	0.0002

Interim Balance Sheet

(Amounts in thousands of Euro)

	Note	30.6.2017	31.12.2016
ASSETS			
Cash and balances with Central Banks		618,531	674,439
Due from banks		2,538,604	2,912,313
Trading securities	11	5,022	2,865
Derivative financial assets		569,897	644,436
Loans and advances to customers	10	39,160,698	40,261,524
Investment securities			
- Available for sale	11	4,815,525	4,360,047
- Held to maturity	11	318	9,342
- Loans and receivables	11	1,919,723	2,682,655
Investments in subsidiaries, associates and joint ventures	12	2,029,593	1,815,255
Investment property	13	27,660	27,836
Property, plant and equipment	14	663,274	675,870
Goodwill and other intangible assets	15	338,831	333,926
Deferred tax assets		4,343,361	4,477,144
Other assets		1,382,575	1,378,290
		58,413,612	**60,255,942**
Assets held for sale	26	96,070	146,631
Total Assets		**58,509,682**	**60,402,573**
LIABILITIES			
Due to banks	16	17,985,355	19,433,001
Derivative financial liabilities		1,147,202	1,337,559
Due to customers		28,911,752	29,009,979
Debt securities in issue and other borrowed funds	17	427,245	598,759
Liabilities of current income tax and other taxes		9,911	19,419
Employee defined benefit obligations		90,994	89,126
Other liabilities		698,875	806,500
Provisions	18	94,364	383,188
Total Liabilities		**49,365,698**	**51,677,531**
EQUITY			
Share capital	19	463,110	461,064
Share premium	19	10,801,029	10,790,870
Reserves		403,198	208,187
Retained earnings	19	(2,523,353)	(2,735,079)
Total Equity		**9,143,984**	**8,725,042**
Total Liabilities and Equity		**58,509,682**	**60,402,573**

Interim Statement of Comprehensive Income

(Amounts in thousands of Euro)

	Note	From 1 January to	
		30.6.2017	30.6.2016
Profit/(Loss), after income tax, recognized in the Income Statement		**211,920**	**124,775**
Other comprehensive income recognized directly in Equity:			
Amounts that may be reclassified to the Income Statement			
Net change in available for sale securities' reserve	8	222,935	13,470
Net change in cash flow hedge reserve	8	51,427	(128,790)
Income tax	8	(79,351)	33,443
Amounts that may be reclassified to the Income Statement	8	**195,011**	**(81,877)**
Total comprehensive income recognized directly in Equity, after income tax		**195,011**	**(81,877)**
Total comprehensive income for the period, after income tax		**406,931**	**42,898**
Total comprehensive income for the period after income tax attributable to:			
Equity owners of the Bank			
- from continuing operations		406,931	42,665
- from dicontinued operations			233

The attached notes (pages 90-130) form an integral part of these interim financial statements

Interim Statement of Changes in Equity

(Amounts in thousands of Euro)

	Note	Share Capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2016		**461,064**	**10,790,870**	**153,631**	**(2,987,532)**	**8,418,033**
Changes for the period 1.1 - 30.6.2016						
Profit/(loss) after income tax					124,775	124,775
Total comprehensive income recognized directly in Equity, after income tax	8			(81,877)		(81,877)
Total comprehensive income for the period, after income tax		-	-	**(81,877)**	**124,775**	**42,898**
Share capital increase expenses, after income tax					(688)	(688)
Balance 30.6.2016		**461,064**	**10,790,870**	**71,754**	**(2,863,445)**	**8,460,243**
Changes for the period 1.7 - 31.12.2016						
Profit/(loss) after income tax					135,843	135,843
Total comprehensive income recognized directly in Equity, after income tax				136,433	(7,477)	128,956
Total comprehensive income for the period, after income tax		-	-	**136,433**	**128,366**	**264,799**
Balance 31.12.2016		**461,064**	**10,790,870**	**208,187**	**(2,735,079)**	**8,725,042**

(Amounts in thousands of Euro)

	Note	Share Capital	Share premium	Reserves	Retained earnings	Total
Balance 1.1.2017		**461,064**	**10,790,870**	**208,187**	**(2,735,079)**	**8,725,042**
Changes for the period 1.1 - 30.6.2017						
Profit/(loss) after income tax					211,920	211,920
Total comprehensive income recognized directly in Equity, after income tax	8			195,011		195,011
Total comprehensive income for the period, after income tax				**195,011**	**211,920**	**406,931**
Conversion of convertible bond loan into shares	19	2,046	10,159			12,205
Share capital increase expenses, after income tax					(194)	(194)
Balance 30.6.2017		**463,110**	**10,801,029**	**403,198**	**(2,523,353)**	**9,143,984**

The attached notes (pages 90-130) form an integral part of these interim financial statements

Interim Statement of Cash Flows

(Amounts in thousands of Euro)

		From 1 January to	
	Note	**30.6.2017**	**30.6.2016**
Cash flows from continuing operating activities			
Profit/(Loss) before income tax		266,430	129,262
Adjustments for gains/(losses) before income tax for:			
Depreciation/ impairment of fixed assets	13,14	15,361	16,034
Amortization of intangible assets	15	21,380	19,242
Impairment losses from loans, provisions and staff leaving indemnity		373,125	500,914
Impairment of investments			29,363
(Gains)/losses from investing activities		(81,418)	(109,402)
(Gains)/losses from financing activities		(6,515)	29,913
		588,363	**615,326**
Net (increase)/decrease in Assets relating to continuing operating activities:			
Due from banks		280,084	123,361
Trading securities and derivative financial assets		72,382	(46,753)
Loans and advances to customers		195,952	63,078
Other assets		58,318	(7,883)
Net increase/(decrease) in Liabilities relating to continuing operating activities:			
Due to banks		(1,447,646)	(1,349,563)
Derivative financial liabilities		(138,931)	(11,370)
Due to customers		(115,823)	(47,253)
Other liabilities		(105,991)	836
Net cash flows from continuing operating activities before taxes		**(613,292)**	**(660,221)**
Income taxes and other taxes paid		(9,508)	(9,486)
Net cash flows from continuing operating activities		**(622,800)**	**(669,707)**
Net cash flows from discontinued operating activities			**(17,434)**
Cash flows from continuing investing activities			
Investments in subsidiaries, associates and joint ventures		28,652	(69,771)
Disposals of subsidiaries, associates and joint ventures		26,264	
Dividends received		118	5,116
Acquisitions of fixed and intangible assets	13,14,15	(35,919)	(53,883)
Disposals of fixed and intangible assets		1,283	892
Net (increase)/decrease in investment securities		588,124	865,799
Net cash flows from continuing investing activities		**608,522**	**748,153**
Net cash flows from discontinued investing activities			**(9,906)**
Cash flows from continuing financing activities			
Share capital increase expenses	19	(273)	(970)
Recoveries on debt securities in issue and other borrowed funds	17	39,977	
Repayments of debt securities in issue and other borrowed funds		(175,213)	(87,622)
Net cash flows from continuing financing activities		**(135,509)**	**(88,592)**
Effect of exchange rate differences on cash and cash equivalents		257	(418)
Net increase/(decrease) in cash flows from continuing activities		**(149,530)**	**(10,564)**
Net increase/(decrease) in cash flows from discontinued activities		-	**(27,340)**
Cash and cash equivalents at the beginning of the period		**648,091**	**765,248**
Cash and cash equivalents at the end of the period		**498,561**	**727,344**

The attached notes (pages 90-130) form an integral part of these interim financial statements

Notes to the Interim Financial Statements

GENERAL INFORMATION

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

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

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

The Board of Directors as at 30 June 2017, consists of:

CHAIRMAN (Non Executive Member)

Vasileios T. Rapanos

VICE CHAIRMAN
(Non Executive Independent Member)

Evangelos J. Kaloussis */***

EXECUTIVE MEMBERS

MANAGING DIRECTOR

Demetrios P. Mantzounis

DEPUTY MANAGING DIRECTORS

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

NON-EXECUTIVE MEMBERS

Efthimios O. Vidalis **/****

NON-EXECUTIVE INDEPENDENT MEMBERS

Ibrahim S. Dabdoub **/****
Carolyn Adele G.Dittmeier *
Richard R. Gildea **/***
Shahzad A. Shahbaz ***/****
Jan Oscar A. Vanhevel */***

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

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

SECRETARY

George P. Triantafyllides

On 29.6.2017, the Board of Directors of the Bank has concluded that the Bank is not subject to the provisions of Law 3723/2008, and as a result Greek State's right and requirement to appoint a representative to the Bank's Board of Directors, arising from the aforementioned Law, is ceased.

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

On 30.6.2017, Ordinary General Meeting of shareholders has appointed the audit firm "Deloitte Certified Public Accountants S.A." for the statutory audit of the year 2017.

The Bank's shares are listed in the Athens Stock Exchange since 1925 and are constantly included among the companies with the higher market capitalization. Additionally, the Bank's share is included in a series of international indices, such as MSCI Emerging Markets Index, the FTSE All World, the FTSE Med100 and the FTSE4Good Emerging Index.

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

Total ordinary shares in issue as at 30 June 2017 were 1,543,699,381.

In Athens Stock Exchange are traded 1,374,524,235 ordinary shares of the Bank, while the Hellenic Financial Stability Fund ("HFSF") possesses the remaining 169,175,146 ordinary, registered, voting, paperless shares or percentage equal to 10.96% on the total of ordinary shares issued by the Bank. The exercise of the voting rights for the shares of HFSF is subject to restrictions according to the article 7a of Law 3864/2010.

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

During the first semester of 2017, the average volume of shares trade stood at € 10,927,362 and for warrants at € 3,555.

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

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

It is noted that according to No.8/754/14.4.2016 decision of the Hellenic Capital Market Commission Board of Directors with subject "Special Topics for Periodic Reporting according to Law. 3556/30.4.2007", the obligation to publish Data and Information arising from the quarterly and half-yearly financial statements, as previously stated by the No.4/507/28.4.2009 decision of the Hellenic Capital Market Commission Board of Directors, was abolished.

These interim financial statements have been approved by the Board of Directors on 31 August 2017.

ACCOUNTING POLICIES APPLIED

1.1 Basis of presentation

The Bank has prepared the condensed interim financial statements as at 30.6.2017 in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as it has been adopted by the European Union.

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

- Securities held for trading
- Derivative financial instruments
- Available for sale securities
- The convertible bond issued by the Bank which, until its conversion into shares that took place in the first quarter of this year, was included in "Debt securities in issue held by institutional investors and other borrowed funds"

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

The accounting policies applied by the Bank in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended on 31.12.2016.

The adoption by the European Union, by 31.12.2017, of new standards, interpretations or amendments, which have been issued or may be issued during the year by the International Accounting Standards Board (IASB), and their mandatory or optional adoption for periods beginning on or after 1.1.2017, may affect retrospectively the periods presented in these interim financial statements.

Regarding the new accounting standard IFRS 9, the application of which is mandatory from 1.1.2018, it is noted that the Bank has started a Program for the implementation of the new standard, as it is specifically mentioned in note 1.1 of the annual financial statements of 31.12.2016, where also the main changes brought by the new standard in accounting for financial instruments are explained. The progress of the program is evolving according to plan, while most of the individual projects identified are in the implementation phase.

Progress of the IFRS 9 Implementation Program

The design of the governance framework and the process that will be followed for the classification of financial instruments that will be recognized after 1.1.2018 is in progress. In particular, the high level design of the process for the definition of business models as well as for the assessment of the characteristics of contractual cash flows has significantly progressed. At the same time a detailed recording of the classification process in manuals is being carried out and necessary enhancements/modifications are being implemented to IT applications.

