

PIRAEUS BANK



MID YEAR FINANCIAL REPORT

for the 1st half 2015

According to Law 3556/ 2007

October 2015

The information contained in this Mid Year Financial Report has been translated from the original Mid Year Financial Report that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language Mid Year Financial Report, the Greek language Mid Year Financial Report will prevail over this document.

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STATEMENT (article 5 of L. 3556/2007)

To the best of our knowledge, the 2015 Interim Financial Statements, which have been prepared in accordance with the applicable accounting standards, give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Bank S.A. and of the undertakings included in the consolidated accounts, taken as a whole, as provided in art. 5 par. 3-5 of Law 3556/2007 and the Board of Director's interim report presents fairly the information required by art. 5 par. 6 of Law 3556/2007.

Michalis Sallas

Stavros Lekkakos

Anthimos Thomopoulos

Chairman of BoD

Vice – Chairman of BoD

Managing Director & CEO

BOARD OF DIRECTORS' INTERIM MANAGEMENT REPORT (According to Law 3556/2007)

International Environment and Economic Developments

Global economy is expected to grow by 3.1% in 2015, lower compared to 2014 (3.4%), as the acceleration of the rate of growth in developed economies is expected to be offset by the slowdown in emerging economies. In the Eurozone, the growth rate in 2015 is expected at 1.5% (from 0.9% in 2014), mainly due to the positive impact of the loose monetary policy adopted by the ECB. Meanwhile, the US economy is expected to move marginally higher (2.6% from 2.4% in 2014), while China is expected to experience a noteworthy slowdown of growth (6.8% from 7.3%), representing a substantial cause of concern for the global economy.

The actions of the central banks will continue to significantly affect economic developments. The ECB is expected to maintain its programme of quantitative easing throughout the end of 2016, as the decline in international energy prices is expected to curb inflation lower than the target of 2.0% for an extensive time horizon. Meanwhile, the FED is expected to raise its intervention rate towards the end of 2015 or in early 2016, signaling the outset of a return to the "regularity" of monetary policy, albeit in a gradual manner, given the very low inflation and uncertainty relative to China.

Developments of the Greek Economy and the Greek Banking System

Developments in relation to Greece that out-folded during the first half of 2015 were extremely dense and catalytic for the course of the Greek economy, concluding in the agreement reached at the Eurozone Member' Summit on July 12 2015, its ratification later in the Eurogroup on August 14, 2015, and the signing – between the European Commission and Greece - of the 3rd Economic Adjustment Programme for Greece on August 19, 2015. Nonetheless, the degree of progress in relation to the deal of the new programme, the hectic negotiations regarding the completion of the previous programme, the referendum, the 3-week bank holiday, the capital controls imposed on June 28, and lastly the call for snap parliamentary elections on September 20, were factors that influenced the economic activity in the country.

The new programme provides a new financing facility for the Greek economy through ESM (European Stability Mechanism) amounting to a level up to € 86 billion, as well as the implementation of fiscal policy measures and structural reforms. According to the new programme, the economy will return into recession in 2015 and into growth in 2017. Specifically for 2015, according to estimates of the program, GDP will shrink by 2.3% and by 1.3% in 2016, while the economy will enter a growth phase in 2017 (+ 2.7%).

Under the 3rd Economic Adjustment Programme, € 13 billion were disbursed to the Greek State on August 20. At the same time, an additional amount of € 10 billion has been earmarked for the recapitalization of Greek banks, kept in a segregated account managed by the ESM in Luxembourg. These funds are intended to facilitate the Greek State to address its financing needs, to repay overdue

debts and address the needs of the financial sector in order to reduce barriers to economic activity, while permitted to repay the short-term loan-bridge amounting to € 7.16 billion issued by the European Financial Stability Mechanism (EFSM) on July 20, 2015. The successful completion of the upcoming 1st review of the Programme that is scheduled in Q4 2015, through the implementation of Greece's commitments towards the economic adjustment programme, will lead to the disbursement of a tranche of € 3 billion, an amount that will be mainly directed towards the financing of the real economy. In parallel, the likelihood of alleviating the Greek public debt, on the basis of extending the grace and repayment period, will be considered after the completion of the 1st review.

According to the latest provisional data released by the Hellenic Statistical Authority, the Greek economy grew 0.9% qoq and 1.6% yoy in Q2 2015. Overall, the Greek economy grew by 1.1% in H1 2015 compared to the same period in 2014.

Sectors such as services and tourism in particular appear to significantly support growth, while others such as retail commerce are seen to maintain their position. More specifically, in H1 2015 the turnover index in services (excluding trade and vehicles) increased by 2.3% yoy, while in the first seven months of 2015 the surplus in travel balance widened to €5.8 billion (January - July 2014: € 5.4 billion) due to € 410 million increase in travel receipts through a rise in arrivals by 14.2%.

According to none seasonally adjusted data, during Q2 2015 the unemployment rate stood at 24.6% versus 26.6% in Q2 2014. The annual fall is associated with both increased employment by 2.4% yoy and the reduction in the workforce (-0.3% yoy).

Relative to fiscal metrics, according to the latest data on the progress of the regular budget (on a cash basis) for the period January-August 2015, net income amounted to € 28.7 billion, According to the draft state budget 2016 (October 15), 2015 net revenues will reach in total € 49 billion

Due to the significant worsening in liquidity, and in order to safeguard the Greek financial system, the Greek government issued a Legislative Content Act on June 28, 2015 declaring the period from June 28 until July 6, 2015 as a bank holiday, subsequently extended until July 17, for all credit institutions operating in Greece. In essence, capital controls were imposed in transferring funds abroad, while transactions within the country were permissible, but only through electronic means. At the same time, restrictions were set on cash withdrawals from ATMs, and other banking transactions during the bank holiday. In parallel, the Hellenic Capital Market Commission decided that the Athens Stock Exchange would remain closed throughout the course of the bank holiday. Restrictions on cash withdrawal and transfer of funds abroad are still in power, however the Legislative Content Act of July 18, 2015 was amended and supplemented by later legislative content acts that make restrictions milder for the economic activity.

Deposits' outflows that had already began in late December 2014, continued during the first half of 2015. This trend was offset by the regular and emergency liquidity assistance measures provided by the Eurosystem, with its financing amounting to € 127 billion at the end of June 2015, reversing the downward trend of the first 9 months 2014 (September 2014 to € 43 billion). Moreover, the ECB decision on February 4, 2015 to waive the Greek government bonds and bonds guaranteed by the Greek government as collateral for refinancing after February 11 2015, led the Greek banking sector to

significantly increase its funding from ELA mechanism, which represented 69% of the total Eurosystem funding at the end of June (€ 87 billion). Nevertheless, this trend was reversed after the end of bank holiday and by end September, liquidity support through the Eurosystem posted a decrease of € 5.2 billion compared to June 2015, indicating signs of improvement in the market and stabilization of deposits.

Since early December 2014, deposits of the Greek market dropped by € 52 billion or -27%, amounting to € 139 billion in September 2015. However, it is important that the bulk of the outflows has remained in Greece, as the index monitoring "currency in circulation - M0" constituted 45% of the total private sector deposits' outflows from December 2014 to September 2015. The "M0" level reached c.€ 49 billion, recording a jump of c.€ 19 billion since early December 2014.

Relative to the lending activity of the Greek banking market, the annual rate of the domestic private sector financing was -1.5% in September 2015 with a total outstanding balance of € 205 billion. Meanwhile, due to the developments the loans to deposits ratio of the Greek banking market increased to 133% in September 2015 from 104% in December 2014.

In the context of ensuring financial stability and the need to restore liquidity and regulatory capital of the Greek banking system, the 3rd Economic Adjustment Programme provisioned a Comprehensive Assessment (CA) for the 4 systemic Greek banks, in order to determine any additional capital needs. The CA was carried out by the Single Supervisory Mechanism (SSM) of ECB, including the evaluation processes of an Asset Quality Review (AQR) and a Stress Test, while the results were released on October 31, 2015 (please see below section about Piraeus Bank's results). Finally, the recapitalization of the Greek banks is sought to be completed by the end of 2015.

Developments in Piraeus Bank Group

On the operating level, the most important corporate events for Piraeus Bank Group during H1 2015 and up to the publication of the financial statements were the following:

- On January 7, 2015, Piraeus Bank announced that a total of 3,568 warrants were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF), which correspond to 15,969 common shares, i.e. to 0.00026% of the total outstanding number of common shares (free float). Following the third exercise of warrants, the participation of HFSF in the share capital of the Bank remained stable at 66.93%.
- During the BoD meeting of January 21, 2015 Mr. Apostolos Tamvakakis was elected as an Independent Non-Executive Member in the BoD, replacing Mr. Georgios Alexandridis the Independent Non-Executive Member of the BoD, who had resigned. According to the new regulatory framework for the supervision of important credit institutions the conclusion of the suitability assessment of the newly elected member before the Supervisory Authority (SSM/ECB) is pending.

- The BoD meeting of February 25, 2015, approved the resignation of Mr. Panagiotis Roumeliotis from the position of the Vice Chairman and Non-Executive Member of the Board. On March 18, 2015, Mr. Nikolaos Christodoulakis was elected to replace him (it is noted that conclusion of the suitability assessment of the newly elected member before the Supervisory Authority (SSM/ECB) is pending).
- On March 19, 2015, Piraeus Bank announced that by virtue of Ministerial Decision of the Minister of Finance, Mr. Gerasimos Tsiaparas was appointed as the representative of the Greek State at the Bank's BoD, pursuant to the provisions of L.3723/2008, to replace Mr. Athanassios Tsoumas who had resigned (it is noted that conclusion of the suitability assessment of the newly elected member before the Supervisory Authority (SSM/ECB) is pending).
- On April 17, 2015, Piraeus Bank acquired the "good" part of Panellinia Bank, contributing in this way to the restructuring of the Greek banking sector. The acquired perimeter included € 574 million of deposits, € 280 million of loans after provisions, as well as 26 branches and 163 employees. The funding gap was initially determined at € 273 million, while the final amount is due to be determined from a certified auditor appointed by the Bank of Greece and to be covered by the Deposits and Investments Guarantee Fund.
- On 21 May, 2015, Piraeus Bank reached a definitive agreement with Al Ahli Bank of Kuwait for the disposal of Piraeus Bank Egypt for a consideration of \$ 150 million. The transaction improves the CET1 ratio of Piraeus Bank Group by c.30 bps and represents another step forward towards the implementation of the Group's approved Restructuring Plan.
- As of June 29, 2015, a bank holiday was imposed to banks operating in Greece, along with capital controls to the export of funds abroad and restrictions in cash withdrawals. The bank holiday ended on July 20, 2015, but capital controls and restrictions on cash withdrawals have remained in force until today, despite being gradually relaxed pursuant to the provisions of relevant Legislative Acts.
- Following the imposition of capital controls to the export of funds abroad and restrictions on cash withdrawals, credit rating agencies downgraded the credit rating of Piraeus Bank and other Greek banks. On June 29, 2015, Fitch downgraded the long term credit rating of the Bank to Restricted Default "RD" from "CCC", on 30 June 2015 Standard & Poor's downgraded it to Selective Default "SD" from "CCC" with a negative outlook, while on 2 July 2015, Moody's placed the Bank's "Caa3" long term credit rating to a Review for Downgrade status from "Caa3" with a negative outlook before. The rating agency completed the review on 4 September 2015, assigning to the Bank's deposits a "Caa3" rating with a negative outlook, while its senior unsecured and subordinated debt was downgraded to "C".
- On July 2, 2015, regarding the warrants exercise procedure, the Bank announced that not a single warrant was exercised on its shares owned by the Hellenic Financial Stability Fund (HFSF). Following the 4th warrant exercise period, HFSF's participation in the share capital of the Bank remained stable at 66.93%.

