ALPHA BANK

Announcement on the implementation of the International Financial Reporting Standard (IFRS) 9 "Financial Instruments" [9.3.2018]

With the new International Financial Reporting Standard (IFRS) 9 "Financial Instruments", implemented by all credit institutions as of 1.1.2018, significant changes will be introduced in respect of the classification and measurement of financial instruments, with those concerning the impairment methodology of the loan portfolio being the most significant.

Alpha Bank announces that the most important assumptions for the application of the IFRS 9 have been finalised and the impact from its application on the shareholders' equity of the Group, based on the information known to the Bank to date, is estimated at approximately Euro 1.1 billion after tax. The estimated increase from its application in the accumulated allowance for loans and advances to customers stands at 8.1%. Respectively, by applying the five-year transitional arrangements provided for by the Regulation (EU) 2017/2395, the estimated capital impact on the phased-in Common Equity Tier (CET) 1 ratio for the first year of application is approximately 0.1%, based on data as of 31.12.2017. Alpha Bank's Common Equity Tier 1 ratio (CET1) stood at 17.8% as of 30.09.2017.

Condensed information with regards to the application of the aforementioned Standard will be included in the Bank's Annual Financial Report for the year 2017, providing an estimate of the final impact. Given that the application of IFRS 9 concerns the financial year 2018, the final impact from its application will be included in the Annual Financial Report that will be published for said year.

The information deriving from the application of the IFRS 9 should be assessed together with the other information relating to the credit risk management policy and the methodology applied for the calculation of the expected credit losses, which the credit institutions are obliged under the amended International Financial Reporting Standard 7 "Financial Instruments: Disclosures" to provide for the purpose of transparency and for the adequate information of all interested market participants.