Furthermore, regarding the classification of the existing portfolio, the following are noted:

- Loans and advances to customers and Due from banks are expected to be included in business models that permit the classification of instruments at amortised cost (hold to collect), to the extent that from the assessment of their contractual terms it is concluded that their contractual cash flows meet the definition of capital and interest as defined by the new Standard (SPPI test). The above assessment of the contractual terms is in progress, while the final classification into a business model will be held on 1.1.2018, based on the facts and circumstances prevailing at that date.
- Bonds, and fixed income investments in general that have been classified as available-for-sale securities under IAS 39 will be recognized at amortized cost or at fair value through other comprehensive income recognised directly in equity, depending on their business model, with the exception of those instruments whose contractual cash flows do not meet the definition of capital and interest and that will be measured at fair value through profit or loss.
- For the majority of investments that meet the definition of an equity instrument, the Bank plans to elect the measurement at fair value through other comprehensive income recognised directly in equity.

With regards to the impairment work stream, the Bank is completing the development of models for the calculation of credit risk losses. The key parameters for determining the expected credit risk losses are the Probability of Default, the Loss Given Default, and the Exposure at Default.

At the same time, the process of developing analytical methodologies for the staging of financial instruments for which impairment losses will be calculated depending on the degree of deterioration of the issuer/borrower's creditworthiness, which will determine the financial instruments for which impairment losses will be calculated based on the probability of default in the next twelve months (12 m expected losses) and those for which the corresponding impairment losses will be calculated based on the probability of default over the life of the instruments (lifetime expected losses). In assessing whether the credit risk of an instrument has increased significantly since initial recognition (significant credit deterioration), the Bank will take into account reasonable and reliable information, both qualitative and quantitative, that could be different between portfolios.

Finally, the Bank is in the phase of designing the new governance framework for the calculation of credit loss allowances and of recording the relevant process, which will be carried out through a new IT application.

Regarding hedge accounting, the Bank intends to continue to apply the provisions of IAS 39.

Finally, the classification, measurement and impairment requirements apply retrospectively from 1.1.2018 without any requirement to restate comparative information. The Bank does not intend to restate comparative information in the context of the transition to IFRS 9.

Impact of the application of IFRS 9

Until today, important assumptions in relation to IFRS 9 application have not been finalized and any impact analysis (e.g. the exercise submitted to EBA) can be based on hypotheses, assumptions and simplified approaches that are still being developed. Therefore, there is no specific and reliable information on the estimated quantitative and qualitative impact of IFRS 9 on the Bank's key supervisory indicators and / or financial position.

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 value in use.

Income Tax

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

Employee defined benefit obligations

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

Provisions and contingent liabilities

The Bank recognises provisions when it estimates that it has a present legal or constructive obligation that can be estimated reliably, and it is almost certain that an outflow of economic benefits will be required to settle the obligation. In contrast, when it is probable that an outflow of resources will be required, or when the amount of liability cannot be measured reliably, the Bank does not recognise a provision but it provides disclosures for contingent liabilities, taking into consideration their materiality. The estimation for the probability of the outflow as well as for the amount of the liability are affected by factors which are not controlled by the Bank, such as court decisions, the practical implementation of the relevant legislation and the probability of default of the counterparty for cases related to 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 30.6.2017. For the application of this principle, the Bank takes into consideration current economic developments in order to make estimations for future economic conditions of the environment in which it operates. The main factors that cause uncertainties regarding the application of this principle relate to the unstable economic environment in Greece and abroad and to the liquidity levels of the Hellenic Republic and the banking system, as specifically analysed in Note 1.29.1 of the annual financial statements as at 31.12.2016. In addition, regarding the progress of the Hellenic Republic financial support program, it is noted that within June the second assessment of the program was completed and the partial disbursement of the third installment amounting to €8.5 billion was approved. The first disbursement of €7.7 billion took place in July and covered public debt servicing needs by an amount of €6.9 billion and clearance of amounts in arrears due from the Hellenic Republic to individuals by an amount of€0.8 billion. The second disbursement of€0.8 billion will be made under the condition that the Hellenic Republic will contribute using its own economic recourses to the arrears clearance effort. The completion of the second evaluation, the disbursement of installments and the successful issue by the Hellenic Republic, in July of the current year, of a five year bond of €3 billion, which is the first step for the gradual return to the markets, are expected to contribute to the decrease of uncertainty, the enhancement of business community and investors confidence and consequently, to the return of the economy to positive growth rates.

Based on the above and taking into account the Bank's high capital adequacy (note 24) as well as the amount of available eligible collaterals through which liquidity is obtained through the mechanisms of the eurosystem, the Bank estimates that the conditions for the application of the going concern principle for the preparation of its financial statements are met.

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

The Bank's total exposure to Greek Government securities and loans related to the Hellenic Republic is presented in note 22. 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.

As far as debt sustainability is concerned and in accordance with the relevant framework set out by the Eurogroup of 9.5.2016, in the meeting of the same body held in 24.5.2016 measures for enhancing the Greek debt sustainability were broadly described, separately for the short, the medium and the long term. In accordance with this framework, based on the baseline scenario, the gross financing needs of the Greek government should be less than the 15% of GDP after the completion of the program in the medium term while subsequently they should be less than the 20% of GDP. The Eurogroup of 15.6.2017 confirmed the above target. From the above measures of debt relief only the short-term have been specified and put in place.

Following the successful completion of the program for the financial support of the Hellenic Republic, and to the degree deemed necessary, the medium term measures for the Greek debt will be put in place. The specification of these measures will be validated at the end of the program by the Eurogroup so that debt sustainability is ensured. In a long term horizon and in the case of an unexpected unfavorable scenario additional measures for the debt could be applied.

Finally, within July of the current year, the Hellenic Republic issued a five year bond of an amount of €3 billion. The issuance of the bond and the fact that it was successfully covered are the first steps for the Hellenic Republic to gradually regain access to the financial markets to cover its financing needs.

Based on the above, the Bank has not recognized impairment losses on the Greek Government securities that it held as at 30.6.2017, however, it assesses the developments relating to the Greek Government debt in conjunction with the market conditions and it reviews its estimations for the recoverability of its total exposure at each reporting date.

1.2.3 Recoverability of deferred tax assets

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

The amount of deferred tax assets recognized in the financial statements as at 30.6.2017 has not changed significantly compared to the respective amount as at 31.12.2016. Therefore, what is stated in note 1.29.3 of the annual financial statements of 31.12.2016 regarding the main categories of deferred tax assets recognized is also applicable to these financial statements. In addition, regarding the methodology applied for the recoverability assessment, what is stated in the aforementioned note of the annual financial statements is also applicable, taking also into consideration the elements that formed the result of the current period.

INCOME STATEMENT

2. Net interest income

	From 1 January to	
	30.6.2017	**30.6.2016**
Interest and similar income		
Due from banks	2,057	10,413
Loans and advances to customers	970,899	1,017,823
Trading securities	136	108
Available for sale securities	102,041	110,276
Held to maturity securities	(22)	5
Loans and receivables securities	749	4,819
Derivative financial instruments	46,238	67,215
Other	5,872	7,134
Total	**1,127,970**	**1,217,793**
Interest and similar expense		
Due to banks	(103,863)	(154,706)
Due to customers	(69,367)	(81,373)
Debt securities in issue and other borrowed funds	(4,349)	(40,458)
Derivative financial instruments	(53,091)	(72,153)
Other	(45,631)	(45,822)
Total	**(276,301)**	**(394,512)**
Net interest income	**851,669**	**823,281**

During the first semester of 2017 net interest income increased due to the reduction of securities issued by the Bank, that are guaranteed by the Greek Government, according to the Law 3723/2008, amounting to € 5.2 billion and the reduction of borrowing cost.

3. Dividend income

	From 1 January to	
	30.6.2017	**30.6.2016**
Available for sale securities	327	449
Subsidiaries and associates	35,161	75,307
Total	**35,488**	**75,756**

As at 30.6.2017 the Bank has recorded dividends whose distribution has been approved by the Ordinary Shareholders General Meetings of its subsidiaries.

4. Gains less losses on financial transactions

	From 1 January to	
	30.6.2017	**30.6.2016**
Foreign exchange differences	6,844	10,613
Trading securities:		
- Bonds	726	515
- Shares	134	
Investment securities		
- Bonds	43,151	12,412
- Shares	639	61,273
- Other securities	963	(1,143)
Loans and receivables	3,058	10,876
Investments	(3,046)	(34,279)
Derivative financial instruments	25,481	(19,586)
Other financial instruments	(35,351)	8,169
Total	**42,599**	**48,850**

Current period's "Gains less losses on financial transactions" were affected mainly by:

- Loss of € 37.3 million included in "Other financial instruments" arising from a fair value measurement, at the initial recognition, of the Bank's financial assets in the context of loans and receivables restructuring.
- Gains of € 29.5 million included in "Bonds" of investment portfolio as a result of the sale of Greek Government Bonds. An amount of € 13.7 million concerns to the disposal of other corporate bonds.
- Gains of € 30 million included in "Derivative financial instruments" concerns to the credit valuation adjustment of transactions with the Greek Government due to the reduce of its credit risk.

The "Gains less losses on financial transactions" of the first semester of 2016 were mainly affected by the acquisition of Visa Europe shares from Visa Inc. in the context of which the Bank recognized the amount of € 44.9 million. This amount consists of the cash received at the closing of the transaction and the recognition of the present value of the deferred payment on the third anniversary.

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

5. Staff costs

	From 1 January to	
	30.6.2017	**30.6.2016**
Wages and salaries	131,027	136,896
Social security contribution	41,534	41,773
Common insurance fund of Bank employees		1,314
Employee defined benefit obligation	150	1,526
Bank's employees indemnity provision due to retirement in accordance with Law 2112/1920	1,912	1,992
Other charges	14,322	13,863
Total	**188,945**	**197,364**

Staff Costs amounted to € 188.9 million for first semester of 2017 compared to € 197.4 million of the first semester of 2016 mailnly due to the reduction of personnel following the implementation of a separation scheme.

The total number of Bank's employees as at 30.6.2017 stood at 8,604 (30.6.2016: 9.055) out of which 8.563 (30.6.2016: 9.017) were employed in Greece and 41 (30.6.2016: 38) were employed abroad.

6. General administrative expenses

	From 1 January to	
	30.6.2017	**30.6.2016**
Operating leases for buildings	14,799	15,875
Rent and maintenance of EDP equipment	10,019	9,569
EDP expenses	12,487	12,391
Marketing and advertisement expenses	8,524	9,084
Telecommunications and postage	7,930	10,094
Third party fees	24,565	13,560
Consultants fees	3,734	2,701
Contribution to the Deposit Guarantee Fund / Investments Fund and Solvency Fund	22,987	28,485
Insurance	3,553	4,949
Consumables	1,280	2,133
Electricity	3,371	3,635
Taxes (VAT, real estate etc)	31,857	27,668
Services from collection agencies	16,264	12,760
Building and equipment maintenance	2,193	2,648
Security	3,698	4,071
Cleaning fees	1,509	1,568
Commission for the amount of Deferred Tax Asset guaranteed by the Greek State (note 8)	8,666	
Other	42,004	33,305
Total	**219,440**	**194,496**

General administrative expenses for the first semester of 2017 present an increase compared to the comparative period, mainly due to the burdened third parties fees resulting from the intensified debt collection activities.

Moreover, the results of the first semester of 2017 were burdened by €8.7 million, which relates to the annual commission attributed to the amount of deferred tax asset, guaranteed by the Greek State, according to the article 82 of Law 4472/19.5.2017, out of which €5.8 million relates to the commission for the year 2016. According to the Law, the respective commission is paid within 6 months from the end of the taxable period, starting from 30.6.2017.