- On July 19, 2015, Piraeus Bank completed the project of the integration of former Panellinia Bank's network systems into the Group's unified IT environment, in a period of less than 3 months from its acquisition.
- On September 30, 2015, the Bank returned to the Greek State, the entirety of Pillar III of L. 3273/2008 Special Titles of a total nominal value of € 2.2 billion maturing on April 22, 2016, given to the Bank against the concession to the State of credit claims as a collateral, under a lending agreement between the two parties.
- On October 15, 2015, the Bank invited the holders of the outstanding € 200 million Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of Piraeus Group Capital Limited, the € 400 million Subordinated Callable Step-up Floating Rate Notes of Piraeus Group Finance PLC due 2016 and the € 500 million 5% Notes of Piraeus Group Finance PLC due March 2017 to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank. The offers were made to strengthen the Bank's capital base, which has been impacted by the impaired macro-economic conditions recently experienced in the Hellenic Republic that are affecting all Greek financial institutions. In addition, the exchange offers in relation to the 2016 securities and the perpetual securities reflect the fact that, if State aid is required to meet any part of the additional capital requirements that are determined by the Comprehensive Assessment conducted by the Single Supervisory Mechanism (SSM) or otherwise, burden-sharing will need to be achieved to the maximum extent possible through contributions by holders of equity, hybrid capital and subordinated debt of the Bank. The process is expected to be finalized on or about November 4, '15 (relevant announcement: <http://www.piraeusbankgroup.com/en/press-office/press-release/2015/10/announcement>).
- On October 16, 2015, the rating agency Standard & Poor's downgraded the credit rating of the Bank to "D" from "SD", following the bond exchange offer which was announced on October 15, 2015.

Piraeus Bank's Results of the Comprehensive Assessment Conducted by the European Central Bank

Piraeus Bank took notice of the announcement by the European Central Bank on October 31, 2015 regarding the results of the Comprehensive Assessment exercise conducted for the four Greek systemic banks. The exercise was carried out on provisional balance sheet figures as of June 30, 2015 and consisted of (i) an Asset Quality Review ("AQR"), constituting a review of the carrying values of the Bank's Greek loan portfolios, and (ii) a stress test under a "baseline" and an "adverse" scenario. The results imply, on a consolidated basis, a capital shortfall for the Bank (before any mitigating actions) of the maximum of:

- I. € 2,213 million under the "baseline" scenario, after considering the results of the AQR and the stress test.

- II. € 4,933 million under the “adverse” scenario, after considering the results of the AQR and the stress test.

	Bps of CET%	EUR mn
(a) AQR (9.5% threshold)	402	2,188
(b) Stress test “baseline” scenario (9.5% threshold)	432	2,213
(c) Stress test “adverse” scenario (8.0% threshold)	1,035	4,933
Aggregate shortfall [max of (a),(b),(c)]	1,035	4,933

The above capital shortfall does not take into account any mitigating actions that will be included in the Capital Plan of the Bank, to be formally submitted to the ECB by 6 November 2015. The Bank is in constructive dialogue with the ECB in relation to the aforementioned actions and its Capital Plan describing in detail the measures it will undertake. Piraeus Bank is capable to proceed with all steps required to cover the arising capital needs.

Evolution of Piraeus Group Volumes and H1 2015 Results

The assets and liabilities of the “good” Panellinia Bank that were acquired in April 2015 have been consolidated in the Piraeus Group balance sheet as of June 30, 2015, while the results of Panellinia have been consolidated in the income statement of the Group for the period from 15.04.2015 to 30.06.2015. In addition, it is noted that the operations of ATE Insurance and of its subsidiary ATE Insurance Romania as well as those of the Group’s Egyptian operations have been characterized as “discontinued” regarding the balance sheet of June 30, 2015 and the income statement of H1 2015.

Relative to the financial position of Piraeus Bank Group during H1 2015, total assets on June 30, 2015 amounted to € 87.2 billion compared to € 89.3 billion in December 2014, almost stable from the beginning of the year if the seasonal loan to OPEKEPE at 12/31/2014 amounting to € 1.8 billion is excluded. Total Group deposits reached € 38.8 billion on June 30, 2015 from € 54.8 billion at 31/12/2014 (-28% at a comparable basis excluding Egypt at 31/12/2014), a reduction deriving mainly from Greece and attributed to the uncertainty prevalent in the country during this period. Group deposits in Greece were € 35.1 billion (-29% from the beginning of the year), accounting for 27% of the domestic deposits market at the end of June 2015. The international operations deposits of the Group reached € 3.7 billion on June 30, 2015 (Piraeus Bank Egypt is not included any more), retreating by € 0.8 billion from the beginning of the year, mainly due to a contagion effect related to developments in Greece.

Group gross loans before provisions at the end of June 2015 stood at € 70.0 billion from € 71.2 billion in December 2014 (excluding the seasonal OPEKEPE agri-loan of € 1.8 billion). The change from the

beginning of the year at a comparable basis, namely excluding Egypt at the end of 2014, was at -1%. Total loans in Greece reached € 64.2 billion at the end of June 2015 (almost unchanged from the beginning of the year, excluding the OPEKEPE loan), while loans from international operations amounted to €5.9 billion (excluding Piraeus Bank Egypt) or € 0.4 billion lower from the beginning of the year. By business line, Group business loans were € 45.5 billion, accounting for 65% of the total loan portfolio, while retail loans amounted to € 24.5 billion, or 35% of the total. Total loans after provisions stood at € 53.1 billion, with the Group net loans to deposits ratio rising to 137%, due to significant deposit withdrawals in Greece, from 101% at the end of December 2014 (excluding the OPEKEPE loan).

The Group's loans in arrears over 90 days ratio was 39.4% at the end of June 2015 from 38.8% at 12/31/2014, while the respective ratio for domestic operations was 39.1% at the end of June 2015 from 38.6% respectively. The Group coverage ratio of loans in arrears over 90 days by cumulative provisions and adjustments to fair value strengthened significantly to 61.2% in June from 57.4% in December 2014 and the same ratio for domestic operations to 61.7% from 57.2%. It should be noted that the ratio of cumulative provisions and adjustments over Group gross loans rose to the particularly high level of 24.2% at the end of June 2015 from 22.3% in December 2014.

The Group's net interest income amounted to € 964 million during H1 2015 and net provision income to € 160 million, out of which 88% from commercial banking. Total net revenues for H1 2015 were € 1.2 billion

The Group's total operating expenses in H1 2015 stood at € 678 million. As a result of the above, Group pre-tax and provision income for H1 2015 was € 469 million.

H1 2015 results were burdened by provisions of € 1.9 billion, or 5.3% of total loans. The higher provision expenses in Greece during Q2 2015 (€ 1.6 billion versus € 0.2 billion in Q1) is mainly due to the change of conditions of the domestic market. As a result of the high volatility and the economic uncertainty, which prevailed from the end of 2014 and peaked during the first half of 2015, the projections for the course of the Greek economy were revised negatively. To illustrate this, the initial estimate for a GDP growth of 3% in 2015 was first changed to an increase of 1%, whereas later on estimates called for a drop in the GDP (the latest official estimate in the draft of the Budget for year 2016, submitted in October 2015, calls for a -2.3% drop in 2015).

Basic economic indicators also moved towards the same direction during the aforementioned period. The economic climate index dropped significantly during H1 2015. In Q1 2015 the index reached 96.8 units from 101.4 in Q4 2014 and dropped further to 91.6 in Q2 2015. The Purchasing Manager Index (PMI) in manufacturing had a similar course, as in Q2 2015 it decreased yet for another quarter to reach 47.1 units (Q4 2014: 49.1 units, Q1 2015: 48.5 units).

Real estate prices also followed a negative trend. The apartments price index – following a 5 quarter period in which the quarterly drop rate exhibited a deceleration – shrunk by 3.4% qoq in Q2 2015 (Q4 2014: -0.8% qoq, Q1 2015: -0.6% qoq), resulting to an annual drop of 5.6%.

The application of the measures of the new (3rd) Economic Adjustment Programme, the imposition of capital controls from late June 2015, as well as the bank holiday (which lasted from the end of June to July 19) are confirming the projections that the domestic economy will face recession during H2 2015 (from growth of +1.1% yoy in the H1 2015).

In any case, the course of the basic figures of the Greek economy until present indicates that the negative consequences of the last period are fully manageable. The increased provisions of Q2 2015 further fortify Piraeus Bank's balance sheet and give it more leeway to proceed even faster to a more active management of its problem loans portfolio in Greece.

Pre-tax results amounted to a loss of € 1,469 million, while Group after tax results from continuing operations attributable to shareholders amounted to a loss of € 1.130 million.

Group total equity at the end of June was €6.1 billion. The Group's total capital adequacy ratio, according to the Basel III regulatory framework was 10.2% at the end of June 2015 and the Common Equity Tier I ratio 10.2%.

Piraeus Group branch network on June 30, 2015, totaled 1,098 units, out of which 804 in Greece and 294 in 8 other countries. At the same date, the Group's headcount totaled 19,895 employees, of which 15,743 in Greece and 4,152 abroad. If the employees of discontinued operations were included, the number of employees would have amounted to 21,917.

The international operations of the Group on June 30, 2015, accounted for 8% of its assets, 27% of its branch network and 21% of its headcount.

Restructuring Plan

On July 23, 2014, the European Commission approved Piraeus Bank's Restructuring Plan (RP), which was published in the official gazette of the European Union on March 25, 2015. The RP incorporates commitments regarding its implementation ("restructuring commitments"), the corporate governance and the commercial operations of the Bank. The Restructuring commitments include, among others, rationalization of the domestic branch network, personnel and operating cost by December 2017, the reduction of deposit cost, the sale of non-core domestic assets, and the containment of international operations through a range of certain choices by 2018. At the end of June 2015, the Bank was in full conformity with the targets and the time frame of the RP, while regarding the specific targets of containment of the domestic branch network, the domestic personnel and the domestic operating expenses, they have already been attained either fully, or to a significant degree, before the official deadline of 2017. The Bank has been active and continues to take actions towards the attainment of the targets of its RP within the time framework set.

Related Party Transactions

With reference to the transactions of the Bank with related parties, such as members of the Board of Directors and the management of the Bank and its subsidiaries, these were not of significant importance for H1 2015, while in any case they are included in the Group's H1 2015 financial statements.

