ALPHA GROUP JERSEY LIMITED

INTERIM
MANAGEMENT REPORT,
UNAUDITED CONDENSED
INTERIM FINANCIAL
STATEMENTS AND
INTERIM REVIEW REPORT

30 June 2021

Company Number 84392

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Company Particulars

Board of Directors

Monika Ahmed (appointed 27 September 2018)
Cheryl Heslop (appointed 21 November 2019)
Ryan Mendez (appointed 28 September 2020)
Dan Barbalat (alternate director; appointed 28 September 2020)

Company Secretary

Intertrust SPV Services Limited

Registered Office

44 Esplanade
St Helier
Jersey
JE4 9WG
Channel Islands

Registered number

84392 Jersey Financial Services Commission

Date of incorporation

21 November 2002

Interim Management Report

The Directors of Alpha Group Jersey Limited (the "Company") present their interim management report and unaudited condensed interim financial statements (the "Interim Report") of the Company for the six months to 30 June 2021 ("the period").

Principal activities

The principal activity of the Company is the provision of financing to Alpha Services and Holdings S.A (formerly Alpha Bank A.E.) (the "Parent") and its consolidated subsidiaries (together the "Group"). All debt instruments issued by the Company are guaranteed by the Parent.

Results and dividends

The Company has prepared its Interim Report in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Unaudited Condensed Statement of Comprehensive Income for the period is set out on page 6.

The Board of Directors ("the Board") decided not to declare a dividend on the preferred securities payable in February 2021, which the Company was entitled to do under the terms of the issue. At the same time, the Parent notified the Company that it decided in its sole discretion to cancel interest payments due on the Subordinated Loan.

The Board have not recommended the payment of an interim dividend to ordinary shareholders in respect of the period ended 30 June 2021 (30 June 2020: nil).

Economic position

The Company's business strategy and activities are linked to those of its Parent with the Company having a single loan receivable from its Parent and a single issue of Series B Preferred Securities of which a nominal balance of €15,542,000 (2020: €15,542,000) remains outstanding. The Company, in order for it to pay interest on its debt instruments and repay debt on maturity, is dependent on the Parent to pay interest on loans made to it on the due dates and to repay loans made to it on their maturity. The terms of the loan to the Parent are such that the borrower has the discretion to pay interest due.

At the balance sheet date, the Company had a net liabilities position due to the inclusion of a €550,000 provision for expected regulatory fines. The fines are in relation to the delayed publication of the annual financial statements for 2017 and 2018. The net liabilities position was resolved prior to the signing date via a share capital increase of €650,000 from the Parent which was received on 20 September 2021.

The Company presently has no income as there are no receipts of interest on the loan. The loss of €628,148 reported in these financial statements mainly relates to the provision for the regulatory fines of €550,000 and administrative fees.

The Cash and cash equivalents consist of balances held with Alpha Bank London Limited. The placement is overnight and in accordance with IFRS 9, a stage 1 provision of €2,802 has been recognised.

The Parent, Company and the Group monitor the current situation regarding the ongoing transmission of COVID-19 and assesses the impact on the asset quality, the risk model sensitivity in macroeconomic perimeters and the implementation of the Business Plan. There has not been a material impact on the Company as it has no premises and no staff. There was a recent share capital increase of €650,000 received on 20 September 2021 and the Company has sufficient liquid resources to cover 12 months from the date of approval of these interim financial statements, and therefore the Directors are of the opinion that the conditions for the going concern principle continue to apply to the Company and accordingly the financial statements have been prepared on a going concern basis.

Expected developments

COVID19
The Directors believe COVID-19 had no significant impact on the Company as it has no premises and employees no staff.

Interim Management Report (continued)

Brexit

In January 2020, the United Kingdom left the European Union (“EU”). The UK retained full market access until 31 December 2020. A trade agreement was reached which should avoid market disruption and cross border business restrictions. There has been no material impact on the Company. The Company is incorporated outside the UK and EU jurisdictions and does not have any trading activities in the UK, nor is it directly or indirectly connected to any UK entity. The Preferred Securities it holds are listed on EU stock exchanges, and the loan is with the Parent Company incorporated in the EU and therefore the performance of the Company has not been impacted by the events in the UK.