7. Impairment losses and provisions to cover credit risk

	From 1 January to	
	30.6.2017	**30.6.2016**
Impairment losses on loans and advances to customers (note 10)	362,943	526,803
Provisions to cover credit risk relating to off balance sheet items	(471)	3,210
Recoveries	(7,864)	(9,281)
Total	**354,608**	**520,732**

8. Income tax

In accordance with Article 1 par. 4 of Law 4334/2015 "Urgent prerequisites for the negotiation and conclusion of an agreement with the European Stability Mechanism (ESM)" the corporate income tax rate for legal entities is 29% after 1 January 2015, from 26% that was in force.

In accordance with article 65A of Law 4174/2013, from 2011 the statutory auditors and audit firms conducting statutory audits to a Societe Anonyme, are obliged to issue an Annual Tax Certificate on the compliance on tax issues. This tax certificate is submitted to the entity being audited within the first 10 days of the 10th month after the end of the audited financial year, as well as electronically to the Ministry of Finance, no later than the end of the 10th month after the end of the audited financial year. In accordance with article 56 of

Law 4410/3.8.2016 for the fiscal years from 1.1.2016 onwards, the issuance of tax certificate is rendered optional. Intention of the Bank is to continue to received a tax certificate.

For fiscal years 2011 up to 2015 the tax audit of the Bank has been completed and the Bank has received tax certificate without any qualifications, whereas for year 2016 the Bank is expected to receive tax certificate without any qualifications.

Income tax expense is analyzed as follows:

	From 1 January to	
	30.6.2017	30.6.2016
Deferred tax	54,510	4,720
Total	**54,510**	**4,720**

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

	From 1 January to	
	30.6.2017	30.6.2016
Debit difference of Law 4046/2012	22,277	22,277
Debit difference of Law 4465/2017	1,264	
Depreciation and write-offs of fixed assets	7,021	6,610
Valuation/impairment of loans	(2,339)	(57,910)
Valuation of loans due to hedging	(110)	(640)
Employee defined benefit obligations and insurance funds	18,970	25,185
Valuation of derivatives	14,684	(6,054)
Effective interest rate	760	(279)
Fair value change of liabilities to credit institutions and other borrowed funds due to fair value hedge	(39,501)	3,471
Valuation of investments	28,438	(20,243)
Valuation/impairment of bonds and other securities	14,117	13,506
Tax losses carried forward	12,088	23,965
Other temporary differences	(23,159)	(5,168)
Total	**54,510**	**4,720**

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

	From 1 January to			
	30.6.2017		30.6.2016	
	%		%	
Profit/(loss) before income tax		**266,430**		**129,262**
Income tax (nominal tax rate)	29	77,265	29	37,486
Increase/(decrease) due to:				
Non taxable income	(3.85)	(10,250)	(25.51)	(32,974)
Non deductible expenses	0.47	1,250	0.72	932
Other tax adjustments	(5.16)	(13,755)	(0.56)	(724)
Income tax	**20.46**	**54,510**	**3.65**	**4,720**

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

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

According to article 4 of Law 4340/1.11.2015 "Recapitalization of financial institutions and other provisions of the Ministry of

Finance" the above were amended regarding the time of the application which is postponed for a year. In addition, the amount of deferred tax asset which is included to the legislation according to article 5 of Law 4303/17.10.2014 and relates to accumulated provisions and other general losses due to credit risk, is limited to the amount related to the provisions for credit risk, which were accounted until 30.6.2015.

According to article 43 of Law 4465/4.4.2017 "Integration of Directive 2014/92/EU of the European Parliament and Council held on 23.7.2014 for the comparability of charges related to payment accounts, the change of payment account and the access to payment accounts with basic characteristics and other provisions, into national law", the articles 27 and 27a of the Income Tax Code were amended (Law 4172/2013).

According to the new legislation, the debit difference, that will arise from the write-off of debtors' debts and the loss from the sale of loans of the legal entities supervised by the Bank of Greece, is recognised as a deduction from gross income and is amortized over a period of 20 years. The deferred tax asset which will be recognized from the abovementioned debit difference as well as of any accounting write-offs of loans or credits, not converted into debit difference until the end of the year when the accounting write-off took place, are converted into a final and settled claim against the State, based on the abovementioned terms and conditions.

The total amount of deferred tax asset from (a) the debit difference from the write-off of debtors' debts and the sale of loans, (b) the temporary differences from any accounting write-off of loans and credits and (c) the temporary differences from acccumulated provisions and other lossses due to credit risk, is limited to the total tax amount related to accumulated provisions and other losses due to credit risk, recognised until 30.6.2015.

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

The above apply from 1.1.2016.

As at 30.6.2017 the amount of deferred tax assets which is estimated to be within the scope of the aforementioned Law is €3,318 million (31.12.2016: €3,342 million).

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

On first application of the above, the commission is paid until 30.6.2017 (note 6).

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

During 2016, the Bank recognized deferred tax assets of €84.4 million relating to the impairment of the Bank's investment in the subsidiary, Alpha Bank Srbija A.D. The loss from the disposal of the investment in a foreign subsidiary is recognized as deductible from the gross expenses during the year upon the finalization of the disposal, in accordance with article 124 of Law 4446/22.12.2016 "Bankruptcy Code, Administration Justice, Duties-Fees, Voluntary Disclosure of Previous Years' Taxable Income, Online Transactions, Amendments of Law 4270/2014 and other provisions". The disposal of the subsidiary was completed during the first semester of 2017.

Income tax of other comprehensive income recognized directly in Equity

	From 1 January to					
	30.6.2017			30.6.2016		
	Before income tax	Income tax	After income tax	Before income tax	Income tax	After income tax
Amounts that may be reclassified to the Income Statement						
Net change in available for sale securities' reserve	222,935	(64,437)	158,498	13,470	(3,906)	9,564
Net change in cash flow hedge reserve	51,427	(14,914)	36,513	(128,790)	37,349	(91,441)
Total	**274,362**	**(79,351)**	**195,011**	**(115,320)**	**33,443**	**(81,877)**

During the first semester of 2017, a tax credit of €79, which resulted from share capital increase expenses on 23.2.2017, is presented in the account "Retained earnings".

In the first semester of 2016, a tax amounting to €281, which resulted from share capital increase expenses is presented in the account "Retained earnings" and is related to an increase of the share capital realized in the year 2015.

9. Earnings/(losses) per share

a. Basic

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

b. Diluted

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to the presumed conversion amount of all dilutive potential ordinary shares. The Bank does not have any dilutive potential ordinary shares and consequently there is no reason for the basic and dilutive earnings/(losses) per share to differ.

	From 1 January to	
	30.6.2017	**30.6.2016**
Profit/(loss) attributable to Equity owners of the Bank	**211,920**	**124,775**
Weighted average number of outstanding ordinary shares	1,541,665,288	1,536,881,200
Basic and diluted earnings/(losses) per share (in €)	0.1375	0.0812

	From 1 January to	
	30.6.2017	**30.6.2016**
Profit/(loss) from continuing operations attributable to Equity owners of the Bank	**211,920**	**124,542**
Weighted average number of outstanding ordinary shares	1,541,665,288	1,536,881,200
Basic and diluted earnings/(losses) per share (in €)	0.1375	0.0810

	From 1 January to	
	30.6.2017	**30.6.2016**
Profit/(loss) from discontinued operations attributable to Equity owners of the Bank		**233**
Weighted average number of outstanding ordinary shares		1,536,881,200
Basic and diluted earnings/(losses) per share (in €)	-	0.0002

On 23.2.2017, as a result of exercising the conversion right of all bondholders, the Bank increased its share capital, due to the conversion of the total convertible bond that was issued on 1.2.2013, under the agreement with Credit Agricole SA for the acquisition of former Emporiki Bank.

From the conversion, 6,818,181 new common shares were issued representing 0.44% of total shares, which were taken under consideration for the the calculation of the weighted average number of outstanding ordinary shares of the period 1.1 - 30.6.2017.

ASSETS

10. Loans and advances to customers

	30.6.2017	31.12.2016
Individuals		
Mortgages		
- Non-securitized	16,097,018	16,231,470
Consumer:		
- Non-securitized	3,624,542	3,546,181
- Securitized	1,131,631	1,272,572
Credit cards:		
- Non-securitized	677,420	680,502
- Securitized	536,406	540,376
Total	**22,067,017**	**22,271,101**
Companies:		
Corporate loans:		
- Non-securitized	24,249,040	25,474,333
- Securitized	2,419,236	2,514,014
Other receivables	311,786	387,432
	49,047,079	**50,646,880**
Less:		
Allowance for impairment losses *	(9,886,381)	(10,385,356)
Total	**39,160,698**	**40,261,524**

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

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

As at 30.6.2017 mortgage loans included loans amounting to € 15.1 million (31.12.2016: € 15.5 million) that have been granted as collateral in the covered bonds program of the Bank. On 30.6.2017 the above mentioned covered bonds amounted to € 5 million (31.12.2016: € 5 million) (note 17 ii).

* *In addition to the allowance of impairment losses regarding loans and advances to customers, a provision of € 6,818 (31.12.2016: € 299,128) has been recorded to cover credit risk relating to off-balance sheet items. Thus, the total provision recorded to cover credit risk amounts to € 9,893,199 (31.12.2016: € 10,684,484).*

Allowance for impairment losses

Balance 1.1.2016	**9,777,241**
Changes for the period 1.1 - 30.6.2016	
Impairment losses for the period (note 7)	526,803
Transfer of accumulated provisions to assets held for sale	(100,000)
Change in present value of impairment losses	217,243
Foreign exchange differences	(893)
Loans written-off	(414,327)
Balance 30.6.2016	**10,006,067**
Changes for the period 1.7 - 31.12.2016	
Impairment losses for the period from continuing operations	654,294
Utilization of provisions for other movements	(16,425)
Disposal of impaired loans	(1,693)
Change in present value of impairment losses	107,586
Foreign exchange differences	6,092
Loans written-off	(370,565)
Balance 31.12.2016	**10,385,356**
Changes for the period 1.1 - 30.6.2017	
Impairment losses for the period (note 7)	362,943
Transfer of accumulated provisions to Investments in subsidiaries, associates and joint ventures (note 12)	(212,152)
Disposal of impaired loans	(9,183)
Change in present value of impairment losses	120,343
Foreign exchange differences	(10,484)
Loans written-off	(750,442)
Balance 30.6.2017	**9,886,381**

In the context of the capital restructuring of its subsidiary AGI Cypre Ermis Ltd the Bank during the first semester of 2017 reclassified to accumulated impairment of its subsidiaries the amount of €212,152 that corresponds to existing impairment of Loans and advances to customers (note 12).

In the context of non – perfoming loans' management, the Bank proceeded within the first semester of 2017 in loans' write off amounting to €750 million.

11. Trading and investment securities

a. Trading securities

Securities held for trading amounted to €5 million on 30.6.2017 (31.12.2016: €2.9 million) out of which Greek Government Bonds €4.7 million (31.12.2016: €2.3 million).

b. Available for sale

The available for sale portfolio amounted to €4,815.5 mil-lion as at 30.6.2017 (31.12.2016: €4,360 million). These amounts include securities issued by the Greek State amounted to €3,539.9 million as at 30.6.2017 (31.12.2016: €3,409.7 million) out of which €1,397.9 million (31.12.2016: €1,478.4 million) relates to Greek Government treasury bills.

Additionally, the available for sale portfolio includes bonds issued by European Financial Stability Facility (EFSF), with a book value of €406.1 million (31.12.2016: €0 million), out of which an amount of €185.3 million relates to the exchange of loan portfolio with the EFSF, in the context of the implementation of short-term measures for public debt relief and €220.8 from placements in secondary market .

The Bank during the first semester of 2017 has recognized impairment losses for other bonds amounting to €1.2 million and for shares amounting to €31 which are included in the caption "Gains less losses on financial transactions".