Description of Major Risks and Uncertainties for H2 2015

The Risk Management Framework of the Group is presented analytically in note [3] of the Group's 2014 annual consolidated financial Report of December 31, 2014. More specifically, during H1 2015 the major initiatives, aiming at upgrading the Group's Risk Management Framework, were the following:

- Completion of a readiness study and design of a program for the transition to the IRB approach for credit risk.
- Updating of the Internal Capital Adequacy Assessment Process (ICAAP) and the stress testing framework in line to regulatory instructions (EBA/GL/2014/13, CEBS/GL32, BCBS147).
- Participation in EBA's test MREL/BCBS QIS for the assessment of the impact from implementing the minimum capital and eligible liabilities requirements in the event of a rescue by own means.
- Adoption of the Risk-Based Pricing methodology from the international subsidiaries' network, and design of a common pricing model that was implemented by all international subsidiaries in 2015.
- Development of a new Overall Score model for the consumer loans portfolio (non-instant).
- New infrastructure for collaterals: Recording of assets from the new real estate system (GeoBanking), and designing feeds to our existing data structures.
- Integration of the new calculation methodology of collective provisions in Retail Banking and Business Portfolios.
- Study regarding a new methodology for calculating the credit exposure for Repurchase/Resale transactions, and calculation of a discrete corresponding limit.
- Development of a Stress Test exercise for the portfolio of Piraeus Bank Interbank Activities (June 2015).

- Coverage of new supervision authority requirements (ECB SSM / JST) for liquidity-providing data (new framework of detailed daily reports).
- Initiation of Bank project for applying the supervisory framework for Liquidity Risk (Liquidity Ratios & Additional liquidity metrics).
- Development and submission of the first Internal Liquidity Adequacy Assessment (ILAAP) to the SSM.
- Submission of an updated Group Recovery Plan.
- Updating mitigation mechanisms of operational risk (Business Continuity Plan, Insurance Coverages, intensive monitoring of infrastructure improvement projects).

The economic and political situation in Greece remains in general the primary risk factor for the domestic banking sector, and therefore for Piraeus Bank. Possible further negative developments would bear a consequence on the Bank's liquidity, the quality of its loan portfolio, its financial results and its capital base. Additionally, the persistence of capital controls for a prolonged period will negatively affect the economic activity in the country, and by extension the Bank's revenues.

Meanwhile, the risk of non-implementation of Greece's commitments against the 3rd Economic Adjustment Programme, and a possible failure in completing the periodic evaluation, comprise additional risk factors that may negatively affect the Greek banking sector as a whole.

Estimates for the development of Piraeus Group's Activity during the 2nd half of 2015

According to the 3rd Economic Adjustment Programme for Greece, GDP is estimated to drop by 2.3% during the full year of 2015, whereas it increased by 1.1% in the first half, suggesting that GDP is expected to drop substantially during the second half of the year. This development is expected to create some downward pressure to the Bank's domestic revenues, as economic activity is due to shrink. As a counterbalance to this, the Bank is planning to intensify its efforts to optimize its operating cost and to improve its efficiency, while the further unwinding of deposit cost will have a positive contribution towards this end.

The 1st review of the new programme will be conducted during Q4 2015. The successful completion of the review's pre-requisites will lead to an increase in the economy's funding (+€3 billion), to a propulsion of reforms and possibly to the initiation of the public debt relief process, elements adequate to give a boost to the gradual recovery of the economy.

Following the release of the Comprehensive Assessment results for the 4 largest Greek banks on October 31, conducted by ECB/SSM, Piraeus Bank is capable to proceed with all necessary actions for covering the arising capital needs, as they are determined by the assessment, through a recapitalisation process that is targeted to be completed by end 2015.

As the largest systemic bank in the country, Piraeus Bank is facing with increased alert the challenges of the current conjuncture and has set as most important priorities the enhancement of liquidity, the strengthening of its capital base, the most efficient management of loans in arrears through innovative methods and tools, the further reduction of its operating cost, the recovery of profitability, as well as the conservation and improvement of the quality in its customer service.

The Bank dynamically and systematically supports the effort for uplifting the Greek economy, while it simultaneously enforces initiatives towards the development of entrepreneurship and the strengthening of competitiveness. For the forthcoming season, the Bank will continue with all its powers and resources to move towards these aims.

The Board of Directors

Michalis G. Sallas
Chairman of the Board



[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of «**Piraeus Bank S.A.**»

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of Piraeus Bank S.A. (the “Bank”) and its subsidiaries (together “the Group”) as of 30 June 2015 and the related condensed company and consolidated income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

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Emphasis of matter

Without modifying our conclusion we draw attention to the disclosures made in note 3 to the consolidated interim condensed financial information, which refer to, the current economic conditions in Greece, the effects of the increased provisions for credit risk on the Group's regulatory capital, the planned actions to restore the capital adequacy of the Group, as well as the material uncertainties regarding the macroeconomic environment, the developments in fiscal aggregates and the framework and process with respect to the recapitalization of the Greek banks. These material uncertainties may cast significant doubt on the Group's ability to continue as a going concern.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.



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Athens, 31 October 2015
THE CERTIFIED AUDITOR

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PIRAEUS BANK



PIRAEUS BANK GROUP

**Consolidated Interim Condensed
Financial Information**

30 June 2015

In accordance with the International
Financial Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on October 31st 2015 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

This financial information has been translated from the original interim financial information that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial information, the Greek language financial information will prevail over this document.

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CONSOLIDATED INTERIM INCOME STATEMENT	Note	Period from 1 January to		Period from 1 April to	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
Interest and similar income		1,541,043	1,734,927	766,251	872,827
Interest expense and similar charges		(576,634)	(765,113)	(293,912)	(377,447)
NET INTEREST INCOME		964,409	969,814	472,339	495,379
Fee and commission income		179,264	173,974	89,271	87,204
Fee and commission expense		(19,285)	(18,114)	(10,148)	(9,603)
NET FEE AND COMMISSION INCOME		159,979	155,860	79,124	77,601
Dividend income		6,612	14,356	6,134	14,331
Net income from financial instruments designated at fair value through profit or loss		15,704	(43,688)	18,814	(22,946)
Results from investment securities		(6,029)	76,291	(121)	70,961
Other operating income		25,826	186,080	12,993	177,045
TOTAL NET INCOME		1,166,500	1,358,713	589,283	812,371
Staff costs		(342,277)	(355,787)	(171,159)	(170,906)
Administrative expenses		(278,147)	(269,316)	(142,478)	(148,367)
Depreciation and amortisation		(57,772)	(85,821)	(28,394)	(43,735)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(678,196)	(710,924)	(342,032)	(363,008)
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		488,304	647,789	247,252	449,362
Impairment losses on loans	12	(1,868,082)	(993,472)	(1,590,323)	(513,712)
Impairment losses on other receivables		(57,113)	(67,682)	(50,300)	(33,777)
Other provisions and impairment		(12,906)	(24,589)	(11,585)	(23,725)
Share of profit of associates		(19,236)	3,882	(6,475)	7,857
PROFIT/ (LOSS) BEFORE INCOME TAX		(1,469,032)	(434,072)	(1,411,432)	(113,994)
Income tax	8	337,638	355,983	351,552	279,808
PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		(1,131,394)	(78,089)	(1,059,880)	165,813
Profit/ (loss) after income tax from discontinued operations	7	6,412	(4,424)	12,892	(43)
PROFIT/ (LOSS) AFTER TAX		(1,124,982)	(82,513)	(1,046,988)	165,770
From continuing operations					
Profit/ (loss) attributable to equity holders of the parent entity		(1,130,019)	(78,564)	(1,059,102)	165,706
Non controlling interest		(1,375)	475	(777)	108
From discontinued operations					
Profit/ (loss) attributable to equity holders of the parent entity		6,361	(4,343)	12,871	(9)
Non controlling interest		51	(81)	21	(34)
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):					
From continuing operations					
- Basic and Diluted	9	(0.1852)	(0.0141)	(0.1736)	0.0279
From discontinued operations					
- Basic and Diluted	9	0.0010	(0.0008)	0.0021	(0.0000)

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to		Period from 1 April to	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
CONTINUING OPERATIONS					
Profit/ (loss) after tax (A)		(1,131,394)	(78,089)	(1,059,880)	165,813
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	10	(78,957)	(38,695)	(35,181)	(65,662)
Change in currency translation reserve	10	(11,040)	15,550	339	20,122
Amounts that cannot be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	10	8,363	282	12	275
Other comprehensive income, net of tax (B)	10	(81,633)	(22,862)	(34,831)	(45,265)
Total comprehensive income, net of tax (A+B)		(1,213,027)	(100,951)	(1,094,710)	120,548
- Attributable to equity holders of the parent entity		(1,211,705)	(101,474)	(1,093,901)	120,435
- Non controlling interest		(1,322)	523	(809)	114
DISCONTINUED OPERATIONS					
Profit/ (loss) after tax (C)		6,412	(4,424)	12,892	(43)
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	10	2,877	3,034	(2,695)	529
Change in currency translation reserve	10	8,609	(17,882)	(4,264)	(18,049)
Amounts that cannot be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	10	432	-	694	-
Other comprehensive income, net of tax (D)	10	11,918	(14,847)	(6,266)	(17,520)
Total comprehensive income, net of tax (C+D)		18,330	(19,271)	6,626	(17,563)
- Attributable to equity holders of the parent entity		18,124	(19,185)	6,682	(17,538)
- Non controlling interest		206	(87)	(56)	(25)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	Note	30 June 2015	31 December 2014
ASSETS			
Cash and balances with Central Banks		4,098,298	3,837,541
Loans and advances to credit institutions		143,489	297,109
Financial assets at fair value through profit or loss	11	245,294	299,562
Derivative financial instruments - assets		453,914	508,928
Reverse repos with customers		8,032	64,299
Loans and advances to customers (net of provisions)	12	53,112,545	57,143,022
Available for sale securities	13	2,847,855	2,533,587
Debt securities - receivables	14	14,311,314	14,400,421
Held to maturity		28,004	27,180
Assets held for sale		22,005	38,022
Inventories property		906,716	844,994
Investment property		1,022,457	989,504
Investments in associated undertakings		275,427	298,672
Property, plant and equipment		1,512,172	1,435,942
Intangible assets		328,804	313,072
Deferred tax assets		4,401,274	4,018,745
Other assets		1,916,403	1,934,171
Assets from discontinued operations	7	1,595,653	304,925
TOTAL ASSETS		87,229,655	89,289,696
LIABILITIES			
Due to credit institutions	16	37,603,061	23,690,330
Due to customers	17	38,811,618	54,732,834
Liabilities at fair value through profit or loss		722	1,853
Derivative financial instruments - liabilities		471,469	544,026
Debt securities in issue	18	537,049	661,350
Current income tax liabilities		44,302	32,566
Deferred tax liabilities		31,856	37,772
Retirement benefit obligations		208,864	211,944
Other provisions		46,451	42,733
Other liabilities		1,561,390	1,275,911
Hybrid capital and other borrowed funds	19	227,386	232,381
Liabilities from discontinued operations	7	1,555,626	503,753
TOTAL LIABILITIES		81,099,796	81,967,454
EQUITY			
Share capital	21	1,830,594	1,830,594
Share premium	21	11,393,315	11,393,315
Less: Treasury shares	21	(1,418)	-
Other reserves	22	(206,102)	(111,240)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	22	36,279	18,787
Retained earnings	22	(7,039,196)	(5,921,295)
Capital and reserves attributable to equity holders of the parent entity		6,013,472	7,210,161
Non controlling interest		116,387	112,081
TOTAL EQUITY		6,129,859	7,322,242
TOTAL LIABILITIES AND EQUITY		87,229,655	89,289,696