Internal control systems and risk management system relevant for the financial reporting process

The Company having so few transactions, and there being very little activity, employs no staff. The Directors oversee all transactions and prepare the financial statements ensuring accounting policies are followed, taking guidance from specialists employed by the Parent and other professional advisors. The monthly financial reporting is submitted to the Parent. The valuation of the securities is performed by a specialist risk team of the Parent. The Company engages in internal control processes key to financial reporting, such as segregation of duties, and a four-eyed principal for reviews.

Risk reporting relating to the use of financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk (including interest rate, equity and currency risk)

The Company was set up to raise finance for the Parent. This was achieved by the issue of Preferred and Perpetual Securities listed on the Euronext Amsterdam and Frankfurt Stock Exchanges, the proceeds of which are advanced to the Parent.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's maximum exposure to credit risk is €15,898,020 (31 December 2020: €15,959,986). All credit risk exposure is to the Parent, which is rated Caa2 (31 December 2020: Caal) by Moody's.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Due to the nature of the Company's operations, the Board considers the net liquidity risk faced by the Company as minimal. The most significant cash outflow consists of the payment of interest expense on the Preferred Securities which are limited in recourse to the Company's loans and receivables.

The terms and conditions of the Preferred Securities are similar to those of the Loans and Receivables held, however the loan has a repayment date of 30 December 2045 whilst the Preferred Securities are perpetual.

There should be no liquidity mismatch as the interest cash outflows fall due on the same dates as the interest cash inflows from the loans and receivables and payment of cash outflows to the preferred securities are dependent on receipt of cash inflows on the Company's loans and receivables. There was increase in cash as a result of a share capital injection of €650,000 which was received on 20 September 2021 and the Board considers its available cash resources as sufficient to meet other cash outflows which mainly consist of administrative expenditure.

Interim Management Report (continued)

Risk reporting relating to the use of financial instruments (continued)

Market risk

Market risk is the risk that changes in market prices, due to foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Due to the structure of the Company's assets and liabilities, particularly the similar terms and conditions of the principal financial assets and liabilities, the Company's net exposure to market risk is also considered to be minimal.

Currency risk

Currency risk is where a movement in exchange rates will result in changes to the Company's profit or loss. With the exception of certain administrative expenses which are denominated in GBP, all other transactions are undertaken in Euro. Hence in the opinion of the Directors there is no significant currency risk.

Interest rate risk

Interest rate risk is where a movement in interest rates will result in changes to the Company's profit or loss. Interest obligations on the financial liabilities are on a floating rate basis plus a fixed margin whilst the amount receivable from the corresponding financial assets yield a floating rate with a slightly higher fixed margin. Therefore, in the opinion of the Directors, the Company is not exposed to any significant net interest rate risk.

Any movement in interest rates would be compensated by an equal movement in the opposite direction.

Capital management

All ordinary shares are held by the Parent. and the Company does not have any share option schemes or holds its own shares. There were no changes in the Company's approach to capital management during the period The Company is not subject to externally imposed capital requirements. The nominal value of the outstanding preferred securities was €15,542,000 (31 December 2020: € 15,542,000).

Directors

Details of the directors who served throughout the period can be found on page 1:

Directors' interests

The directors who held office at 30 June 2021 had no interest in the shares of the Company during the period.

Related party transactions

See note 8 of the unaudited condensed financial statements.

For and on behalf of the Board

Director

Date: 24 September 2021

Responsibility Statement in respect of the condensed interim financial statements

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

To the best of the Directors knowledge, and in accordance with the applicable reporting principles, the condensed interim financial statements give a true and fair view of net assets, financial position and results of operations of the Company, and the interim Management Report gives a true and fair view of the development including the business performance and the position of the Company, together with the description of the principal opportunities and risks associated with the expected development of the Company.