On 26.7.2017, the Bank participated in the new issue of a five-year Greek government bond with a start date on 1.8.2017, maturity date on 1.8.2022 and a 4.625% yield, by exchanging a bond with a nominal value of €440 million, of a 5-year duration, maturity on 17.4.2019 and a fixed price of 102,6% of its nominal value.

c. Held to maturity

The held to maturity portfolio amounts to €318 as at

30.6.2017 (31.12.2016: € 9.3 million). The variation between the comparative periods is mainly attributed to the maturity of a bank bond with a carrying amount of € 9 million.

d. Loans and receivables

Loans and receivables include bonds issued by the European EFSF which under the original contract could only be used as collateral to obtain liquidity from the Eurosystem or from interbank counterparties in repo agreements.

In April 2016 the subscription agreement between the EFSF, the Hellenic Financial Stability Fund (HFSF) and the Bank was revised. The revision refers to the terms of use of the above securities. The revision states that the Bank may participate with the EFSF bonds in the purchase program, conducted by ECB, for the bonds issued by central governments, special bodies-securities issuers and European supranational institutions of the Eurozone (Public Sector Purchase Programme - PSPP). According to the ECB's decision, a total up to 50% of each EFSF issuance could be purchased until the completion of the program in March 2017. Until 23.1.2017, the Bank conducted sale transactions of EFSF securities bonds with a a nominal value of € 140 million, under the PSPP program.

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

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

During the first semester of 2017 and under this agreement, the Bank exchanged floating rate bonds of nominal value € 614.8 million, issued by EFSF, with equal in nominal value bonds, of fixed coupon, issued by EFSF, with a maturity of 30 years. Out of these bonds EFSF repurchased bonds with a nominal value of € 429.6 million whilst the remaining bond of nominal value € 185.2 million was reclassified in the available for sale portfolio. On 30.6.2017 the book value of the loan and receivables portfolio stood at € 1,919.7 million. (31.12.2016: € 2,682.7 million).

12. Investments in subsidiaries, associates and joint ventures

	1.1-30.6.2017	1.7-31.12.2016	1.1-30.6.2016
SUBSIDIARIES			
Opening balance	**1,800,990**	**2,047,418**	**2,017,859**
Additions	729,164		69,720
Disposals	(512,516)	(139,083)	
Transfer due to reclassification to assets held for sale		(105,000)	(35,245)
Valuation of investments due to fair value hedge *	(1,986)	(2,345)	(4,916)
Closing balance	**2,015,652**	**1,800,990**	**2,047,418**
ASSOCIATES			
Opening balance	**631**	**631**	**631**
Reclassified from joint ventures	6,540		
Disposals	(324)		
Closing balance	**6,847**	**631**	**631**
JOINT VENTURES			
Opening balance	**13,634**	**12,974**	**68,896**
Additions		660	6,022
Reclassified to associates	(6,540)		
Transfer due to reclassification to assets held for sale			(61,944)
Closing balance	**7,094**	**13,634**	**12,974**
Total	**2,029,593**	**1,815,255**	**2,061,023**

Additions represent: share purchases, participation in share capital increases and acquisitions of shares due to mergers.

Disposals represent: sales of shares, return of capital, proceeds arising from the liquidation of companies, contributions in kind and impairments.

The additions in subsidiaries amounting to € 729,164, relate

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

to the subsidiary company AGI Cypre Ermis Ltd by an amount of € 704,164, as analyzed below, and € 25,000 to the participation of the Bank in the share capital increase of its subsidiary company Alphalife A.A.E.Z.

The disposals in subsidiaries amounting to € 512,516 relate to:

- return of capital arising from the subsidiary Emporiki Development and Real Estate Management S.A. amounting to € 28,652 and
- impairment of the subsidiary AGI Cypre Ermis Ltd amounting to € 483,864.

The Bank, in the first semester of 2017, in the context of the capital restructuring of its subsidiary AGI Cypre Ermis Ltd, capitalised the subsidiary by the amount of € 704 million with an equal reduction of part of the loan granted by the Bank to the company. On the basis of the above and in the context of the impairment test of its investment in AGI Cypre Ermis Ltd, the Bank transferred to the accumulated impairment of subsidiaries the amount of € 483,864, out of which, an amount of € 212,152 corresponds to the existing impairment on loans and advances to customers (note 10) and an amount of € 271,712 that corresponds to existing provisions for letters of guarantee granted by the bank to its subsidiary.These letters of guarantee were cancelled in accordance with the terms of the companys capital restructuring (note 18).

Bank's participation in Cepal Holdings SA (former Aktua Hellas Holdings S.A.) reclassified from joint ventures to associates following the company's shareholders' agreement signed during the the second quarter of 2017 and following the amedments in the company's Articles of association on 4.5.2017.

The disposals in associates amounting to € 324 relate mainly to a disposal of a stake of approximately 2.2% in Cepal Holdings S.A. (former Aktua Hellas Holdings S.A.).

During the current period the Bank acquired 47.04% of the share capital of the company Famar S.A. at a price of four euro and seventy cents. This acquisition of the shares by the Bank as well as by three other Greek banks, lenders of the company, took place within the context of the French prebankruptcy procedure, that Famar S.A. entered into with a view to its restructuring. At the same time, the banks and a loan management company entered into an agreement, which determines the way of decision making regarding the management of Famar S.A., in order to maximize the recovery potential of the value of the loans granted to the company by the Greek banks. In addition, it is noted that according to Famar's S.A. Articles of Association, there are corporate issues for which decision making is based on the number of shareholders instead of the percentage of shares held. The company's shares are pledged for loans granted by the aforementioned Greek banks to the previous shareholder of Famar S.A, both before and after the restructuring agreement. The Bank assessed the above and classified the participation in Famar S.A. investments in associates.

13. Investment property

	Land - Buildings
Balance 1.1.2016	
Cost	43,847
Accumulated depreciation and impairment losses	(15,034)
1.1.2016 - 30.6.2016	
Net book value 1.1.2016	28,813
Additions	32
Reclassification to "Other Assets"	(361)
Depreciation charge for the period	(183)
Net book value 30.6.2016	**28,301**
Balance 30.6.2016	
Cost	43,470
Accumulated depreciation and impairment losses	(15,169)
1.7.2016 - 31.12.2016	
Net book value 1.7.2016	28,301
Additions	1
Impairments	(289)
Depreciation charge for the period	(177)
Net book value 31.12.2016	**27,836**
Balance 31.12.2016	
Cost	43,471
Accumulated depreciation and impairment losses	(15,635)
1.1.2017 - 30.6.2017	
Net book value 1.1.2017	27,836
Depreciation charge for the period	(176)
Net book value 30.6.2017	**27,660**
Balance 30.6.2017	
Cost	43,471
Accumulated depreciation and impairment losses	(15,811)

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

In 2016, an impairment loss amounting to €289 was recognized, in order for the carrying amount of investment property not to exceed their recoverable amount as at 31.12.2016, as estimated by certified valuators. The impairment amount was recorded in "Other Expenses".

No impairment was recognized for the period ended on 30.6.2017.

14. Property, plant and equipment

	Land and Buildings	Leased Equipment	Equipment	Total
Balance 1.1.2016				
Cost	954,445	752	361,921	1,317,118
Accumulated depreciation and impairment losses	(310,210)	(237)	(314,824)	(625,271)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	644,235	515	47,097	691,847
Additions	2,907		9,460	12,367
Disposals/write-offs	(753)		(9)	(762)
Reclassification to "Other Assets"	(3,302)			(3,302)
Reclassification from "Leased equipment" to "Equipment"		(467)	467	
Depreciation charge for the period	(8,496)	(44)	(7,311)	(15,851)
Net book value 30.6.2016	**634,591**	**4**	**49,704**	**684,299**
Balance 30.6.2016				
Cost	951,004	8	367,818	1,318,830
Accumulated depreciation and impairment losses	(316,413)	(4)	(318,114)	(634,531)
1.7.2016 - 31.12.2016				
Net book value 1.7.2016	634,591	4	49,704	684,299
Additions	4,122		8,496	12,618
Impairments	(3,956)			(3,956)
Disposals/write-offs	(788)		(14)	(802)
Reclassification to "Other Assets"	(734)			(734)
Reclassification from "Leased Equipment" to "Land and buildings"		(4)	4	
Depreciation charge for the period	(8,610)		(6,945)	(15,555)
Net book value 31.12.2016	**624,625**	-	**51,245**	**675,870**
Balance 31.12.2016				
Cost	951,390		373,058	1,324,448
Accumulated depreciation and impairment losses	(326,765)		(321,813)	(648,578)
1.1.2017 - 30.6.2017				
Net book value 1.1.2017	624,625		51,245	675,870
Additions	2,368		7,266	9,634
Disposals/write-offs	(1,166)		(12)	(1,178)
Reclassification to "Other Assets"	(5,867)			(5,867)
Depreciation charge for the period	(8,339)		(6,846)	(15,185)
Net book value 30.6.2017	**611,621**	-	**51,653**	**663,274**
Balance 30.6.2017				
Cost	940,771		379,358	1,320,129
Accumulated depreciation and impairment losses	(329,150)		(327,705)	(656,855)

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

The carrying amount of owned land and buildings included in the above balances amounts to €590,554 as at 30.6.2017 (31.12.2016: €600,348).

In 2016, an impairment loss of €3,956 was recognized in caption "Other Expenses".

15. Goodwill and other intangible assets

	Software	Banking rights	Other	Total
Balance 1.1.2016				
Cost	441,920	1,785	138,339	582,044
Accumulated amortization and impairment losses	(240,897)	(1,785)	(39,541)	(282,223)
1.1.2016 - 30.6.2016				
Net book value 1.1.2016	201,023		98,798	299,821
Additions	41,484			41,484
Amortization for the period	(10,096)		(9,146)	(19,242)
Net book value 30.6.2016	**232,411**	**-**	**89,652**	**322,063**
Balance 30.6.2016				
Cost	483,404	1,785	138,339	623,528
Accumulated amortization and impairment losses	(250,993)	(1,785)	(48,687)	(301,465)
1.7.2016 - 31.12.2016				
Net book value 1.7.2016	232,411		89,652	322,063
Additions	31,903			31,903
Amortization for the period	(10,894)		(9,146)	(20,040)
Net book value 31.12.2016	**253,420**		**80,506**	**333,926**
Balance 31.12.2016				
Cost	515,055	1,785	138,339	655,179
Accumulated amortization and impairment losses	(261,635)	(1,785)	(57,833)	(321,253)
1.1.2017 - 30.6.2017				
Net book value 1.1.2017	253,420		80,506	333,926
Additions	26,285			26,285
Amortization for the period	(12,234)		(9,146)	(21,380)
Net book value 30.6.2017	**267,471**		**71,360**	**338,831**
Balance 30.6.2017				
Cost	541,279	1,785	138,339	681,403
Accumulated amortization and impairment losses	(273,808)	(1,785)	(66,979)	(342,572)

The additions of the first semester of 2017 mainly concern acquisitions of user rights for computer applications.

LIABILITIES

16. Due to Banks

	30.6.2017	31.12.2016
Deposits:		
- Current accounts	59,527	59,210
- Term deposits:		
Central Banks	15,030,475	18,331,086
Other credit institutions	179,216	125,546
Cash collateral for derivative margin account	34,543	25,465
Sale of repurchase agreements (Repos)	2,390,220	612,449
Borrowing funds	291,374	274,952
Other liabilities to credit institutions		4,293
Total	**17,985,355**	**19,433,001**

Bank's deposits from Eurosystem decreased by €3.3 billion during the first semester of 2017 mainly due to the signing of new repurchase agreements (Repos), the sale of EFSF bonds through the PSPP programme (note 11), other bonds and the reduction of subsidiaries funding.

In June 2016, ECB carried out a new program of targeted long term refinancing operations (TLTRO-II) with a four year duration. The Bank participated initially in this programme with an amount of €1 billion, while in June 2017 its participation amounted to €3.1 billion.

The caption "Borrowed funds" includes liabilities due to European Investment Bank.