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Attributable to owners of the parent					Non controlling interest	TOTAL
		Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
Opening balance as at 1 January 2014		2,271,770	10,008,734	(113)	100,709	(3,957,192)	118,990	8,542,898
Other comprehensive income, net of tax	10				(37,752)		43	(37,709)
Results after tax for the period 1/1/2014 - 30/6/2014	22					(82,906)	394	(82,513)
Total recognized income for the period 1/1/2014 - 30/6/2014		0	0	0	(37,752)	(82,906)	436	(120,222)
Increase of share capital	21	308,824	1,384,581					1,693,405
Repurchase of preferred shares	21	(750,000)						(750,000)
(Purchases)/ sales of treasury shares	21, 22			47		(60)		(13)
Transfer between other reserves and retained earnings	22				4,317	(4,317)		0
Absorptions and movements in participating interest	22					(170)	168	(2)
Balance as at 30 June 2014		1,830,594	11,393,314	(66)	67,274	(4,044,646)	119,594	9,366,065
Opening balance as at 1 July 2014		1,830,594	11,393,314	(66)	67,274	(4,044,646)	119,594	9,366,065
Other comprehensive income, net of tax					(153,747)		153	(153,594)
Results after tax for the period 1/7/2014-31/12/2014	22					(1,882,181)	(7,300)	(1,889,481)
Total recognized income for the period 1/7/2014 - 31/12/2014		0	0	0	(153,747)	(1,882,181)	(7,147)	(2,043,075)
Prior year dividends							(162)	(162)
(Purchases)/ sales of treasury shares	21, 22			66		8		75
Transfer between other reserves and retained earnings	22				(5,980)	5,980		0
Acquisitions, disposals, absorptions, liquidation and movement in participating interest	22					(458)	(202)	(660)
Balance as at 31 December 2014		1,830,594	11,393,314	0	(92,453)	(5,921,295)	112,082	7,322,242
Opening balance as at 1 January 2015		1,830,594	11,393,314	0	(92,453)	(5,921,295)	112,082	7,322,242
Other comprehensive income, net of tax	10				(69,923)		208	(69,716)
Results after tax for the period 1/1/2015 - 30/6/2015	22					(1,123,658)	(1,324)	(1,124,982)
Total recognized income for the period 1/1/2015-30/6/2015		0	0	0	(69,923)	(1,123,658)	(1,116)	(1,194,698)
(Purchases)/ sales of treasury shares	21, 22			(1,418)		319		(1,099)
Transfer between other reserves and retained earnings	22				387	(387)		0
Acquisitions, disposals and movement in participating interest	22				(7,834)	5,825	5,423	3,414
Balance as at 30 June 2015		1,830,594	11,393,314	(1,418)	(169,823)	(7,039,196)	116,388	6,129,859

CONSOLIDATED INTERIM CASH FLOW STATEMENT	Period from 1 January to	
	30 June 2015	30 June 2014
<i>Cash flows from operating activities from continuing operations</i>		
Profit/ (Loss) before tax	(1,469,032)	(434,072)
<i>Adjustments to profit/ loss before tax:</i>		
Add: provisions and impairment	1,938,101	1,085,744
Add: depreciation and amortisation charge	57,772	85,821
Add: retirement benefits	7,522	7,253
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss	(713)	(141,098)
(Gains)/ losses from investing activities	23,373	(80,124)
Cash flows from operating activities before changes in operating assets and liabilities	557,023	523,524
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/ decrease in cash and balances with Central Banks	(301,893)	(169,014)
Net (increase)/ decrease in financial instruments at fair value through profit or loss	23,498	(91,930)
Net (increase)/ decrease in debt securities - receivables	(37,379)	1,281,050
Net (increase)/ decrease in loans and advances to credit institutions	4,180	(3,587)
Net (increase)/ decrease in loans and advances to customers	1,742,254	2,841,942
Net (increase)/ decrease in reverse repos with customers	56,268	(125,143)
Net (increase)/ decrease in other assets	195,409	(19,048)
Net increase/ (decrease) in amounts due to credit institutions	13,839,416	(4,897,938)
Net increase/ (decrease) in liabilities at fair value through profit or loss	(1,130)	(549)
Net increase/ (decrease) in amounts due to customers	(15,569,534)	(163,632)
Net increase/ (decrease) in other liabilities	286,583	46,437
Net cash flow from operating activities before income tax payment	794,694	(777,887)
Income tax paid	(586)	(10,132)
Net cash inflow/ (outflow) from continuing operating activities	794,108	(788,019)
<i>Cash flows from investing activities of continuing operations</i>		
Purchases of property, plant and equipment	(111,085)	(131,777)
Sales of property, plant and equipment	10,869	36,368
Purchases of intangible assets	(35,905)	(13,897)
Purchases of assets held for sale	(6,181)	(4,115)
Sales of assets held for sale	6,298	1,650
Purchases of investment securities	(4,939,705)	(3,254,762)
Disposals/ maturity of investment securities	4,454,557	3,175,826
Acquisition of subsidiaries excluding cash & cash equivalents acquired	(44,445)	-
Sales of associates	32,478	-
Establishments, acquisition and participation in share capital increases of associates	(54,026)	(889)
Dividends received	6,026	9,622
Net cash inflow/ (outflow) from continuing investing activities	(681,119)	(181,973)
<i>Cash flows from financing activities of continuing operations</i>		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(119,679)	425,227
Increase of share capital	-	1,673,519
Repurchase of preferred shares	-	(750,000)
Purchases/ sales of treasury shares and preemption rights	(1,099)	(13)
Other cash flows from financing activities	11,181	10,398
Net cash inflow/ (outflow) from continuing financing activities	(109,597)	1,359,132
Effect of exchange rate changes on cash and cash equivalents	(2,641)	41,823
Net increase/ (decrease) in cash and cash equivalents from continuing activities (A)	751	430,963
Net cash flows from discontinued operating activities	57,100	(64,120)
Net cash flows from discontinued investing activities	(92,879)	22,645
Net cash flows from discontinued financing activities	169	-
Exchange difference of cash and cash equivalents	(1,477)	(562)
Net increase/ (decrease) in cash and cash equivalents from discontinued activities (B)	(37,087)	(42,036)
Cash and cash equivalents at the beginning of the period (C)	2,664,133	1,888,466
Cash and cash equivalents at the acquisition date of assets and liabilities of Panellinia Bank (D)	3,291	-
Cash and cash equivalents at the end of the period (A)+(B)+(C)+(D)	2,631,088	2,277,393

1 General information about the Group

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Law 2190/1920 on sociétés anonymes, Law 4261/2014 on credit institutions, and other relevant laws. According to article 2 of its Statute, the scope of the company is to execute, on its behalf or on behalf of third parties, any and every operation acknowledged or delegated by law to banks.

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, as well as Western Europe. The Group employs in total 21,917 people of which 1,102 people, refer to discontinued operations (ATE Insurance S.A., ATE Insurance Romania S.A., Piraeus Bank Egypt S.A.E., Piraeus Egypt Leasing Co and Piraeus Bank Egypt Investment Company).

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (Greece, RAFI, Med 100), MSCI (Emerging Markets, EM EMEA, Greece), Euro Stoxx (TMI, TMI Banks, All Europe 800, Greece TM) and S&P (Global BMI, Developed BMI, Greece BMI), Dow Jones Sustainability Index (Emerging Markets).

2 General accounting policies, critical accounting estimates and judgements

a. General accounting policies

The same accounting principles and calculation methods have been used as in the annual financial statements of the Group as of 31st December 2014.

The following interpretation and the improvements in IFRSs have been issued by the IASB, have been endorsed by the European Union and they are effective from 1/1/2015.

- **IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2015).** The interpretation sets out the accounting treatment for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is described in the relevant legislation that triggers the payment of the levy. This amendment does not have a significant influence in interim condensed financial information of the 1st semester of 2015.

Improvements to IFRSs 2011 - 2013 (December 2013)

- **IFRS 3 (Amendment), "Business Combinations" (effective for annual periods beginning on or after 1 January 2015).** The amendment clarifies that joint arrangements as well as joint ventures are outside the scope of IFRS 3.
- **IFRS 13 (Amendment), "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2015).** The amendment clarifies that the exception in IFRS 13 for measuring the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39.

- **IAS 40 (Amendment), “Investment Property” (effective for annual periods beginning on or after 1 January 2015).** The amendment refers to the interaction of IFRS 3 and IAS 40 with respect to the classification of an asset as investment property, clarifying that the two standards are not mutually exclusive.

These improvements do not significantly affect the interim condensed financial information of the 1st semester of 2015.

b. Critical accounting estimates and judgments in the application of the accounting policies

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

The most important areas where the Group uses accounting estimates and judgements, in applying its accounting policies, are as follows:

b.1. Impairment losses on loans and other receivables

The Group examines, at every reporting period, whether trigger for impairment exists for its loans or loan portfolios. If such triggers exist, the recoverable amount of the loan portfolio is calculated and the relevant provision for this impairment is raised. The provision is recorded in the income statement. The estimates, methodology and assumptions used are reviewed regularly to reduce any differences between loss estimates and actual losses. Relevant to the change in some of the accounting estimates for the determination of the future cash flows of the Group's loan portfolio, so as to better reflect the current market conditions and the macroeconomic environment, is note 12 of the consolidated interim condensed financial information.

b.2. Fair value of derivative financial instruments

The fair value of derivative financial instruments that are traded over the counter (OTC), with banking or corporate counterparties, is determined by using commonly accepted valuation models. These valuation models use observable data. Where this is not possible, estimates and assumptions are required by Management concerning the parameters that affect the fair value of derivatives. These assumptions and estimates are assessed regularly and when market conditions change significantly.

The fair value for derivative financial instruments includes adjustments for the credit risk in a bilateral derivative transaction (CVA/DVA). The calculation of credit adjustments take into account the future expected credit exposure, which is estimated using simulation techniques for the derivatives' future fair values, in combination with the currently in force netting agreements and collateral held (as per the ISDA-CSA contracts in force).

In addition, the calculation of credit adjustments is also based on loss given default (LGD) rates as well probability of default (PD) curves, as these are derived from the purchase prices of the Credit Default Swap Market. In case that the aforementioned prices are not available from the CDS market, or the available market prices are not reliable due to very low liquidity, the relevant calculation is based on proxy credit curves and LGD rates, approved by the Bank's management.

Fair value models are applied consistently from one accounting period to the other, ensuring comparability and consistency of information over time.

b.3. Impairment of available for sale portfolio and associate companies

Available for sale portfolio

The available for sale portfolio is recorded at fair value and any changes in fair value are recorded in the available for sale reserve. Impairment of available for sale investments in shares and bonds is accounted for when the decline in the fair value below cost is significant or prolonged in the case of shares or there are reasonable grounds for the issuer's inability to meet its future obligations in the case of bonds. Then, the available for sale reserve is recycled to the income statement.