The Companies (Jersey) Law 1991 ("Law") requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

With regard to Regulation 2004/109/EC of the European Union ("EU Transparency Directive"), the Directors of the Company whose names appear on page 1 confirm to the best of their knowledge that the condensed interim financial statements for the period ended 30 June 2021 give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by IFRS. The interim Management Report gives a true and fair review of the development of the Company's business, financial position and the important events, if any, that have occurred for the six months ended 30 June 2021 and their impact on the condensed interim financial statements.

For and on behalf of the Board of Directors of the Company

Director

Date: 24 September 2021

Condensed Statement of Comprehensive Income (Unaudited)

For the six months ended 30 June 2021

	Note	**Six months ended 30.06.21 € (unaudited)**	Six months ended 30.06.20 € (unaudited)
Fair value gains from valuation of loans and receivables measured at FVTPL		**913,870**	1,622,584
Fair value (losses) from valuation of preferred securities		**(913,870)**	(1,622,584)
Gain/(Loss) on foreign currency transactions		**1,981**	(5,402)
Administrative expenses		**(77,327)**	(93,258)
Impairment losses to cover credit risk	**4**	**(2,802)**	-
Provisions	**5**	**(550,000)**	-
Loss for the period		**(628,148)**	(98,660)
Other comprehensive income		**-**	-
Total comprehensive loss for the period		**(628,148)**	(98,660)

The notes on pages 10 to 14 form part of these unaudited condensed interim financial statements.

Condensed Statement of Financial Position (Unaudited)

As at 30 June 2021

	30.06.21	31.12.20
	€	€
Assets	(unaudited)	(audited)
Non-current Assets		
Loans and receivables measured at FVTPL	**10,801,690**	9,887,820
Current Assets		
Prepaid expenses	**23,186**	8,642
Cash and cash equivalents	**356,020**	417,986
	379,206	426,628
Total Assets	**11,180,896**	10,314,448
Equity		
Equity attributable to equity holders of the Company		
Called-up share capital	**325,000**	325,000
Share premium	**585,000**	585,000
Retained losses	**(1,168,809)**	(540,661)
	(258,809)	369,339
Liabilities		
Non-Current Liabilities		
Preferred and perpetual securities	**10,801,690**	9,887,820
Current Liabilities		
Provisions	**550,000**	-
Other liabilities	**88,015**	57,289
Total Equity and Liabilities	**11,180,896**	10,314,448

The notes on pages 10 to 14 form part of these unaudited condensed interim financial statements.

The condensed interim financial statements were approved and authorised for issue by the board of directors on 24 September 2021 and were signed on its behalf by:

Director

Condensed Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2021

	Share Capital	Share Premium	Retained Losses	Total
	€	€	€	€
Balance as at 1 January 2021	**325,000**	**585,000**	**(540,661)**	**369,339**
Total comprehensive loss for the six-month period to 30 June 2021	**-**	**-**	**(628,148)**	**(628,148)**
Balance attributable to equity shareholders as at 30 June 2021	**325,000**	**585,000**	**(1,168,809)**	**(258,809)**

	Share Capital	Share Premium	Retained Losses	Total
	€	€	€	€
Balance as at 1 January 2020	**325,000**	**585,000**	**(382,389)**	**527,611**
Total comprehensive loss for the six-month period to 30 June 2020	**-**	**-**	**(98,660)**	**(98,660)**
Balance attributable to equity shareholders as at 30 June 2020	**325,000**	**585,000**	**(481,049)**	**428,951**

	Share Capital	Share Premium	Retained Losses	Total
	€	€	€	€
Balance as at 1 July 2020	**325,000**	**585,000**	**(481,049)**	**428,951**
Total comprehensive loss for the six-month period to 31 December 2020	**-**	**-**	**(59,612)**	**(59,612)**
Balance attributable to equity shareholders as at 31 December 2020	**325,000**	**585,000**	**(540,661)**	**369,339**

The notes on pages 10 to 14 form part of these unaudited condensed interim financial statements.