17. Debt securities in issue and other borrowed funds

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

Under the programme for the enhancement of the Greek's economy's liquidity, according to Law 3723/2008, the Bank proceeded in the first semester of 2017 to the issuance of senior debt securities guaranteed by the Greek State amounting to €300 million whilst the maturities/redemptions for the same period amounted to € 1.3 billion.

The Bank does not hold any position in senior debt securities guaranteed by the Greek State as at 30.6.2017 (31.12.2016: €1 billion).

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

ii. Covered bonds *

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

The total balance of covered bonds as at 30.6.2017 amounts to €5 million.

In the context of the existing program of direct covered bonds issuance of amount €8 billion, the Bank issued, on 2.8.2017, a bond with a nominal value of € 1 billion collateralized with mortgage loans of an amount € 1.2 billion, maturity date on 23.10.2018 and bearing an interest rate corresponding to Euribor 3 months plus a margin of 1.2%. The issuance that is wholly purchased by the Bank, is used as collateral in financing operations.

iii. Senior debt securities

Balance 1.1.2017	**26,834**
Changes for the period 1.1 - 30.6.2017	
Maturities/Repayments	(17,719)
Accrued interest	326
Balance 30.6.2017	**9,441**

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

iv. Liabilities from the securitization of shipping loans

Balance 1.1.2017	**227,487**
Changes for the period 1.1 – 30.06.2017	
Maturities/Repayments	(71,249)
Accrued interest	3,651
Foreign exchange differences	(14,300)
Balance 30.6.2017	**145,589**

The Bank proceeded to a shipping loan securitization transaction, transferring them to the Special Purpose Entity, Alpha Shipping Finance Ltd, which in turn raised funding from third parties. The liability to the special purpose entity on 30.6.2017 which relates with the securitized shipping loans amounts to € 146 million.

v. Liabilities from the securitization of corporate loans (SMEs)

Balance 1.1.2017	**289,160**
Changes for the period 1.1 – 30.06.2017	
New issues	39,977
Maturities/Repayments	(75,436)
Accrued interest	2,582
Balance 30.6.2017	**256,283**

In prior year, the Bank proceeded with the securitization of SME's loans, transferring the aforementioned loans to the fully consolidated special purpose entity, Proodos Designated Activity Company (D.A.C.), which in turn raised funding from third parties and the Bank.

The liability of the Bank to the special purpose entity as at 30.6.2017 amounts to €256 million.

vi. Liabilities from the securitization of other loans

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

vii. Subordinated debt

Balance 1.1.2017	**26,006**
Changes for the period 1.1 - 30.6.2017	
Maturities/Repayments	(25,308)
Accrued interest	(47)
Balance 30.6.2017	**651**

The variance mainly relates to the maturity of subordinated debt of € 25.3 million.

viii. Hybrid securities

Balance 1.1.2017	**15,277**
Changes for the period 1.1 - 30.6.2017	
Accrued interest	4
Balance 30.6.2017	**15,281**

ix. Convertible bond loan

Balance 1.1.2017	**13,995**
Changes for the period 1.1 - 30.6.2017	
Maturity	(12,205)
Fair value change	(1,790)
Balance 30.6.2017	**-**

The Bank issued a convertible bond with nominal value of € 150 million on 1.2.2013 under an agreement with Credit Agricole SA for the acquisition of Emporiki Bank.

The convertible bond matured on 1.2.2017, and the Bank proceeded to a share capital increase on 23.2.2017 following the exercise of the conversion right from the total bondholders, (note 19).

Total of debt securities in issue and other borrowed funds, not held by the Bank, as at 30.6.2017	**427,245**

18. Provisions

Balance 1.1.2016	**410,446**
Changes for the period 1.1 - 30.6.2016	
Other provisions	2,620
Other provisions used	(3,094)
Provisions to cover credit risk relating to off-balance sheet items (note 7)	3,210
Balance 30.6.2016	**413,182**
Changes for the period 1.7 - 31.12.2016	
Other provisions	5,296
Other provisions used	(953)
Use of provision for separation scheme	(35,262)
Provisions to cover credit risk relating to off-balance sheet items	925
Balance 31.12.2016	**383,188**
Changes for the period 1.1 - 30.6.2017	
Other provisions	6,546
Other provisions used	(2,306)
Provisions to cover credit risk relating to off-balance sheet items	(292,310)
Use of provision for separation scheme	(754)
Balance 30.6.2017	**94,364**

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

The Bank, during the first semester of 2017, and in the context of the capital restructuring of its subsidiary AGI Cypre Ermis Ltd reclassified to accumulated impairment on subsidiaries' the amount of €271,712, that corresponds to the existing provisions for letters of guarantee granted by the Bank to its subsidiary and which were cancelled, in the context of the capital restructuring of its subsidiary (note 12).

On 30.6.2017 the balance of provisions to cover credit risk relating to off-balance sheet items amounts to €6.8 million (31.12.2016: €299.1 million) and other provisions to € 87.5 million (31.12.2016: €84.1 million) out of which:

- An amount of €32.4 million (31.12.2016: €29 million) relates to pending legal cases.
- An amount of €28.3 million (31.12.2016: €29 million) refers to the remaining of the €64.3 million provision of separation scheme which was recorded by the Bank on 31.12.2015, in the context of the updated restructuring plan and other commitments. The Bank, within the second quarter of 2017 set up a specific program for personnel working in the Prefecture of Thessaloniki which includes the legal compensation and other inceptives depending on personnel's age which will also be covered by this provision.

EQUITY

19. Share capital and Retained earnings

a. Share capital

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

As a result of the above the Bank's share capital on 30.6.2017 amounts to €463,109,814.30.

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

b. Share premium

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

c. Retained earnings

i. Since in 2016 there were no distributable profits, in accordance with article 44a of Codified Law 2190/1920, the Ordinary General Meeting of Shareholders on 30.6.2017 decided the non-distribution of dividends to ordinary shareholders of the Bank.

ii. The caption "Retained Earnings" as at 30.6.2017 includes expenses relating to the share capital increase, amounting to €0.2 million (31.12.2016: €0.7 million) net of income tax.

ADDITIONAL INFORMATION

20. Contingent liabilities and commitments

a. Legal issues

The Bank, in the ordinary course of business, is defendant in claims from customers and other legal proceedings. In the context of managing the operational risk events and on the basis of the accounting principles followed, the Bank records all the filed lawsuits or similar actions raised by third parties against the Bank and considers any possibility of their success, as well as the possible outcome.

For cases where there is a significant probability of a negative outcome, and the result may be reliably estimated, the Bank books a provision which is included in the Balance Sheet, under the caption "Provisions". On 30.6.2017 the amount of the such provision stood at € 32.4 million.

For cases where according to their progress and the evaluation of the Legal department on 30.6.2017, a negative outcome is not probable or the potential outflow cannot be reliably estimated due to the complexity of the cases, the time period they will last and the uncertainty of their outcome, the Bank has not recorded a provision.

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

b. Tax issues

The Bank has been audited by the tax authorities for the years up to and including 2009. For the year 2010, tax audit is in progress. For the years 2011 up to 2015, the Bank has obtained a tax certificate with no qualifications according to the article 82 of Law 2238/1994 and the article 65a of Law 4174/2013, whereas for the year 2016 the Bank is expected to receive tax certificate with no qualifications. Emporiki Bank has been audited by the tax authorities for the years up to and including 2008. For the years 2011 up to 2013 it has obtained a tax certificate with no qualifications.

Alpha Bank's branches in London and Bulgaria have been audited by the tax authorities up to and including the years 2013 and 2016 respectively. For Bulgaria Branch, the tax audit for the year 2016 was completed in February 2017. Emporiki Bank's Cyprus branch has not been audited by the tax authorities since the commencement of its operations (year 2011), until its deletion from Department of Registrar of Companies of Cyprus (August 2015), meanwhile it has ceased its operations since September 2014.

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

Based on Ministerial Decision 1006/5.1.2016 there is no exemption from tax audit by the tax authorities to those entities that have been tax audited by the independent auditor and they have received an unqualified tax audit certificate. Therefore, the tax authorities may re-audit the tax books of the Bank for previous years.

Additional taxes and penalties may be imposed as a result of such tax audits, which cannot be reliably determined.

c. Operating leases

The Bank as lessee

Bank's obligations with respect to leases consist mainly of buildings which are used either as branches or as other operating units.

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

The minimum future lease payments are:

	30.6.2017	31.12.2016
Less than one year	28,535	29,163
Between one and five years	70,075	76,014
Over than five years	73,071	77,699
Total	**171,680**	**182,876**

The total lease expenses, for the first semester of 2017, relating to rental of buildings amounted to € 14,799 (first semester of 2016: € 15,875) and are included in "General administrative expenses".

The Bank as a lessor

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

The minimum future lease revenues are:

	30.6.2017	31.12.2016
Less than one year	4,436	4,199
Between one and five years	11,970	11,118
Over than five years	13,716	13,954
Total	**30,122**	**29,271**

Lease revenues for the first semester of 2017 amounted to € 2,199 (first semester of 2016: € 1,708) and are included in "Other income".

d. Off balance sheet liabilities

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

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

The outstanding balances are as follows:

	30.6.2017	31.12.2016
Letters of credit	16,769	16,215
Letters of guarantee and other guarantees	3,729,202	4,116,824
Guarantees relating to bonds issued by subsidiaries of the Bank	15,542	15,542

Letters of credit are used to facilitate trading activities and relate to the financing of contractual agreements for the transfer of goods domestically or abroad, by undertaking the direct payment on behalf of the third party bound by the agreement on behalf of the Bank's client. Letters of credit, as well as letters of guarantee, are commitments under specific terms and are issued by the Bank for the purpose of ensuring that its clients will fulfill the terms of their contractual obligations.

The liability from limits that can not be recalled (committed) in case where counterparties fail to meet their contractual obligations as at 30.6.2017 amounts to € 376 million (31.12.2016: € 421.7 million) and are included in the calculation of risk weighted assets.

The Bank has committed to contribute in the share capital of the joint venture Alpha TANEO AKES up to the amount of €0.3 million.

e. Assets pledged

Assets pledged, as at 30.6.2017 are analyzed as follows:

- Deposits pledged amounting to € 0.3 billion concerning the Bank's obligation to maintain deposits in the Bank of Greece, corresponding to 1% of total customer deposits.
- Deposits pledged amounting to € 0.2 billion concerning guarantees provided on behalf of the Greek State.
- Deposits pledged to credit institutions amounting to € 1.1 billion which have been provided as guarantee for derivative transactions.
- Deposits pledged to credit institutions amounting to € 0.04 billion that were given as letters of credit or letters of guarantee issued by the Bank in order to facilitate clients' imports.
- Deposits of € 6.2 million were pledged to the Resolution Fund as irrevocable payment commitment for a part of 2016 and 2017 contribution. The commitment has to be fully secured by cash as decided by the Single Resolution Board.