Significant or prolonged decline of the fair value is defined as: (a) the decline in fair value below the cost of the investment for more than 40% or (b) the twelve month period decline in fair value for more than 25% of acquisition cost.

Judgement is required for the estimation of the fair value of investments that are not traded in an active market. For these investments, the fair value computation through financial models takes also into account evidence of deterioration in the financial performance of the investee, as well as industry and sector economical performance and changes in technology.

Associate companies

The Group tests for impairment the investments in associate companies, comparing the recoverable amount of the investment (the higher of the value in use and the fair value less cost to sell) with its carrying amount.

In these cases, a similar methodology is used with that described above, for the shares of the available for sale portfolio, while taking into account the present value of the estimated future cash flows expected to be generated by the associate company. The amount of the permanent impairment of the investment, which may arise from the assessment, is recorded to the income statement.

b.4. Investment property

Investment property is measured at fair value, which is determined in cooperation with valuers.

Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific investment property. If this information is not available, valuation methods are used. The fair value of investment property reflects rental income from current leases as well as assumptions about future rentals, taking into consideration current market conditions.

For investment property of a value that is not considered as individually significant, the fair value may be determined by applying the aforementioned valuation methods or by extrapolating the results of the valuations, to groups of investment property, with similar characteristics.

b.5. Defined benefits obligation

The determination of the present value of defined benefits obligation is based on actuarial analysis conducted by independent actuaries at the end of each year. The basic estimates and assumptions made in the context of the actuarial analysis are the discount rate, the pay increase rate as well as the inflation rate. The determination of the appropriate discount rate takes into

account the rates of high quality corporate bonds, of the same currency and of similar maturities to that of the defined benefits obligation.

b.6. Provisions and contingent liabilities

The Group recognises provisions when there is a present legal or constructive obligation which has been caused by events that took place in the past, and it is almost certain that an outflow of resources which can be measured reliably would be required for its settlement. On the contrary, in case that the probability for settling the obligation through an outflow of resources is remote or the amount of the outflow cannot be measured reliably, no provision is recognised but the relevant event is disclosed in the financial statements.

At each reporting date, the Group proceeds to significant estimates and assumptions concerning the assessment of the probability for the settlement of the obligation, the ability to estimate reliably the amount of the outflow required for the settlement of the aforementioned obligation as well as the timing of such settlement.

Specifically, for the material cases where the settlement of the obligation is estimated to take place at a significantly later time as compared to the reporting date, so that the effect from the time value of money is material, the relevant provision is calculated as the present value of the outflows that are expected to be required for the settlement of the obligations. The estimation of the discount rate takes into account the current market conditions for the time value of money, as well as the risks associated with the obligation. Furthermore, the discount rate used does not take into account any taxes.

Furthermore, in case of pending litigations, the Group has adopted an analytical assessment at each reporting date, by taking into consideration the best estimates of the Legal Division of the Bank or even independent legal advisors where the amount under assessment is material.

b.7. Recoverability of Deferred Tax Assets

The Group recognizes deferred tax on temporary tax differences in accordance with the regulations of tax law which distinguishes revenues on those subject to tax and non-taxable, assessing future benefits as well as tax liabilities.

For the calculation and evaluation of the deferred tax asset recoverability, management considers the best estimates for the evolution of the Group's tax results in the foreseeable future.

The Management's estimates for the future tax results of the Group, taking into account the Restructuring Plan approved as of 23 July 2014, by the European Commission (Directorate-General for Competition), are based on the assumptions related to the Greek economy prospect, as well as on other actions or amendments already implemented, improving the evolution of the future profitability.

Moreover, the Group examines the nature of the temporary differences and tax losses, as well as the ability for their recovery, in accordance with the tax regulations related to their offsetting with profits generated in future periods (e.g. five years), or with other specific tax regulations, as for example the regulations set by the Greek tax legislation which allow the optional conversion of deferred tax assets on specific temporary differences, into final and settled claims against the Greek Government, under certain terms and conditions.

b.8. Goodwill/negative goodwill

The acquisition method is used by the Group to account for the acquisitions. The Group, for the estimation of the fair values of identifiable assets and liabilities and contingent liabilities of the newly acquired operations, uses the method of purchase price allocation (PPA), according to the requirements of IFRS 3 "Business Combination". For this purpose, the Group uses estimates to determine the fair value of the acquired net assets.

In case of goodwill, the Group proceeds to impairment test annually and whenever there is an indication of impairment, by comparing the carrying amount of the cash generating unit, including goodwill, with the respective recoverable amount. In the context of this procedure, the Group's estimates for the determination of the recoverable amount include key assumptions of the Management for the period of the estimated cash flows, the cash flows, the growth rate and the discount rate. These estimates are disclosed in the financial statements, in case that the amount of goodwill allocated to each cash generating unit is significant compared to the total goodwill, according to IAS 36. Reference to goodwill is made in note 24 of the consolidated interim condensed financial information.

b.9. Greek public sector

Piraeus Bank's management makes significant estimates and assumptions regarding the progress of the Greek economy. The economic situation in Greece creates uncertainties that may affect the creditworthiness of the Greek public sector. Reference to the Management's estimates concerning the economic developments is made in note 3.

3. Basis of preparation of the consolidated interim condensed financial information

Basis of preparation

The consolidated interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the annual financial statements of the Group for the year ended 31 December 2014.

The attached consolidated interim condensed financial information is expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand.

Going concern basis

The consolidated interim condensed financial information has been prepared on a going concern basis, even though there are significant uncertainties until the completion of the recapitalization of the Greek banking system, which may cause significant doubt about the Group's ability to continue its business activity. Piraeus Bank's Management estimates that the Group will continue in operational existence for the foreseeable future:

Macroeconomic environment

The volatile macroeconomic and financial environment in Greece, in combination with the political developments, remains the main risk factor for the Greek banking sector. The intensified political and economic uncertainty in the 1st half 2015 peaked on June 28, 2015 with the imposition of capital controls and bank holiday in the country. Capital controls include, among others, a weekly limit on all cash withdrawals (€ 420) per customer and restrictions on capital transfers and payments abroad, affecting mainly dealings with foreign suppliers and creditors. The bank holiday lasted for 3 weeks, with the banks reopening on 20 July 2015 and capital control measures began gradually to relax. Capital controls, although harsh in nature, are expected to have rather limited and short-term negative effects in the economy due to the following factors:

- a) Significant increase of banknotes in circulation in the Greek economy, that took place in the period end November 2014 to end June 2015
- b) Ability to conduct electronic transactions without restrictions through alternative channels and networks within the country, which was given from the first moment of the imposition of capital controls, reducing significantly the impact for the transacting parties and the economy
- c) The majority of companies (especially the larger ones trading internationally) were prepared for the possibility of capital controls and, as a consequence, their operation was not disrupted as much as it was initially expected
- d) Limited impact on tourism. The initial concerns about a significant impact on tourism have not materialised as revenues from tourism and tourist arrivals for the period July-August 2015 increased by 5.5% YoY and 3.6% YoY respectively. The developments show that Greece will have a record year in the tourist arrivals and the relevant revenues in 2015.

On 8 July 2015, Greece made an official request for stability support – in the form of a loan facility – to the European Stability Mechanism (ESM) to be used for meeting debt obligations and to ensure stability of its financial system. A separate request for financial assistance was sent to the IMF on 23 July 2015. The Greek authorities passed a set of legislation on 15th and 22nd July 2015, as well as on 14th August 2015. On 19th of August 2015, the European Commission signed a Memorandum of Understanding (MoU) with Greece following approval by the ESM Board of Governors for further stability support accompanied by a third economic adjustment program. Moreover, the Greek authorities signed a Financial Assistance Facility Agreement with the ESM to specify the financial terms of the loan. The total amount of the loans from the ESM is up to €86 billion. (Duration: August 2015 – August 2018). The disbursement of funds is linked to progress in delivery of policy conditions, in accordance with the MoU.

A first disbursement of funds under the program in the amount of € 13 billion was made available on 20 August 2015 to allow the Greek state to cover financing needs, make overdue payments, as well as repay a short-term bridge loan of € 7.16 billion that was disbursed under the European Financial Stabilisation Mechanism on 20 July 2015. Moreover on 20th of August 2015, an additional amount of € 10 billion was made available immediately in a segregated account at the ESM for potential bank recapitalization and resolution costs.

The aforementioned uncertainties concerning the course of the Greek economy, which may have a negative impact on the capital adequacy and the liquidity of the banking sector, are mitigated by the fact that a new € 86 billion economic adjustment program is in place for the country, securing its financing needs for the next 3 years. Furthermore, the new program passed with great majority in the parliament (c.74%), thus enhancing substantially the probability of its swift implementation. Piraeus Bank's management closely monitors the developments and assesses periodically the impact that any negative developments in these areas might have in its operations. In this context, the Group proceeded to the change in some of the accounting estimates for the determination of the future cash flows of the loan portfolio, as a result of the deterioration in the macroeconomic conditions mentioned above, and consequently to the recognition of increased impairment provisions in the second quarter of 2015. Information relevant to the change in estimates is presented in note 12 of the consolidated interim condensed financial information.

Capital adequacy

According to the Eurogroup statement on the ESM program for Greece on August 14, 2015, the total € 86 billion envelope includes a buffer of up to € 25 billion for the banking sector, in order to address potential bank recapitalization needs and resolution costs. The first sub-tranche of € 10 billion was made available in a segregated account at the ESM, as part of the € 23 billion instalment of the program paid on 20th of August 2015. The MoU required a Comprehensive Assessment (“CA” i.e. Asset Quality Review and Stress Tests) which was carried out by ECB/ SSM to quantify possible capital shortfalls, which were included in the above mentioned buffer, after the legal framework is applied (i.e. transposition of the Bank Recovery and Resolution Directive).

The announcement of the outcome of the CA by the relevant European regulatory authorities (ECB/ SSM), was made on 31st October 2015. However, there is uncertainty regarding the structure of the recapitalization, which might affect the Bank’s current shareholding structure and its liabilities to the bondholders, as well as the ability to cover the amount of the recapitalisation. Reference concerning the outcome of the CA is made in note 28 of the consolidated interim condensed financial information.

Liquidity

During the first nine months of 2015, the Greek banking system had to raise liquidity from the emergency liquidity assistance (ELA) mechanism to cover the short term financing needs resulting from a) the decision of the ECB to suspend acceptance of securities issued or guaranteed by the Greek government for Main Refinancing Operations, b) the minimized access to international repo markets as well as c) the significant reduction of domestic deposits due to the prevailing uncertainty.

From December 2014 until August 2015, domestic market deposits (private and public sector) reduced by € 44 billion, amounting to € 129 billion. The exposure of all Greek banks in the Eurosystem increased from € 45 billion at the end of November 2014 (no contribution from the Emergency Liquidity Assistance existed) to € 121 billion at the end of September 2015, of which about € 82 billion was covered by the Emergency Liquidity Assistance (ELA). The provision of liquidity support by the ELA is granted to adequately capitalized credit institutions that have acceptable assets as collateral, and is assessed on a regular basis by the ECB. Following the banks reopening on 20 July 2015, given the capital control measures, customer deposits present stabilization with a slightly growing trend, while Eurosystem funding was reduced to € 121 billion at end of September 2015, as compared to € 125 billion on 31st July, 2015.