Condensed Statement of Cash Flows (Unaudited)

For the six months ended 30 June 2021

	Six months ended 30.06.21 €	Six months ended 30.06.20 €
Cash flows from operating activities	(unaudited)	(unaudited)
Loss for the period	**(628,148)**	(98,660)
Fair value gains from valuation of loans and receivables	**(913,870)**	(1,622,584)
Fair value losses from valuation of preferred securities	**913,870**	1,622,584)
Increase in prepaid expenses	**(14,544)**	(17,582)
Increase/(Decrease) in other liabilities	**30,726**	(27,795)
Increase in provision	**550,000**	-
Net cash flows used in operating activities	**(61,966)**	(144,037)
Net cash flows from investing activities	**-**	-
Net cash flows from financing activities	**-**	-
Net decrease in cash and cash equivalents	**(61,966)**	(144,037)
Cash and cash equivalents at beginning of the period	**417,986**	584,610
Cash and cash equivalents at the end of the period	**356,020**	440,573

The notes on pages 10 to 14 form part of these unaudited condensed interim financial statements.

Notes to the Unaudited Condensed Interim Financial Statements

1. General information

These unaudited condensed interim financial statements were approved for issue on 24 September 2021. The audited financial statements of the Company for the year ended 31 December 2020 are available upon request from the Company's registered office. The Company employed no staff during the period or the preceding year.

The principal activity of Alpha Group Jersey Limited (the Company) is the provision of financing to Alpha Services and Holdings S.A. (formerly Alpha Bank A.E.) (the Parent) and its consolidated subsidiaries (together the Group). The loan advanced to the Parent was financed by the issuance of Series B CMS-Linked Non-cumulative Guaranteed Non-voting Preferred Securities (the Series B Preferred Securities or Preferred Securities). All debt instruments issued by the Company are guaranteed by the Parent.

2. Basis of Preparation

a) ***Statement of compliance*** - The condensed interim financial statements of Alpha Group Jersey Limited (the "Company") for the six months ended 30 June 2021 have been prepared in accordance with IAS 34, 'Interim Financial Reporting' and in accordance with section 115 of the German Wertpapierhandelsgesetz governing half-yearly financial reporting. They do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the annual financial statements for the year ended 31 December 2020 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and the Companies (Jersey) Law 1991. They are presented in Euro, and are prepared on the historical cost basis, except for certain financial instruments as explained in the accounting policies below.

b) ***Going concern*** - As the principal activity of the Company is to raise finance for the Parent, by the provision of a loan, the Company is wholly dependent on its Parent to make the payments on the amounts it has borrowed in order to satisfy its obligations to the owners of the preferred securities, which are guaranteed by the Parent.

At 30 June 2021, the Company had a negative net assets position. An increase in share capital from the Parent of €650,000 took place on 20 September 2021 and consequently the company has sufficient available cash resources to meet other cash outflows for at least the next twelve months, which mainly consist of administrative expenditure.

The Directors are not aware of any further redemptions of the preferred securities or planned tender offers for such which may cause the winding up of the Company within the next 12 months. In addition, the Directors believe there to be sufficient liquidity, in the form of cash reserves or support of the Parent, in order for the Company to meet its on-going operational expenses as they fall due.

The Parent, Company and the Group monitor the ongoing situation regarding COVID-19 and assesses the impact on the asset quality, the risk model sensitivity in macroeconomic perimeters and the implementation of the Business Plan. There has not been a material impact on the Company as it has no premises and no staff. As the Company has sufficient liquid resources to cover 12 months from the date of approval of these condensed interim financial statements, the Directors are of the opinion that the conditions for the going concern principle continue to apply to the Company and accordingly the financial statements have been prepared on a going concern basis.

Based on the above, and after reviewing the going concern note in the Parent's interim financial statements for the period ended 30 June 2021, the Directors have concluded that there is a reasonable expectation that the Parent will make repayments of the loan as required for the Company to meet its obligations and so in their opinion it is appropriate for the interim report to be prepared on a going concern basis as the going concern principle will be met for at least the next twelve months from the date of approval of the interim report.

3. Accounting policies

The accounting policies applied by the Company in preparing the condensed interim financial statements are consistent with those stated in the published financial statements for the year ended 31 December 2020 and there were no standards, amendments and interpretations adopted early by the Company and there were no new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2021 that have a material effect on the financial statements of the Company.