- Due from banks:
  i. amount of € 0.5 billion pledged to central banks for liquidity purposes.
  ii. amount of € 0.34 billion given to foreign subsidiaries as collateral for credit risk.
- Loans and advances to customers:
  i. an amount of nominal value of € 21.2 billion pledged to Central Banks for liquidity purposes.
  ii. a carrying amount of € 2.78 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, whilst an amount of € 0.37 billion has been given as collateral for repurchase agreements (repo).
  iii. a carrying amount of € 0.5 billion, which relates to shipping loans, has been securitized for the issuance of securities for the purpose of financing the Bank through a special purpose entity which amount to € 0.2 billion on 30.6.2017.
  iv. a carrying amount of €0.6 billion which relates to corporate loans, has been securitized for the issuance of the special purpose entities' bonds which on 30.6.2017 amounted to €0.6 billion out of which an amount of € 0.3 billion is held by the Bank.
  v. amount of nominal value €0.2 billion, which relates to corporate loans, has been given as collateral in terms of other acts of lending.
- Securities held for trading and investment securities portfolio:
  i. an amount of nominal value of € 3.89 billion of Greek Government securities, out of which a nominal amount of € 3.34 billion has been pledged to central banks for liquidity purposes, a nominal amount of € 0.01 billion has been pledged for other loan facilities whilst a nominal amount of €0.54 billion has been given as collateral for repurchase agreements (repo).
  ii. an amount of nominal value € 2.31 billion relates to securities issued by the EFSF that: a) they were received by the Bank from the HFSF in the context of its participation to the Bank's share capital increase that was completed on 6.6.2013, b) they were received by the Bank from the HFSF in order to cover the difference between the values of assets and liabilities transferred from Cooperative Banks, c) they have been acquired in the secondary market and (d) they have been acquired in the context of the implementation of short-term measures for public debt relief, out of which an amount of nominal value of €0.66 billion has been pledged to Central Banks with the purpose to participate in main refinancing operations and an amount of nominal value of € 1.65 billion has been given as collateral for repurchase agreements (repo).
  iii. an amount of nominal value of € 0.47 billion, that relates to bonds issued from the securitization of receivables of finance leases of a Group's entity, has been pledged to Central Banks for liquidity purposes.
  iv. an amount of € 0.21 billion of other corporate securities has been given as a collateral for repo agreements.
  v. an amount of €0.08 billion which relates to bonds issued by third parties, has been given to Central Banks for liquidity purposes.

21. Operating segments

(Amounts in million of Euro)

	1.1 - 30.6.2017						
	Retail Banking	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South Eastern Europe**	**Other**	**Total**
Net interest income	480.4	314.2	(1.2)	43.6		14.7	851.7
Net fee and commission income	51.3	56.5	18.6	10.5			136.9
Other income	4.4	(35.1)	0.9	79.4		35.7	85.3
Total income	**536.1**	**335.6**	**18.3**	**133.5**		**50.4**	**1,073.9**
Total expenses before impairment losses and provisions to cover credit risk	**(337.6)**	**(68.6)**	**(7.3)**	**(7.9)**		**(31.5)**	**(452.9)**
Impairment losses	(436.3)	81.7					(354.6)
Profit/(losses) before income tax	**(237.8)**	**348.7**	**11.0**	**125.6**		**18.9**	**266.4**
Income tax							(54.5)
Profit/(losses) after income tax from continuing operations							**211.9**
Profit/(losses) after income tax from discontinued operations							-
Profit/(losses) after income tax							**211.9**
Assets 30.6.2017	23,965.2	16,590.2	70.3	10,923.9		6,960.1	58,509.7
Liabilities 30.6.2017	22,324.7	6,545.2	731.3	19,690.9		73.6	49,365.7

(Amounts in million of Euro)

	1.1 - 30.6.2016						
	Retail Banking	**Corporate Banking**	**Asset Management/ Insurance**	**Investment Banking/ Treasury**	**South Eastern Europe**	**Other**	**Total**
Net interest income	504.4	341.6	0.9	(33.9)		10.3	823.3
Net fee and commission income	53.9	63.1	12.6	2.2			131.8
Other income	3.3	2.2	0.5	20.1		103.6	129.7
Total income	**561.6**	**406.9**	**14.0**	**(11.6)**	-	**113.9**	**1,084.8**
Total expenses before impairment losses and provisions to cover credit risk	**(329.9)**	**(63.1)**	**(7.3)**	**(8.2)**	-	**(26.3)**	**(434.8)**
Impairment losses	(166.0)	(354.7)					(520.7)
Profit/(losses) before income tax	**65.7**	**(10.9)**	**6.7**	**(19.8)**	-	**87.6**	**129.3**
Income tax							(4.7)
Profit/(losses) after income tax from continuing operations							**124.6**
Profit/(losses) after income tax from discontinued operations					0.2		0.2
Profit/(losses) after income tax							**124.8**
Assets 31.12.2016	24,556.7	17,221.5	84.8	11,578.9		6,960.7	60,402.6
Liabilities 31.12.2016	22,729.6	6,438.5	876.2	21,495.5		137.8	51,677.5

i. Retail Banking

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

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

ii. Corporate Banking

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

iii. Asset Management/Insurance

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

iv. Investment Banking/Treasury

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

v. South Eastern Europe

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

vi. Other

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

The table below presents the Bank's loans, which are managed by the non perfoming loan divisions of Retail banking and Wholesale banking, according to the internal procedures of the Bank, and they are included in the operating segments under "Retail banking" and "Corporate banking" assets.

	30.6.2017			31.12.2016		
	Balance before Impairment	**Accumulated Impairment**	**Balance after Impairment**	**Balance before Impairment**	**Accumulated Impairment**	**Balance after Impairment**
Mortgages	7,732,369	2,347,510	5,384,859	7,655,203	2,032,511	5,622,692
Consumer loans	4,312,369	2,400,266	1,912,103	4,336,599	2,394,214	1,942,385
Corporate loans	13,388,711	6,916,769	6,471,942	13,704,057	7,686,799	6,017,258
Total	**25,433,449**	**11,664,545**	**13,768,904**	**25,695,859**	**12,113,524**	**13,582,335**

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

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

i. Exposure to the Greek State

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

	30.6.2017		31.12.2016	
Portfolio	**Nominal value**	**Carrying amount**	**Nominal value**	**Carrying amount**
Available for sale	3,864,301	3,539,949	3,965,219	3,409,677
Trading	5,591	4,715	2,861	2,256
Total	**3,869,892**	**3,544,664**	**3,968,080**	**3,411,933**

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

In addition the carrying amount of public entities securities on 30.6.2017 amounted to € 107.4 million (31.12.2016: € 140 million.).

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

On balance sheet exposure

	30.6.2017	31.12.2016
	Carrying amount	**Carrying amount**
Derivative financial instruments – assets	319,387	342,737
Derivative financial instruments – liabilities	(45,648)	(69,299)

Derivative financial liabilities from public sector entities amounted to € 5.4 million as at 30.6.2017 (31.12.2016: € 8.4 million assets).

The Bank's exposure in loans granted to public sector entities/organizations as at 30.6.2017 amounted to € 1,135.5 million (31.12.2016: € 1,112 million). The Bank for the above receivables has recognized impairment amounted to € 48.3 million as at 30.6.2017 (31.12.2016: € 49.1 million).

In addition the balance of Bank's loans guaranteed by the Greek State (directly guaranteed by Greek Government, loans guaranteed by TEMPE, loans guaranteed by Common Ministerial Decisions) as at 30.6.2017 amounted to € 695.3 million (31.12.2016: € 720.6 million). For these loans the Bank has recognized impairment amounted to € 122.7 million as at 30.6.2017 (31.12.2016: € 149.2 million).

Off balance sheet exposure

	30.6.2017		31.12.2016	
	Nominal value	**Fair Value**	**Nominal value**	**Fair Value**
Greek Government Treasury Bills received as guarantee for financing	56,100	55,999	56,373	57,162

ii. Exposure to other peripheral Eurozone countries debt

The Bank as at 30.6.2017 had no exposure to securities issued by Cyprus, Spain, Italy, Portugal and Ireland.

23. Disclosures relevant to the fair value of financial instruments

Fair value of financial instruments measured at amortized cost

	30.6.2017		31.12.2016	
	Fair value	Carrying amount	Fair value	Carrying amount
Financial Assets				
Loans and advances to customers	38,959,627	39,160,698	40,069,490	40,261,524
Investment securities				
- Held to maturity	96	318	9,042	9,342
- Loans and receivables	1,963,832	1,919,723	2,743,600	2,682,655
Financial Liabilities				
Due to customers	28,890,408	28,911,752	28,987,263	29,009,979
Debt securities in issue *	400,540	427,245	532,580	584,764

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 adjustments for credit risk. 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 the above mentioned cases, the future cash flows (floating rate) are calculated based on the implied forward rates until their maturity.

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

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

Hierarchy of financial instruments measured at fair value

	30.6.2017			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	3,872	547,678	18,347	569,897
Securities held for trading				
- Bonds and treasury bills	4,715			4,715
- Shares	307			307
Available for sale securities				
- Bonds and treasury bills	4,070,403	606,172	55,368	4,731,943
- Shares	42,379	16,193	19,241	77,813
- Other variable yield securities	5,769			5,769
Derivative financial liabilities		1,147,201	1	1,147,202

	31.12.2016			
	Level 1	Level 2	Level 3	Total Fair value
Derivative financial assets	4,224	634,852	5,360	644,436
Securities held for trading				
- Bonds and treasury bills	2,256			2,256
- Shares	609			609
Available for sale securities				
- Bonds and treasury bills	3,746,897	490,055	40,307	4,277,259
- Shares	49,305	14,589	11,742	75,636
- Other variable yield securities	7,152			7,152
Derivative financial liabilities		1,337,558	1	1,337,559
Convertible bond			13,995	13,995

* *On 31.12.2016 ,Debt securities in issue do not include the convertible bond loan issued by the Bank in the context of the agreement with Credit Agricole S.A. regarding the acquisition of Emporiki Bank since this security is measured at fair value. This convertible bond matured on 1.2.2017.*

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

The derivatives and 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.

In Level 3 are classified securities and derivatives whose fair value is estimated using significant unobservable inputs.

Shares whose fair value is assessed based on calculations are classified either in Level 2 or Level 3, depending on the extent of the contribution of unobservable data to the estimation of their fair value. The fair value of both non listed shares and shares not traded in an active market is determined based either on multiples valuation method or on the estimations made by the Bank which relate to the future profitability of the issuer, taking into account the expected growth rate of its operations, as well as the weighted average rate of capital return which is used as discount rate.

In particular, with respect to investments with listed shares for which the market price has not been used, the market was considered inactive because the number of daily transactions was low, whilst no transactions were incurred at a substantial number of daily sessions. On the basis of the above and after taking into account the fact that the main shareholders hold a high share of voting rights resulting to low degree of diversification in the Athens Stock Exchange over time, the market price of the shares was not considered to be representative of their fair value and the Bank determined the fair value using the multiples method. These shares were classified at Level 3 and their fair value stood at € 5 million.

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 collaterals's endowement and settlement of derivatives. If the non observable inputs are significant, the fair value that arises is classified as Level 3 or otherwise as Level 2.

Regarding derivatives, credit valuation adjustments (CVA) are estimated in order to account for the credit risk of the counterparty inherent in OTC derivative transactions. In order to consider the bilateral nature of counterparty risk, the Bank estimates bilateral credit valuation adjustments (BCVA) for the OTC derivatives held on a counterparty level taking into consideration netting and collateral agreements in force. BCVA is calculated across all counterparties with a material effect on the respective derivative fair values taking into consideration the default probability of both the counterparty and Bank, the impact of first to default, the expected OTC derivative exposure and loss given default of the counterparty and of Bank and the specific characteristics of netting and collateral agreements in force.

Collaterals are simulated along with the derivative portfolio exposure over the life of the related instruments. Calculations performed depend largely on observable market data. Market quoted counterparty and Bank's CDS spreads are used in order to derive the respective probability of default, a market standard recovery rate is assumed for developed market counterparties, correlations between market data are taken into account and a series of simulations is performed to model the portfolio exposure over the life of the related instruments. In the absence of quoted market data, counterparty probability of default and loss given default are provided by the Bank's internal credit and facility rating systems.