Piraeus Bank's management, after taking into account the introduction of the new economic adjustment program, as well as the liquidity provided by the Eurosystem to the Greek banking system, expects to be able to cover its short-term financing needs.

4 Fair values of assets and liabilities

a) Assets and liabilities not measured at fair value

The following table summarises the fair values and the carrying amounts of those assets and liabilities not presented in the consolidated balance sheet at fair value.

Assets	Carrying Value		Fair Value	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Loans and advances to credit institutions	143,489	297,109	143,489	297,109
Loans and advances to customers (net of provisions)	53,112,545	57,143,022	51,613,377	56,297,826
Debt securities - receivables	14,311,314	14,400,421	14,655,054	14,767,831
Reverse repos with customers	8,032	64,299	8,032	64,299
Held to maturity investment securities	28,004	27,180	27,877	27,180

Liabilities	Carrying Value		Fair Value	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Due to credit institutions	37,603,061	23,690,330	37,603,061	23,690,330
Due to customers	38,811,618	54,732,834	38,811,618	54,732,834
Debt securities in issue	537,049	661,350	277,186	532,149
Hybrid capital and other borrowed funds	227,386	232,381	57,240	193,378

The fair values as at 30/6/2015 of loans and advances to credit institutions, reverse repos with customers, due to credit institutions and due to customers which are measured at amortized cost, are not materially different from the respective carrying values since they are very short term in duration and priced at current market rates. These rates are often repriced and due to their short duration they are discounted with the risk free rate.

The fair value of loans and advances to customers has been calculated using a discounted cash flow model, taking into account yield curves and any adjustments for credit risk.

Fair value for investment securities and debt securities – receivables is estimated using quoted market prices. Where this information is not available, fair value has been estimated using the prices of securities with similar credit, maturity and yield characteristics, or by discounting cash flows.

The fair value of debt securities in issue is calculated based on quoted prices. Where quoted market prices are not available, the estimated fair value is based on other debt securities with similar credit, yield and maturity characteristics or by discounting cash flows.

The fair value of hybrid capital and other borrowed funds is based on quoted market prices. When quoted market prices are not reliable, the fair value is estimated by discounting cash flows with appropriate yield curves.

b) Assets and liabilities measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The Group considers relevant and observable market prices in its valuations where possible. Observable inputs reflect market data obtained from independent sources. Unobservable inputs reflect the Group's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level 1

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed shares and bonds on exchanges as well as exchange traded derivatives like futures. In the 1st semester of 2015, the valuation of shares listed in the Athens Stock Exchange, was based on the latest available prices, due to the imposition of Capital Controls on 28.6.2015 and the suspension of transactions in the Athens Stock Exchange.

Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This level includes OTC derivatives and bonds. Input parameters are based on yield curves or data from reliable sources (Bloomberg, Reuters).

Level 3

The valuation of assets and liabilities is carried out by introducing variables that are not based on observable market data. Level 3 inputs are unobservable inputs for the asset or liability. Level 3 includes shares categorized in the available for sale portfolio and derivative financial instruments. Shares and derivative financial instruments within level 3 are not traded in an active market or there are no available prices from external traders in order to determine their fair value.

Shares categorized in the available for sale portfolio

The valuation is carried out with variables that are not based on observable market data (unobservable inputs). For the determination of the fair value of the aforementioned shares, the Bank uses generally accepted valuation models and techniques such as: discounted cash flow models, estimation of options, comparable transactions, estimation of the fair value of assets (i.e. fixed assets) and net asset value. The Group, based on prior experience, adjusts if necessary, the relevant values in order to reflect the current market conditions. The fair value of the Group's shares in level 3 is only taken into account in case that there is evidence of impairment, else these shares are recorded at cost.

Derivative financial instruments

The embedded derivative of the convertible bond issued by Marfin Investment Group ("MIG"), is included in level 3 of derivative financial assets. The aforementioned derivative is accounted at fair value. The fair value of the embedded derivative is determined according to valuation techniques following basic parameters a) the relevant share price, b) the volatility of the relevant share price, c) the interest rates and d) the credit spreads.

The following table presents financial assets and liabilities measured at fair value, categorized in the three levels mentioned above:

Assets & Liabilities measured at fair value	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	446,718	7,195	453,914
Financial instruments at fair value through profit or loss				
- Trading bonds	57,314	174,028	-	231,342
- Trading treasury bills	11,250	-	-	11,250
- Shares & other variable income securities	2,703	-	-	2,703
Available for Sale Securities				
- Bonds	505,303	147,386	-	652,689
- Shares & other variable income securities	135,861	2,682	187,314	325,856
- Treasury bills	1,800,705	68,604	-	1,869,310
Liabilities				
Derivative financial instruments - liabilities	5	471,465	-	471,469

The Group examines transfers between fair value hierarchy levels at the end of each reporting period.

For assets and liabilities valued at fair value on 30/6/2015, no transfer from level 1 to level 2 and vice versa occurred in the 1st semester of 2015.

The following table presents the movement of derivative financial instruments-assets and shares of the available for sale portfolio within level 3:

Reconciliation of level 3 items	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening balance 1/1/2015	18,488	184,772
Opening balance of new companies	-	483
Opening balance of discontinued companies	-	(3,663)
Profit/ (loss) for the period	(11,293)	(7)
Shares purchases	-	5,107
Settlements	-	(16)
Foreign exchange differences	-	638
Total 30/6/2015	7,195	187,314

The following table presents the sensitivity analysis of level 3 available for sale securities and derivative financial instruments - assets :

Sensitivity analysis of level 3 hierarchy: (amounts in € million)	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(26)
Derivative financial instruments - assets	7	(7)
Equity		
Available for sale shares & other variable income securities	19	(3)

The estimation of the change in the value of the shares of available-for-sale portfolio within level 3 has been approached by various methods, such as:

- the net asset value (NAV),
- the discounted future dividends taking into account estimates of the issuer and the relevant cost of capital,
- the closing prices of similar listed shares or the indices of similar listed companies,
- the adjusted equity position taking into account the fair value of the assets (i.e. tangible assets) and the relevant qualifications from the certified auditors' report.

Also, factors that may adjust these values such as the industry and the business environment in which companies operate, current developments and prospects, have been taken into account, while the Group based on prior experience, adjusts further where necessary, these values so as to assess the possible changes.

5 Offsetting of financial assets and liabilities

According to the provisions of IFRS 7, the impact or the possible impact of enforceable master netting agreements for financial instruments to the financial position of the Group should be disclosed. More specifically, the disclosures should include the following:

- i. The financial assets and liabilities, which are offset in accordance with the criteria of IAS 32 and the net amount that is presented in the statement of financial position of the Group, when there is a legally enforceable right and the intention to settle the net amounts or simultaneously collect the receivable and settle the obligation.
- ii. The transactions which appertain to International Swaps and Derivatives Association (ISDA) contracts and similar master netting agreements irrespectively of whether these are offset or not in the statement of financial position.

The Group has not offset any financial assets or liabilities on 30/6/2015 and 31/12/2014, given that the netting criteria mentioned in the first case (i) are not fulfilled.

The following tables, present the recognized on 30/6/2015 and 31/12/2014 financial instruments, for which ISDA and similar master netting agreements (case (ii)) exist, as well as the net effect on the statement of financial position of the Group from the exercise of netting rights ("net amount"). These tables include mainly the following financial instruments: a) interest rate swap contracts (IRSs) and cross currency interest rate swap contracts, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement (GMRA).

30/06/2015	Related amounts not offset in the Statement of Financial Position					
	Recognized financial assets (amounts to be offset)	Financial liabilities (amounts offset)	Net amount of financial assets	Financial instruments collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	453,003	-	453,003	-	543	452,460
Repurchase agreements	30,902	-	30,902	-	-	30,902
Total	483,905	0	483,905	0	543	483,362

30/06/2015	Related amounts not offset in the Statement of Financial Position					
	Recognized financial liabilities (amounts to be offset)	Financial assets (amounts offset)	Net amount of financial assets	Financial instruments collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	432,313	-	432,313	-	432,313	-
Repurchase agreements	101,245	-	101,245	-	-	101,245
Total	533,558	0	533,558	0	432,313	101,245

31/12/2014	Related amounts not offset in the Statement of Financial Position					
	Recognized financial assets (amounts to be offset)	Financial liabilities (amounts offset)	Net amount of financial assets	Financial instruments collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	488,454	-	488,454	-	-	488,454
Total	488,454	0	488,454	0	0	488,454

31/12/2014	Related amounts not offset in the Statement of Financial Position					
	Recognized financial liabilities (amounts to be offset)	Financial assets (amounts offset)	Net amount of financial assets	Financial instruments collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	542,818	-	542,818	-	542,818	-
Repurchase agreements	8,627,546	-	8,627,546	-	1,660	8,625,887
Total	9,170,364	0	9,170,364	0	544,477	8,625,887

6 Business segments

Piraeus Bank Group has defined the following business segments:

Retail Banking - This segment includes the retail banking operations of the Bank and its subsidiaries, which are addressed to retail customers, as well as to small - medium companies (deposits, loans, working capital, imports – exports, letters of guarantee, etc.)

Corporate Banking - This segment includes facilities related to retail banking, provided by the Bank and its subsidiaries, addressed to large and maritime companies, which due to their specific needs are serviced centrally (deposits, loans, syndicated loans, project financing, working capital, imports-exports, letters of guarantee, etc.).

Investment Banking - This segment includes activities related to investment banking operations of the Bank and its subsidiaries (investment and advisory services, underwriting services and public listings, stock exchange services etc.).

Asset Management and Treasury – This segment includes asset management facilities for clients of the Group and on behalf of the Group (wealth management facilities, mutual funds management, treasury).

Other segments – Other segments include other facilities of the Bank and its subsidiaries that are not included in the above segments (Bank's administration, real estate activities, IT activities etc.).

According to IFRS 8, the identification of business segments results from the internal reports that are regularly reviewed by the Executive Board in order to monitor and assess each segment's performance. Significant elements are the evolution of figures and results per segment.