Interest income and expense
Interest income and expense for all interest-bearing financial instruments are recognised in 'Interest income' and 'Interest expense' in the Statement of Comprehensive Income using the effective interest rates of the financial instrument to which they relate, except for the financial instruments measured at fair value through profit and loss, for which all changes in fair value are recognised as valuation gains or losses.

Notes to the Unaudited Condensed Interim Financial Statements *(continued)*

3. Accounting policies (continued)

Economic Relationship Between the Loan Notes and Preferred Securities
The loan notes and preferred securities are economically linked in that interest payment on the preferred securities will not be made unless interest has been received on the loan notes to the Parent. The nominal value of both the loan notes and preferred securities are identical and cash flow characteristics are matched.

Expenses
Administrative expenses are recognised in profit or loss on an accruals basis.

Taxation
The Company as a non-regulated financial services entity is liable to Jersey income tax at 0%.

Cash and cash equivalents
The Cash and cash equivalents consist of balances held with Alpha Bank London Limited. The placement is overnight and under IFRS 9, a stage 1 loss allowance of €2,802 has been recognised and net off against the cash and cash equivalents.

Classification and measurement of financial instruments

Initial recognition
The Company recognises financial assets or financial liabilities in its statement of financial position when it becomes a party to the terms of the contract.
At initial recognition the Company measures financial assets and liabilities at fair values. Financial instruments not measured at fair value through profit or loss are initially recognised at fair value plus or minus transaction costs and income or fees that are directly attributable to the acquisition or issue of the financial instrument.

Subsequent measurement of financial assets
Following the adoption of IFRS 9 'Financial Instruments' in 2017, the Company has classified its loan note receivable as a loan and receivable at fair value through profit and loss (FVTPL).

Financial assets measured at fair value through profit or loss
Financial assets are measured at FVTPL if they are not held within either a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets or if their contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
Company's Loans and Receivables do not fulfil the criteria of passing the SPPI test and thus they are categorized in FVTPL category.

Financial liabilities measured at fair value through profit or loss
This category includes financial liabilities held for trading and financial liabilities which are designated by the Company as at fair value through profit or loss upon initial recognition. The Company has elected to hold the Preferred Securities at FVTPL in order to remove an accounting mismatch which would have occurred if they had been held at amortised cost and thus preferred securities fall within the category of designated liabilities at FVTPL. In addition the Company has also elected to pass all changes in fair value, including those due to changes in credit risk, through profit and loss as permitted by paragraph 5.7.8 of IFRS9.

Derecognition of financial assets and financial liabilities
The Company derecognises loans and receivables when the contractual rights to the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.
The Company derecognises Preferred Securities when its contractual obligations are discharged or cancelled or expire.

Profit and loss on redemption of loans and receivables and preferred and perpetual securities (derecognition)
On derecognition of a financial instrument, other than in its entirety, the Company allocates the previous carrying amount of the instrument between the part it continues to recognise and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part no longer recognised and the sum of the consideration received is recognised in profit and loss.

Provisions
Provisions are included in accordance with IAS 37; recognised when there is a present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

Notes to the Unaudited Condensed Interim Financial Statements *(continued)*

3. Accounting policies (continued)

Other Liabilities
Other liabilities consist of accruals for administrative expenses.

Functional currency
Due to the fact that the Company's operations are carried out in Euro, the Company has adopted the Euro as its functional and reporting currency. The financial statements are presented in Euro rounded to the nearest Euro.

Foreign currency
Transactions denominated in foreign currencies are translated to Euro at the rate ruling on the date of the transaction. Assets and liabilities at the period end date denominated in foreign currencies are translated to Euro at the rate ruling on the balance sheet date. Any gains or losses arising on translation are recognised in profit or loss.

Segment information
An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Board of Directors ("the Board") believes that the Company has only one operating segment as it has only one area of activity (the issue of debt instruments to raise finance for its parent company) and operates in only one geographical area: Jersey.

Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of the assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The estimates and judgements applied are consistent with those stated in the published financial statements for the year ended 31 December 2020.

4. Cash and Cash Equivalents

	30.06.21	31.12.20
	€000's	€000's
Cash at bank	358,822	417,986
Expected credit loss ("ECL")	(2,802)	-
Total cash and cash equivalents	**356,020**	**417,986**

5. Provisions

The Company has made a provision of €550,000 for expected regulatory fines. The fines are in relation to the delayed publication of the annual financial statements for 2017 and 2018.

6. Financial instruments, risk management and fair values

The Company was set up to raise finance for the Group (of which Alpha Services and Holdings S.A. is the Parent). This was achieved by the issue of Preferred and Perpetual Securities listed on the Euronext Amsterdam and Frankfurt Stock Exchange, the proceeds of which were advanced to Alpha Credit Group PLC, a fellow subsidiary undertaking as a part of their €30,000,000,000 Euro Medium Term Note Programme guaranteed by the Parent. Since December 2015, the remaining proceeds have been lent directly to the Parent.

The main risks arising for this period and for the remaining 6 months of the financial year from the Company's financial instruments are credit risk, liquidity risk, market risk, which includes market price risk, and interest rate risk. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at, and for the year ended 31 December 2020. The Board reviews and agrees policies for managing each of these risks.

Notes to the Unaudited Condensed Interim Financial Statements *(continued)*

6. Financial instruments, risk management and fair values (continued)

Fair values of financial assets and financial liabilities

	30.06.21	31.12.20
	Fair value	Fair value
	€	€
Loans and receivables	**10,801,690**	9,887,820
Preferred and Perpetual Securities	**10,801,690**	9,887,820

The fair value of the Preferred Securities is calculated using a discounted cash flow model and is based on significant unobservable inputs and the securities are categorised as "Level 3" for the purposes of risk management disclosures. The two significant inputs are the credit risk spread (the discount factor) and the timing of dividend payments (the cash flow). The terms and conditions of the Preferred Securities are similar to those of the loan advanced to the Parent. The dividend payment related to the Preferred Securities is directly linked to the interest received from the Parent. If the interest on the loan note is waived, no dividend is paid to the holders of Preferred Securities. The fair value of the loan advanced to the

Parent is deemed to be the same as the fair value of the Preferred Securities as the two instruments have virtually identical cash flow characteristics. Loans and receivables are measured at FVTPL because their contractual characteristics do not pass the SPPI test. Therefore, the fair value of the loan note mirrors the fair value of Preferred Securities and is categorised as level 3. Since the value of the asset and liability are mirrored, there is no net effect on the statement of financial position in relation to the value.

Fair value hierarchy

The Company's fair value disclosures are based on the following fair value hierarchy that reflects the significance of the inputs used in making the fair value estimates.

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company's loans and receivables (financial instruments at FVTPL) are categorised as level 3 and the preferred and perpetual securities are categorised as level 3. There were no movements between 'levels' during the period.

Reconciliation of Movement in Level 3 Instruments

	Financial Assets at FVTPL	**Financial Liabilities at FVTPL**
	€	**€**
Balance at 1 January 2021	9,887,820	(9,887,820)
Gains/(losses) in profit and loss	913,870	(913,870)
Balance at 30 June 2021	10,801,690	(10,801,690)

The fair values of financial assets are not expected to be significantly different from that of the Preferred Securities for which the Company relies on the Risk Department of its Parent, to determine the fair values. The fair value of the preferred and perpetual securities is calculated using unobservable inputs (quoted prices for similar instruments) and the securities are categorised as "Level 3" for the purposes of risk management disclosures. The financial assets are categorised as level 3, as management use the assumption that the value is linked to the value of the preferred securities, rather than by use of directly observable market inputs. The terms and conditions of the Preferred Securities are similar to those of the loan to the Parent. Both are non-cumulative, to the extent interest has not been waived, the loan has a repayment date of 30 December 2045 whilst the Preferred Securities are perpetual.