A breakdown of BCVA per counterparty sectors and counter party credit quality (as defined for presentation purposes of the table "Analysis of neither past due nor impaired Loans and Advances to customers") is given below:

	30.6.2017	31.12.2016
Counterparty Sector		
Corporate	(8,028)	(7,874)
Sovereign	(40,789)	(71,084)

	30.6.2017	31.12.2016
Counterparty Credit Quality		
Strong	(347)	
Satisfactory	(41,191)	(72,337)
Watch List (higher Risk)	(7,279)	(6,621)

The Bank used the discount cash flow method to assess the contingent sale price of Ionian Hotel Enterprises S.A., which reached the amount of €4.5 million and was classified to"Other assets". The above method used was based to a business plan submitted by Ionian Hotel Enterprises S.A. Net present value of discounted cash flows amounted to €9.7 million on 30.6.2017. Taking into account that the cost for preferred shares' acquisition of Ionian Hotel Enterprises S.A. amounts to €5.2 million, the estimated fair value of sales price as of 30.6.2017 amounted to €4.5 million. The above valuation is classified to Level 3 as for the estimation of fair value unobservable inputs were used.

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

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

Within the period, €1 million of Greek corporate bonds were transferred from Level 1 to Level 2 as the liquidity margin (bid-ask spread) exceeded the limit set out for the characterization of market as an active one.

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

	30.6.2017			
	Total Fair Value	**Fair Value**	**Valuation Method**	**Significant non-observable inputs**
Derivative Financial Assets	18,347	3,588	Discounted cash flows with interest rates being the underlying instrument, taking into account the counterparty's credit risk	The probability of default and the loss given default of the counterparty (BCVA adjustment) is calculated using an internal model
		14,594	Discounted option taking into account the counterparty's credit risk	Credit Spread
		165	Discounted cashflows with interest rates being the underlying instrument	Assessment of the adequacy of reserves for the payment of hybrid securities dividends
Available for sale bonds	55,368	55,368	Based on issuer price- Market prices adjusted due to low market activity – Discounted cash flows with estimation of credit risk – Discounted cash flows with estimation of bond yields and estimation of share prices as a result of expected restructuring	Issuer Price - Adjustment due to low market activity - Credit Spread / Bond yields and Share prices
Available for sale shares	19,241	19,241	Discounted cash flows – Multiples valuation method	Future profitability of the issuer
Derivative Financial Liabilities	1	1	Discounted cash flows with interest rates being the underlying instrument	Assessment of the adequacy of reserves for the payment of hybrid securities dividends

	31.12.2016			
	Total Fair Value	**Fair Value**	**Valuation Method**	**Significant non-observable inputs**
Derivative Financial Assets	5,360	5,226	Discounted cash flows with interest rates being the underlying instruments, taking into account the counterparty's credit risk	The probability of default and the loss given default of the counterparty (BCVA adjustment)is calculated with an internal model
		134	Discounted cashflows with interest rates being the underlying instrument	Valuation of reserve adequacy for payment of hybrid securities' dividends
Available for sale bonds	40,307	40,307	Based on issuer price	Price
Available for sale shares	11,742	11,742	Discounted cash flows – Multiples valuation method –	Future profitability of the issuer
Derivative Financial Liabilities	1	1	Discounted cash flows with interest rates being the underlying instruments	Assessment of the adequacy of reserves for the payment of hybrid securities dividends
Convertible bond loan	13,995	13,995	Discounted cash flows Multiples valuation method	Estimation of issuer's stock market price

Material unobservable inputs that were used for the valuation of Ionian Hotel Enterprises S.A. contingent sale price, which amounted to €4.5 million, is the cost of equity for both Ionian Hotel Enterprises S.A. and the Bank. The table below presents changes in financial instruments that are estimated in fair value and classified as Level 3:

	30.6.2017			
	Assets		Liabilities	
	Available for sale securities	**Derivative Financial Assets**	**Derivative Financial Liabilities**	**Convertible Bond**
Opening balance 1.1.2017	**52,049**	**5,360**	**(1)**	**(13,995)**
Total gain or loss recognized in the income statement	9,630	14,324		1,790
Total gain or loss recognized directly in equity	2,633			
Purchases/issues	8,100			
Sales/repayments/settlements/redemptions	(20,764)	(961)		12,205
Transfers to Level 3 from Level 2	22,971	482		
Transfers from Level 3 to Level 2	(10)	(858)		
Balance 30.6.2017	**74,609**	**18,347**	**(1)**	**-**
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 - 30.6.2017	1,424	14,324		

During the period, a bond was transferred from Level 2 to Level 3 amounting to €23 million, since non observable parameters were used for valuation purposes. In addition, during the period, a bond was transferred from Level 3 to Level 2 amounting to €10, since observable parameters were used for valuation purposes. Finally, in the context of the debt restructuring of a certain borrower, the Bank acquired the option to purchase a stake in its share capital for a symbolic price through the exercise of a call option. This option was recognized as a derivative with a fair value of €14,594.

	31.12.2016			
	Assets		Liabilities	
	Available for sale securities	Derivative Financial Assets	Derivative Financial Liabilities	Convertible Bond
Opening balance 1.1.2016	**32,263**	**3,530**	**-**	**(24,600)**
Total gain or loss recognized in the income statement	(131)	(112)	(1)	9,300
Total gain or loss recognized directly in equity	3,086			
Purchases/issues	335			
Sales/repayments/settlements	(773)	(177)		
Transfers to Level 3 from Level 2	17,949	3,672	(1,570)	
Balance 30.6.2016	**52,729**	**6,913**	**(1,571)**	**(15,300)**
Changes for the period 1.7 - 31.12.2016				
Total gain or loss recognized in the income statement	1,028	(690)	119	1,305
Total gain or loss recognized directly in equity	1,285			
Purchases/issues	80			
Sales/repayments/settlements	(2,141)	(355)	638	
Transfers to Level 3 from Level 2		852		
Transfers from Level 3 to Level 1	(932)			
Transfers from Level 3 to Level 2		(1,360)	813	
Balance 31.12.2016	**52,049**	**5,360**	**(1)**	**(13,995)**
Amounts included in the income statement and relate to financial instruments included in the balance sheet at the end of the reporting period 1.1 - 30.6.2016	(131)	(112)	(1)	9,300

During the prior year a transfer of a subordinated security from Level 2 to Level 3 took place amounting to € 17.9 million, as for the calculation of it's fair value adjusted market prices were used due to the low market activity of the security. A transfer of shares from Level 3 to Level 1 occurred amounting to €0.9 million as for their valuation observable market price was used. A transfer of derivatives from Level 2 to Level 3 occurred as the probability of default and loss given default of the counterparty calculated due to the credit risk (BCVA adjustment) and calculated through an internal model, significantly affected the valuation. On 31.12.2016 the above parameter did not contribute significantly in the final valuation of those derivatives resulting in getting transferred back at Level 2.

Sensitivity analysis for Level 3 financial instruments whose valuation was based on significant non-observable data as of 30.6.2017 is presented in the following table:

	Significant non-observable inputs	Significant non-observable inputs change	Total effect in Income Statement		Total effect in Equity	
			Favourable Variation	Unfavourable Variation	Favourable Variation	Unfavourable Variation
Derivative Financial Assets	The probability of default and the loss given default of the counterparty (BCVA adjustment) is calculated using an internal model	Increase the probability of default through reduction of credit ratings by 2 grades / Increase the loss given default by 10%		(760)		
	Assessment of the adequacy of reserves for the payment of hybrid securities dividends	Increase the probability of dividend payments to 100%		(122)		
	Credit Spread	Increase credit risk's spread by 10%		(851)		
Available for sale bonds	Issuer price / Adjustment due to low market activity / Credit spread / Bond yields and share prices	Variation +/-10% in issuer's price, -/+ 10% in the adjustment due to low market activity and estimated credit risk, -/+ 10% in estimated yield and additionally +/-10% in estimated shares price			1,878	(1,859)
Available for sale shares	Future profitability of the Issuer	Variation +/- 10% in P/B and EV/Sales ratios (multiples valuation method)		(89)	619	(530)
Total				**(1,822)**	**2,497**	**(2,389)**

As far as Ionian Hotel Enterprises S.A. contingent sale price is concerned, according to the sensitivity analysis performed and fluctuation to 0.50% in cost of equity, the range in sale price is at a minimum value of €4.06 million and at a maximum value of €4.54 million.

24. Capital adequacy

The policy of the Bank is to maintain a strong capital base, in order to ensure the Bank's development, and the trust of depositors, shareholders, markets and business partners.

Share capital increases are conducted following resolutions of the General Meeting of Shareholders or of the Board of Directors, in accordance with the Articles of Incorporation and the relevant laws.

The Bank is allowed to purchase treasury shares, as permitted under the applicable laws.

The capital adequacy is supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB), to which reports are submitted on a quarterly basis. The minimum capital requirements regarding Common Equity Tier I (CET1), Tier 1 and Capital Adequacy Ratios of the Bank are stipulated by Bank of Greece (BoG) Executive Committee Acts.

The Capital Adequacy Ratio compares the Bank's regulatory capital with the risks that the Bank undertakes (Risk Weighted Assets-RWAs). Regulatory capital includes CET1 capital (share capital, reserves, minority interests), additional Tier 1 capital (hybrid securities) and Tier 2 capital (subordinated debt). RWAs include the credit risk of the banking book, the market risk of the trading portfolio and operational risk.

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

According to the above regulatory framework, the Bank follows the transitional arrangements in force for the calculation of capital ratios. Moreover:

- Besides the 8% Capital Adequacy Ratio limit, there are limits of 4.5% for the CET1 ratio and 6% for the Tier 1 ratio.
- The gradual maintenance, from 1.1.2016 until 31.12.2019, of capital buffers additional to the CET1 Capital, is required. In particular:
  - Since 1.1.2017 a capital conservation buffer of 1.25% exists, which will gradually rise to 2.5% by 31.12.2019.
  - The Bank of Greece through Executive Committee Acts set the following capital buffers:
    - A countercyclical capital buffer rate for the first nine months of 2017, standing at "zero percent" (0%) (Executive Committee Act 107/ 19.12.2016, 115/15.3.2017 & 119/15.6.2017).
    - Other systemically important institutions (O-SII) buffer for 2017 standing at "zero percent" (0%) (Executive Committee Act 104/18.11.2016).

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

	30.6.2017 (estimation)	31.12.2016
Common Equity Tier I	18.4%	17.3%
Tier I	18.4%	17.3%
Capital adequacy ratio	**18.4%**	**17.3%**

25. Related - party transactions

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

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

	30.6.2017	31.12.2016*
Assets		
Loans and advances to customers	1,299	1,320
Liabilities		
Due to customers	5,058	6,256
Employee defined benefit obligations	265	260
Total	**5,323**	**6,516**
Letters of guarantee and approved limits	**2,317**	**2,315**

* *Certain amounts from the comparative period have been restated in order to be comparable.*

	From 1 January to	
	30.6.2017	**30.6.2016***
Income		
Interest and similar income	24	58
Fee and commission income	1	67
Total	**25**	**125**
Expenses		
Interest expense and similar charges	10	28
Fees paid to key management and close family members	1,858	1,753
Total	**1,868**	**1,781**

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

i. Subsidiaries

	30.6.2017	**31.12.2016**
Assets		
Due from banks	1,158,622	1,355,378
Derivative financial assets	499	10,112
Loans and advances to customers	2,378,071	3,186,755
Available for sale securities	382,627	365,899
Other assets	37,886	2,769
Total	**3,957,705**	**4,920,913**
Liabilities		
Due to banks	817,030	358,694
Due to customers	993,030	979,120
Derivative financial liabilities	11,064	1,333
Debt securities in issue and other borrowed funds	420,378	534,160
Other liabilities	20,725	5,702
Total	**2,262,227**	**1,879,009**
Letters of guarantee and other guarantees	**427,248**	**780,870**

In addition to the financing of the Bank's subsidiaries companies, which have issued bond loans, from the Bank, guarantees have been given for the issuance of these bond loans amounted to € 15,542 on 30.6.2017 (31.12.2016: € 15,542).