An analysis of the results and other financial figures per business segment of the Group is presented below:

1/1-30/6/2015	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	734,028	317,849	165	65,118	(152,752)	964,409
Net fee and commission income	131,344	18,848	2,206	5,829	1,752	159,979
Other income	26,672	555	1,215	12,012	1,659	42,112
Net Income	892,045	337,252	3,586	82,959	(149,341)	1,166,500
Depreciation and amortisation	(21,132)	(1,631)	(177)	(1,405)	(33,427)	(57,772)
Other operating expenses	(501,452)	(48,110)	(5,294)	(30,520)	(35,048)	(620,424)
Results before provisions, impairment and income tax	369,460	287,511	(1,885)	51,033	(217,815)	488,304
Impairment losses on loans	(1,115,655)	(752,427)	-	-	-	(1,868,082)
Impairment on other receivables	(6,486)	(348)	-	-	(50,278)	(57,113)
Other provisions and impairment	(4,186)	(2,240)	-	-	(6,479)	(12,906)
Share of profit of associates	-	-	-	-	(19,236)	(19,236)
Results before tax	(756,867)	(467,505)	(1,885)	51,033	(293,808)	(1,469,032)
Income tax						337,638
Results after tax from continuing operations						(1,131,394)
Results after income tax from discontinued operations						6,412
Results after tax for the period						(1,124,982)
As at 30 June 2015						
Total assets	43,695,277	13,351,035	42,793	18,648,784	11,491,767	87,229,655
Total liabilities	38,365,481	1,565,754	36,485	38,131,339	3,000,737	81,099,796
Capital expenditure	74,099	5,694	171	867	68,126	148,958

1/1-30/6/2014	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	632,428	367,939	373	41,886	(72,813)	969,814
Net fee and commission income	117,499	26,127	5,206	6,648	381	155,860
Other income	4,728	186,975	1,955	(21,905)	61,286	233,039
Net Income	754,655	581,040	7,534	26,630	(11,146)	1,358,713
Depreciation and amortisation	(50,931)	(2,524)	(193)	(177)	(31,997)	(85,821)
Other operating expenses	(525,265)	(51,053)	(5,207)	(25,816)	(17,763)	(625,103)
Results before provisions, impairment and income tax	178,460	527,463	2,134	637	(60,905)	647,789
Impairment losses on loans	(768,155)	(222,836)	(2,482)	-	-	(993,472)
Impairment on other receivables	(16,554)	(6,019)	-	-	(45,110)	(67,682)
Other provisions and impairment	(1,573)	(576)	-	-	(22,440)	(24,589)
Share of profit of associates	-	-	-	-	3,882	3,882
Results before tax	(607,822)	298,033	(348)	637	(124,573)	(434,072)
Income tax						355,983
Results after tax from continuing operations						(78,089)
Results after income tax from discontinued operations						(4,424)
Results after tax for the period						(82,513)
As at 31 December 2014						
Total assets	45,906,984	14,001,730	43,403	18,838,195	10,499,383	89,289,696
Total liabilities	49,893,731	2,469,649	59,440	26,063,068	3,481,565	81,967,454
As at 30 June 2014						
Capital expenditure	96,437	6,668	72	6,090	38,839	148,106

In the tables above, interest income is analyzed into business segments net of interest expense, as the Bank's management relies primarily on net interest revenues to assess the performance of each segment.

Capital expenditure includes additions of intangible and tangible assets that took place during the periods by each business segment. The intercompany transactions among the business segments are realised under normal commercial terms.

Assets of business segments «Retail Banking» and «Corporate Banking» include the following loans, that are managed by the Bank's Recovery Business Unit (RBU) that was established during 2014.

30/06/2015	Balance before allowances and adjustments	Accumulate allowances and adjustments	Balance net of allowances and adjustments
Corporate	18,821,131	(9,136,532)	9,684,599
Mortgages	4,735,913	(1,310,284)	3,425,629
Consumer	3,363,381	(2,249,335)	1,114,046
Total	26,920,425	(12,696,151)	14,224,274

31/12/2014	Balance before allowances and adjustments	Accumulate allowances and adjustments	Balance net of allowances and adjustments
Corporate	17,516,163	(8,380,185)	9,135,978
Mortgages	4,585,295	(1,030,602)	3,554,693
Consumer	3,373,641	(2,131,069)	1,242,572
Total	25,475,099	(11,541,856)	13,933,243

Total liabilities include deposits of customers of RBU of amount € 403,203 thousands (31/12/2014:€ 430,828 thousands).

7 Profit/ (loss) and balance sheet from discontinued operations

Both periods 1/1-30/6/2015 and 1/1-30/6/2014 include the results of ATE Insurance S.A., ATE Insurance Romania S.A. and Piraeus Bank Egypt S.A.E. group of companies. Relative reference to the sale procedure of ATE Insurance S.A. and Piraeus Bank Egypt S.A.E. group of companies is made in note 15C.

	1/1-30/6/2015	1/1-30/6/2014
Net interest income	19,211	10,390
Net fee and commission income	5,261	4,126
Dividend Income	247	149
Net income from financial instruments designated at fair value through profit or loss	1,388	3,429
Results from investment securities	256	292
Other operating income	17,959	16,673
Total net income	44,322	35,060
Staff costs	(17,227)	(16,274)
Administrative expenses	(10,452)	(8,379)
Depreciation and amortization	(3,712)	(3,490)
Total operating expenses before provisions	(31,391)	(28,144)
Other provisions and impairment	(1,569)	(7,996)
Share of profit of associates	(194)	308
Profit/ (loss) before income tax	11,168	(772)
Income tax	(4,756)	(3,652)
Profit/ (loss) after income tax from discontinued operations	6,412	(4,424)

The following assets and liabilities as at 30/6/2015 and 31/12/2014 relate to the companies ATE Insurance S.A., ATE Insurance Romania S.A. and Piraeus Bank Egypt S.A.E. group of companies:

	30 June 2015	31 December 2014
ASSETS		
Cash and balances with Central Banks	271,638	304
Loans and advances to credit institutions	82,484	4,086
Financial instruments at fair value through profit or loss	7,869	5,687
Loans and advances to customers	584,293	-
Available for sale securities	229,699	65,243
Held to maturity	21,892	21,971
Debt securities - receivables	132,030	-
Investments in associated undertakings	265	-
Investment property	1,848	1,848
Assets held for sale	18,120	-
Property, plant and equipment	65,102	42,981
Intangible assets	6,746	800
Deferred tax assets	62,397	63,922
Other assets	111,269	98,083
Total Assets	1,595,653	304,925
LIABILITIES		
Due to credit institutions	12,090	-
Due to customers	1,017,670	-
Deferred tax liabilities	29	22
Current income tax liabilities	2,727	4,302
Retirement benefit obligations	11,217	5,595
Other provisions	470,153	473,266
Other liabilities	41,739	20,570
Total Liabilities	1,555,626	503,753

8 Income tax

	1/1-30/6/2015	1/1-30/6/2014
Current Tax	(15,218)	(16,787)
Deferred tax	352,866	374,593
Provisions for tax differences	(10)	(1,823)
Total	337,638	355,983

In accordance with the provisions of the enacted Greek Tax Law (L.4172/2013), as amended by Law 4334/2015 (Gazette A'80/16-07-2015) and being in effect today, the income tax rate for Greek legal entities is set at 29% since the fiscal year 2015 and thereon, as for the fiscal year 2014 is set at 26%. Due to the fact that the increase of the current income tax rate to 29% took place later than 30/6/2015, the previous income tax rate of 26% applied for the estimation of tax liabilities and claims in the financial statements in the 2nd quarter of 2015. The change of the income tax rate will affect the results of the 3rd quarter of 2015. Withholding tax for dividends distribution, which will be approved from 1/1/2014 and thereon, is set at 10%.

For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the years of 2014 and 2015 (Bulgaria: 10%, Romania: 16%, Egypt: 25% and for net income exceeding 1.000.000 EGP an additional 5%, Serbia: 15% , Ukraine: 18% , Cyprus: 12.5%, Albania: 15% and United Kingdom: 20% since 1/4/2015, 21% from 1/4/2014 until 31/3/2015 and 23% until 31/3/2014).

The income tax revenue for the 1st semester of 2015 amounts to € 337.6 million and was mainly affected from the deferred tax relating to the amounts recognized for tax purposes of this period, as well as to the additional provisions for loan impairments recorded to the financial statements according to the International Financial Reporting Standards in relation to the respective amounts recognized for tax purposes.

The Bank and the Group have recognized deferred tax based on the best estimations of the Management, as regards their tax results in the foreseeable future, taking into account the approved restructuring plan of the Group.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2010 have been finalized.

For the fiscal years following 2010 the tax audit for the Bank and all Greek Societe Anonyme Companies is conducted by the same statutory auditor that issues the audit opinion on the statutory financial statements, who must issue a "Tax Compliance Report". This report is submitted to the Ministry of Finance, which has subsequently the right to implement tax audits to a sample of companies within a period of eighteen months, from the date when the "Tax Compliance Report" is submitted to the Ministry of Finance.

In accordance with the article 82 par. 5 of Law 2238/94, the tax audit of the Bank, conducted by PricewaterhouseCoopers S.A. for the fiscal years of 2011 and 2012, has been completed and a non qualified Tax Compliance Report has been issued. For tax audit purposes the above mentioned fiscal years have been finalized.

The tax audit for the fiscal year 2013 has been completed and a relevant "Tax Compliance Report" has been issued and submitted to the Ministry of Finance. For the fiscal year 2013, Piraeus Bank has received a Tax Compliance report with an emphasis of matters on the applicable provisions of Greek Tax Law regarding the acquisition of assets and liabilities of Greek branches of credit institutions domiciled in other countries members of the European Union, according to which the above mentioned transactions are not subject to tax.

Namely to the subsidiaries and associates of Piraeus Bank Group that are incorporated in Greece and which must be audited according to the applicable law in force, the tax audit of these entities for the year 2013 has been completed and the relevant Tax Compliance Report has been issued.

The unaudited tax years of the Group's subsidiaries and associates, are included in note 15 of the Consolidated Financial Statements and therefore their tax liabilities for these years have not been finalized.

For the fiscal year 2014, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non qualified Tax Compliance Report has been issued.

The Extraordinary General Meeting of the Bank's Shareholders, on December 19th 2014, approved the Bank's opting into the special regime enacted by article 27A of the Law 4172/2013, regarding the voluntary conversion of deferred tax assets arising from temporary differences into final and settled claims against the Greek State and authorized the Board of Directors of the Bank in any case to proceed with all actions required for the implementation of the above mentioned Law provisions.

The draft legislation, submitted to the Greek Parliament on October 30th 2015, sets the rules regarding the deferred tax assets of financial institutions, which fall under the clauses of article 27A of law 4172/2013 and can be converted into final and settled claims against the Greek State. Reference is made in note 28 of the consolidated interim financial information.

As at 30/6/2015, deferred tax assets of the Group meeting the provisions of Law, rise up to € 3.8 billion, of which € 1.3 billion regards the remaining unamortized amount of debit difference from the participation on the Private Sector Involvement program PSI and € 2.5 billion regards on the differences on International Financial Reporting Standards accumulated provisions for loan impairments, and tax provisions respectively.

9 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the profit/ (loss) after tax attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares. There is no potential dilution on basic earnings/ (losses) per share.