Below is presented a sensitivity analysis showing the current valuation key inputs, reasonable changes to them and the resulting absolute and relative valuation movement. There's no direct correlation between the credit risk spread and the dividend payment. The sensitivity calculations are the reasonable possible range of outcomes considering all possible likely events. The analysis shows the fair value per EUR 100 of nominal as well as the EUR amount resulting.

Notes to the Unaudited Condensed Interim Financial Statements *(continued)*

6. Financial instruments, risk management and fair values (continued)

	EUR per 100 nominal	Movement in EUR
Current valuation (no dividends for 2 years)	69.50	-
No dividend payment for 3 years	66.48	(469,368)
No dividend payment for 5 years	60.89	(868,798)
No dividend payment for 7 years	55.79	(792,642)
10% relative increase in credit spread	64.38	1,335,058
10% relative decrease in credit spread	74.87	1,630,356
5% absolute increase in discount factor	33.89	(6,369,112)

7. Contingent assets, liabilities and commitment

Companies' business and financial condition can be affected by the actions of various governmental and regulatory authorities. The Company has engaged, and will continue to engage, in discussions with relevant governmental and regulatory authorities, on an ongoing and regular basis, and in response to informal and formal inquiries or investigations, regarding issues including related to compliance with applicable laws and regulations. The Company has recorded a provision of €550,000 for expected fines for the delayed publication of annual financial statements for 2017 and 2018.

8. Related party disclosures

Alpha Bank London Limited by being a subsidiary of the Parent. Cash held at Alpha Bank London Limited as at 30 June 2021 was €358,821 (31 December 2020: €417,985).

The Parent by being a borrower of €10,801,690 as at 30 June 2021 (31 December 2020: €9,887,820).

Ms. M. Ahmed, a Director of the Company, is also a Director of Alpha Credit Group PLC and also Chief Financial Officer of Alpha Bank London Limited.

Ms. C. Heslop, a Director of the Company, is also a Director of Intertrust SPV Services Limited.

Mr. R. Mendez, a Director of the Company, is also a Director of Intertrust SPV Services Limited.

Mr. Dan Barbalat, a Director of Alpha Credit Group, is also the Head of Finance for Alpha Bank London.

Intertrust SPV Services Limited is entitled to receive fees for acting as company secretary and for the provision of directors to the Company. During the period, Intertrust SPV Services Limited charged fees for the provision of services to the Company amounting to €31,957 (2020: €58,435) of which € 6,815 (2020: nil) was outstanding at the reporting date.

9. Post balance sheet events

There was a share capital increase from the Parent on of €650,000 which was received on 20 September 2021.

10. Ultimate controlling party

As at 16 April 2021, the core banking business sector of Alpha Bank ("the Demerged") has been transferred through hive-down to a new credit institution under the name "Alpha Bank S.A." ("the Beneficiary").

The "demerged" Company, which became the shareholder of the Beneficiary (Alpha Bank S.A.) has retained activities, assets and liabilities that are not related to the banking business sector and was renamed into Alpha Services and Holdings S.A. As a result, the ultimate controlling party of the Company is Alpha Services and Holdings S.A, and the Company is a wholly owned subsidiary thereof.

Alpha Services and Holdings S.A.(former Alpha Bank S.A.) is incorporated in Greece, and whose business is 40 Stadiou Street, 102 52 Athens, Greece. The annual report and accounts of the Parent can be found here: https://www.alphaholdings.gr/-/media/alphaholdings/files/apotelesmata/20210323-fy-oikonomikes-katastaseis-en.pdf.

INDEPENDENT REVIEW REPORT TO ALPHA GROUP JERSEY LIMITED

We have been engaged by the Alpha Group Jersey Limited ('the Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Statement of Comprehensive Income, the Condensed Statement of Financial Position, the Condensed Statement of Changes in Equity, the Condensed Statement of Cash Flows and related notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the section 115 of the German Wertpapierhandelsgesetz governing half-yearly financial reporting.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and the Companies (Jersey) Law 1991.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. 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 (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and with section 115 of the German Wertpapierhandelsgesetz governing half-yearly financial reporting and in accordance with the Companies (Jersey) Law 1991.

Use of our report

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
24 September 2021