	From 1 January to	
	30.6.2017	**30.6.2016**
Income		
Interest and similar income	31,516	34,777
Fee and commission income	7,645	6,743
Dividend income	35,161	75,307
Gains less losses on financial transactions	10,315	1,096
Other income	2,167	1,955
Total	**86,804**	**119,878**
Expenses		
Interest expense and similar charges	12,595	10,831
Commission expense	1,436	1,289
General administrative expenses	9,012	6,604
Total	**23,043**	**18,724**

* *Certain amounts from the comparative period have been restated in order to be comparable.*

ii. Joint ventures

	30.6.2017	31.12.2016
Assets		
Loans and advances to customers	176,434	175,135
Other assets		6
Total	**176,434**	**175,141**
Liabilities		
Due to customers	20,624	21,551

	From 1 January to	
	30.6.2017	30.6.2016
Income		
Interest and similar income	1,256	2,851
Fee and commission income	5	1
Other income	1	5
Total	**1,262**	**2,857**
Expenses		
Interest expense and similar charges	36	86

iii. Associates

	30.6.2017	31.12.2016
Assets		
Loans and advances to customers	54,653	54,240
Other Assets	544	
Total	**55,197**	**54,240**
Liabilities		
Due to customers	11,781	924

	From 1 January to	
	30.6.2017	30.6.2016
Income		
Interest and similar income	420	5
Fee and commission income	2	
Other income	12	
Total	**434**	**5**
Expenses		
Interest expense and similar charges	375	

c. The Employees Supplementary Fund maintains deposits with the Bank amounting to € 181 (31.12.2016: € 296). Interest expense for the period related to deposits amounts to € 1 (30.06.2016: € 16).

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

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

	From 1 January to	
	30.6.2017	30.6.2016
Income		
Fee and commission income	5	5

26. Assets held for sale and discontinued operations

The Bank, under the approved by the European Committee Restructuring Plan (note 39 of the financial statements as of 31.12.2016) and the fulfillment of the relevant commitment relating to the deleveraging of part of the assets of its international activities, proceeded to the sale of the operations of its branch in Bulgaria, to the sale of Alpha Bank A.D. Skopje, Alpha Bank Srbija A.D. and Ionian Hotel Enterprises S.A.. The Bank also initiated the sale of APE Fixed Assets S.A., APE Commercial Property S.A. and APE Investment Property S.A.

Bank's branch in Bulgaria

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

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

Therefore, on 31.12.2015 for reporting purposes, the Bank valued the assets and liabilities of Bulgaria Branch at the lowest price between the book value and fair value less selling costs recognizing the difference which was amounted to € 34,007 as loss in the caption "Profit/(loss) after tax income from discontinued operations" in the Income Statement.

On 1.3.2016 the disposal and transfer of shares was completed and the Bank adjusted prior recorded loss arising from the disposal of the Branch based on the ultimate value of the Branch's net assets as of that date.

Income Statement and Statement of Comprehensive Income

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

	From 1 January to	
	30.6.2017	**30.6.2016**
Interest and similar income		3,123
Interest expense and similar charges		(592)
Net interest income		2,531
Fee and commission income		841
Commission expense		(74)
Net fee and commission income		767
Gains less losses on financial transactions		64
Other income		78
		142
Total income		**3,440**
Staff costs		(1,574)
General administrative expenses		(2,581)
Depreciation		(397)
Other expenses		(29)
Total expenses before impairment losses and provisions to cover credit risk		**(4,581)**
Impairment losses and provisions to cover credit risk		1,563
Profit/(loss) before income tax		**422**
Income tax		
Profit/(loss), after income tax		**422**
Difference due to valuation at fair value		
Loss from the disposal after income tax		(189)
Net profit/(loss) after income tax from discontinued operations		**233**

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

Investment in subsidiary Alpha Bank AD Skopje

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

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

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

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

From 30.6.2016 the abovementioned investments meet the requirements to be classified as "held for sale" in accordance with IFRS 5. The Bank discusses with potential investors who have expressed their interest to acquire respective these investments, and it considers that the sale is expected to be completed in the near future. Hence, the aforementioned investments are continue to be presented as "assets held for sale".

According to IFRS 5 the assets held for sale or disposal groups are valued at the lower of book and fair value less cost of sale and they are presented in the balance sheet separately from other assets and liabilities. The Bank proceeded to the measurement of the fair value of the participation as well as of loans and receivables from these companies which consist a part of its net investment.

From the abovementioned measurement during the prior year, a loss amounting to € 51.2 million was recorded in the caption "Gains less losses on financial transactions" in the Income Statement, as the fair value of "held for sale" assets was below their carrying amount.

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

	30.6.2017	31.12.2016
Loans and advances to customers	47,570	47,570
Investments in subsidiaries, associates and joint ventures	48,500	48,500
Total assets held for sale	**96,070**	**96,070**

Investment in subsidiary Ionian Hotel Enterprises A.E.

On 22.8.2016 the Bank acquired the 97,27% of shares of Ionian Hotel Enterprises A.E. from the related companies of Alpha Group Investments Ltd, Ionian Equity Participations Ltd, Ionian Holdings A.E., Oceanos A.T.O.E.E. και Alpha Supporting Systems A.E. by 89,77%, 1,87%, 1,87%, 1,87% and 1,87% respectively. Given that the requirements of IFRS 5 met following the announcement on 17.2.2016 for its intention to sell the company through aninvitation for expressions of interest, the participation has been classified as "held for sale". Within this framework, the Bank signed on 27.10.2016 the final sale agreement for the subsidiary, and its sale was completed on 16.12.2016. The final price of the transaction, including the refinancing of the existing debt of the subsidiary (€ 67.2 million), amounted to € 143.3 million.

In addition, following the sale agreement, the Bank acquired the option to invest € 5.2 million and receive in return preference shares issued by the subsidiary or shares of the company that will emerge following the merger of the subsidiary with the buyer. The issuance of preference shares will be accompanied by sale/purchase option contracts between the Bank and the buyer's shareholders. This option enables the Bank to collect an additional amount depending on the evolution of the company's and therefore represents a contingent consideration. This option was recognized in the caption of "other assets" at fair value which was € 4.5 million as at 31.12.2016.

The outcome from the sale of Ionian Hotel Enterprises SA was a loss of € 34,986 and it was recorded in the caption "gains less losses on financial transactions".

Investment in subsidiary Alpha Bank Srbija A.D.

In the fourth quarter of 2016, the Bank initiated the procedures in order to sell its subsidiary Alpha Bank Srbija A.D. In this context, on 30.1.2017, the Bank agreed with a potential buyer, to sell all the shares owned. On 11.4.2017 the transfer of all shares of the company was completed for a total price of € 53 million. In addition to the transfer of all shares of the subsidiary, the agreement includes the assignment of a subordinated debt contract, which amounts to €27.11 million and was granted to the subsidiary by the Bank.

Based on the above, on 31.12.2016 the participation of the Bank to the subsidiary and the subordinated debt loan met the criteria set under IFRS 5 to be classified as "Assets held for sale". Consequently, for the purpose of the preparation of financial statements for the year ended 31.12.2016, the Bank valued the subsidiary's assets and liabilities at the lower of carrying amount and fair value less cost to sell, amounting to €50,561 recognizing a loss of €82 million in the caption "Gains less losses on financial transactions".

The final sale price was not different from the calculated fair value.

In addition, the Bank has classified its participation in Selonda A.E.G.E. and Nireus A.E. to "Assets held for sale" since its intention is to dispose them in the near future. The estimated fair value of the companies is one Euro.

The Bank, for the purpose of the preparation of its financial statements, evaluates the undertaken actions in the context of its restructuring plan, in order to classify, where applicable based on IFRS 5, the assets and its related liabilities to held for sale (presented in note 1.16 of the financial statements as at 31.12.2016).

27. Corporate events

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

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

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

d. On 23.2.2017 following the exercise of the option of conversion from the total bondholders, the Bank participated in the capital increase due to the conversion of the convertible bond issue of 1.2.2013, in the context of the agreement with Credit Agricole S.A. for the acquisition of Former Emporiki Bank. From the conversion, 6,818,181 common shares issued corresponding to the 0.44% of total shares.

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

f. On 7.3.2017 following the restructuring plan, the Bank acquired the 47.04% of the share capital of Famar S.A. (note 12)

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

h. On 4.5.2017, the Bank proceeded to the sale of 1% Cepal Holdings S.A. shares, and participated in its share capital increase by issuing preferred shares, paying an amount of € 8 million, whilst on 18.5.2017 the Bank proceeded to the sale of 1,23% Cepal Holdings S.A. shares.

i. On 9.5.2017, a capital repayment of €28.6 million of Bank's subsidiary, Emporiki Development and Real Estate Management A.E., was completed.

28. Events after the balance sheet date

There are no significant subsequent events after balance sheet date that have an effect to these interim financial statements.

Athens, 31 August 2017

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

Appendix - Alternative Performance Measures

According to European Securities and Markets Authority (ESMA) guidelines in relation to Alternative Performance Measures (APMs) which published in October 2015 and came into force on 3 July 2016 on the following tables are disclosed the definitions and the calculations of the related (APMs) which are included in the Board of Directors' Management Report as at 30.6.2017 and in the note Disclosures of Law 4261/5.5.2014.

(Amounts in millions of Euro)

	Definition	Calculation			30.6.2017	31.12.2016
Loans and Receivables to Deposit Ratio	The indicator reflects the relation between loans and advances to customers before impairment and due to customers	Numerator	+	Loans and advances to customers	56,108	56,967
		Denominator	+	Due to customers	33,141	32,946
		Ratio	=		**169.3%**	**172.9%**

(Amounts in millions of Euro)

	Definition	Calculation			30.6.2017	30.6.2016
Cost/Income Ratio	The indicator reflects the relation between recurring expenses and income of the period	Numerator	+	Total Expenses of the period	560	589
			-	Non recurring expenses	25	43
		Denominator	+	Total Income of the period	1,200	1,196
			+	Share of profit/(loss) of associates and joint ventures	(2)	(2)
			-	Gains less losses on financial transactions	41	60
		Ratio	=		**46.2%**	**48.2%**

(Amounts in millions of Euro)

	Definition	Calculation			30.6.2017	30.6.2016
Cost of Risk Ratio	The indicator reflects the relation between impairment losses and provisions to cover credit risk, and average balances of loans and advances to customers before impairment losses and fair value adjustments	Numerator	+	Impairment losses and provisions to cover credit risk	463	606
			x	2	926	1.212
		Denominator	+	Average balances of loans and advances to customers before impairment losses and fair value adjustments	59,689	61,716
		Ratio	=		**1.55%**	**1.96%**

(Amounts in millions of Euro)

	Definition	Calculation			31.12.2016	31.12.2015
Return on Assets Ratio	The indicator reflects the relation between profit/(losses) after income tax and average total assets (arithmetic average opening and closing balance)	Numerator	+	Profit/(losses)after income tax	42	(1,371)
		Denominator	+	Average total assets	67,085	71,117
		Ratio	=		**0.1%**	**(1.9)%**

Non recurring expenses include extraordinary events which do not occur with a certain frequency, and events that are directly affected by the current market conditions and present significant variation between the reporting periods.

The non recurring expenses of 30.6.2017 are mainly related to the provision against the annual commission to the Greek State for the amount of the guaranteed deferred tax asset that results from the difference between the tax rate currently in force (29%) and the tax rate that was in force until 31.12.2014 (26%) amounting to € 8,6 million, impairment of intangible fixed assets amounting to € 2.8 million and other provisions of the period amounting to € 9 million.

The non recurring expenses of 30.6.2016 are mainly related to the cost for the voluntary separation scheme of Alpha Bank Cyprus Ltd amounting to € 31.5 million and the impairment losses of fixed assets amounting to € 11.2 million. The amounts are included in captions "Cost of voluntary separation scheme" and "Other expenses" respectively of consolidated income statement.