Basic and diluted earnings/ (losses) per share from continuing operations	1/1-30/6/2015	1/1-30/6/2014	1/4-30/6/2015	1/4-30/6/2014
Profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(1,130,019)	(78,564)	(1,059,102)	165,706
Weighted average number of ordinary shares in issue	6,101,056,639	5,590,506,140	6,100,667,712	5,946,029,873
Basic and diluted earnings/ (losses) per share (in €) from continuing operations	(0.1852)	(0.0141)	(0.1736)	0.0279

Basic and diluted earnings/ (losses) per share from discontinued operations	1/1-30/6/2015	1/1-30/6/2014	1/4-30/6/2015	1/4-30/6/2014
Profit/ (loss) attributable to ordinary shareholders of the parent entity from discontinued activities	6,361	(4,343)	12,871	(9)
Weighted average number of ordinary shares in issue	6,101,056,639	5,590,506,140	6,100,667,712	5,946,029,873
Basic and diluted earnings/ (losses) per share (in €) from discontinued operations	0.0010	(0.0008)	0.0021	(0.0000)

10 Analysis of other comprehensive income

A. Continuing operations

1/1-30/6/2015	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(106,572)	27,615	(78,957)
Change in currency translation reserve	(11,040)	-	(11,040)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	14	8,350	8,363
Other comprehensive income from continuing operations	(117,598)	35,965	(81,633)

1/1-30/6/2014	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(53,629)	14,935	(38,695)
Change in currency translation reserve	15,550	-	15,550
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	404	(122)	282
Other comprehensive income from continuing operations	(37,675)	14,813	(22,862)

B. Discontinued operations

1/1-30/6/2015	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	2,877	-	2,877
Change in currency translation reserve	8,609	-	8,609
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	432	-	432
Other comprehensive income from discontinued operations	11,918	0	11,918

1/1-30/6/2014	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	3,034	-	3,034
Change in currency translation reserve	(17,882)	-	(17,882)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income from discontinued operations	(14,847)	0	(14,847)

11 Financial assets at fair value through profit or loss

	30 June 2015	31 December 2014
Greek government bonds	57,314	110,151
Foreign government bonds	174,028	174,584
Corporate entities bonds	-	23
Foreign government treasury bills	11,250	13,498
Total of bonds and other fixed income securities (A)	242,592	298,255
Athens stock exchange listed shares	2,691	915
Foreign stock exchanges listed shares	11	8
Mutual funds	1	384
Total of shares and other variable income securities (B)	2,703	1,307
Total financial assets at fair value through profit or loss (A) + (B)	245,294	299,562

12 Loans and advances to customers

	30 June 2015	31 December 2014
Mortgages	16,873,945	16,983,421
Consumer/ personal and other loans	4,562,814	4,815,884
Credit cards	1,106,186	1,139,086
Loans to individuals	22,542,945	22,938,392
Loans to corporate entities and Public sector	39,280,025	42,035,727
Total loans and advances to customers (before allowances for losses)	61,822,969	64,974,118
Less: Allowance for impairment on loans and advances to customers	(8,710,424)	(7,831,096)
Total loans and advances to customers (net of provisions)	53,112,545	57,143,022

It is noted that the allowance for impairment of loans of the Group of former ATEbank, the Greek banking operations of Cypriot Banks in Greece (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank), Millennium Bank SA, Geniki Bank SA and Panellinia Bank SA at their acquisition date by Piraeus Group, has decreased the gross balance of loans in the table above, as under IFRS 3 it has been included in the adjustment of loans to fair value during the cost allocation process. However, for purposes of credit risk monitoring in accordance with IFRS 7, the aforementioned adjustment is part of the provision.

Movement in allowance (impairment) on loans and advances to customers

	Mortgages	Consumer/ personal and other loans	Credit cards	Total loans to individuals	Loans to corporate entities and Public sector	Total
Opening balance at 1/1/2014	308,904	1,033,401	273,677	1,615,982	4,092,791	5,708,773
Charge for the period	45,384	62,000	70,901	178,285	817,402	995,686
-From continuing operations	45,385	61,835	71,207	178,426	815,046	993,472
-From discontinued operations	(1)	165	(306)	(143)	2,356	2,213
Loans written-off	(4,023)	(167,440)	(23,111)	(194,575)	(109,143)	(303,718)
-From continuing operations	(4,023)	(167,405)	(19,652)	(191,080)	(109,143)	(300,223)
-From discontinued operations	-	(35)	(3,459)	(3,494)	-	(3,494)
Foreign exchange differences and other movements	398	2,330	(98)	2,629	(66,233)	(63,604)
-From continuing operations	398	2,475	(27)	2,846	(65,335)	(62,488)
-From discontinued operations	0	(145)	(71)	(217)	(899)	(1,115)
Balance at 30/6/2014	350,663	930,290	321,368	1,602,321	4,734,816	6,337,137
Opening balance at 1/7/2014	350,663	930,290	321,368	1,602,321	4,734,816	6,337,137
Charge for the period	476,839	156,786	(36,368)	597,257	2,163,927	2,761,184
-From continuing operations	476,839	153,958	(36,130)	594,667	2,164,437	2,759,104
-From discontinued operations	-	2,828	(238)	2,590	(510)	2,080
Loans written-off	(18,380)	(69,116)	(14,077)	(101,572)	(714,858)	(816,431)
-From continuing operations	(18,380)	(69,108)	(13,496)	(100,985)	(714,858)	(815,843)
-From discontinued operations	-	(7)	(580)	(588)	-	(588)
Foreign exchange differences and other movements	(64,948)	(56,243)	(8,698)	(129,889)	(320,906)	(450,795)
-From continuing operations	(64,948)	(57,428)	(9,392)	(131,768)	(330,320)	(462,088)
-From discontinued operations	-	1,185	695	1,879	9,414	11,294
Balance at 31/12/2014	744,173	961,718	262,226	1,968,117	5,862,979	7,831,096
Opening balance at 1/1/2015	744,173	961,718	262,226	1,968,117	5,862,979	7,831,096
Opening balance of discontinued operations	(2)	(11,585)	(111)	(11,699)	(85,286)	(96,984)
Charge for the period	303,864	123,402	29,062	456,328	1,411,755	1,868,082
Loans written-off	(23,814)	(91,850)	(17,671)	(133,335)	(391,149)	(524,484)
Foreign exchange differences and other movements	(11,141)	6,969	(4,923)	(9,096)	(358,190)	(367,286)
Balance at 30/6/2015	1,013,080	988,654	268,583	2,270,315	6,440,109	8,710,424

During the 2nd quarter of 2015, there was deterioration in the macroeconomic environment due to considerable uncertainty regarding the financial conditions in the Greek market, which lead to significant variability. The peak of these developments was reached with the enforcement of capital controls on the 28th of June 2015 and the bank holiday that followed, which confirmed the recessionary prospects of the Greek economy. More specifically, the projections on the growth rate of the Greek economy were revised during the 2nd quarter of the year to a recession of 2.3% and 1.3% for 2015 and 2016 respectively, and a growth rate of 2.7% for 2017.

The projections for employment were revised to 26.9% and 27.1% for 2015 and 2016 respectively and to 25.7% for 2017. Furthermore, during the 2nd quarter of the year, the declining trend in the real estate market for 2015 was confirmed and it is expected to reach 5.8% and 3.7% for housing and commercial property respectively. In 2016, a declining trend is expected at 2.4% and 0.3%, while recovery is expected in 2017 reaching 1.6% and 2.7% for housing and commercial property respectively.

The macroeconomic projections for GDP, for the employment and the real estate market constitute variables of the models for the calculation of the collective provisions of the Bank, thus affecting the amounts calculated. They also indirectly affect the amount of the individual provisions, given that the estimated future cash flows from servicing the loans are affected by these factors (for example, negative changes in GDP or the real estate market are considered when estimating the future operating cash flows of borrowers and the value of the respective real estate collaterals, resulting in the decrease of the estimated recoverable amount of the loan and the increase in the expected impairment loss).

The management of the Bank, after considering the above mentioned information and factors that emerged during the 2nd quarter of 2015, proceeded with the revision of certain estimates regarding the determination of the future cash flows of the Bank's loan portfolio, in order to better reflect current market conditions and the macroeconomic environment.

The changes in the mentioned estimates significantly affected the outcome of the models for the calculation of the individual and collective provisions of the Bank (increase in the impairment provisions for the 2nd quarter 2015 by approximately €1.4 billion. compared to the previous quarter).

13 Available for sale securities

	30 June 2015	31 December 2014
Greek government bonds	221,347	310,799
Foreign government bonds	425,499	272,335
Corporate entities bonds	521	782
Bank bonds	5,321	228
Greek government treasury bills	1,800,362	1,526,530
Foreign government treasury bills	68,948	102,521
Total bonds and other fixed income securities (A)	2,521,999	2,213,195
Athens stock exchange listed shares	57,820	49,530
Foreign stock exchange listed shares	14,165	24,938
Unlisted shares	161,087	166,205
Mutual funds	77,241	49,495
Other variable income securities	15,543	30,223
Total shares and other variable income securities (B)	325,856	320,392
Total available for sale securities (A) + (B)	2,847,855	2,533,587

14 Debt securities - receivables

	30 June 2015	31 December 2014
Corporate entities debt securities - receivables	5,362	5,152
Bank debt securities - receivables	23,846	23,846
Foreign government bonds debt securities - receivables and EFSF bonds	14,305,952	14,395,269
Total debt securities - receivables	14,335,160	14,424,266
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
Total debt securities - receivables (less allowances for losses)	14,311,314	14,400,421

15 Investments in subsidiaries and associate companies

The investments of Piraeus Bank Group in subsidiaries and associates from continuing and discontinued operations are analysed below:

A) Subsidiary companies (full consolidation method) from continuing operations

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania	2014
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2014
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2013-2014
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010-2014
5.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	2011-2014
6.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus	2007-2014
7.	Piraeus Leasing Romania S.R.L.	Finance leases	100.00%	Romania	2003-2014
8.	Tirana Leasing S.A.	Finance leases	100.00%	Albania	2012-2014
9.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2010,2013-2014
10.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom	-
11.	Piraeus Leasing Bulgaria EAD	Finance leases	100.00%	Bulgaria	2008-2014
12.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom	2014
13.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2010,2013-2014
14.	Picar S.A.	City Link areas management	100.00%	Greece	2010,2013-2014
15.	Bulfina S.A.	Property management	100.00%	Bulgaria	2008-2014
16.	General Construction and Development Co. S.A.	Property development/ holding company	66.66%	Greece	2010,2013-2014
17.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2010,2013-2014
18.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece	2010,2013-2014
19.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2013-2014
20.	ND Development S.A.	Property management	100.00%	Greece	2010,2013-2014
21.	Property Horizon S.A.	Property management	100.00%	Greece	2010,2013-2014
22.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece	2010,2013-2014
23.	Piraeus Development S.A.	Property management	100.00%	Greece	2010,2013-2014
24.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece	2010,2013-2014
25.	Piraeus Buildings S.A.	Property development	100.00%	Greece	2010-2014
26.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
27.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.89%	Cyprus	2006-2014
28.	Lakkos Mikelli Real Estate LTD	Property management	50.66%	Cyprus	2009-2014
29.	Philoktimatiki Public LTD	Land and property development	53.31%	Cyprus	2009-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
30.	Philoktimatiki Ergoliptiki LTD	Construction company	53.31%	Cyprus	2008-2014
31.	IMITHEA S.A.	Organization, operation and management of hospital units	100.00%	Greece	2010,2013-2014
32.	EMF Investors Limited	Investment company	100.00%	Cyprus	2008-2014
33.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2013-2014
34.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece	2008-2010, 2013-2014
35.	Sunholdings Properties Company LTD	Land and property development	26.66%	Cyprus	2008-2014
36.	Polytropon Properties Limited	Land and property development	39.98%	Cyprus	2008-2014
37.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
38.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
39.	Piraeus Insurance Brokerage EOOD	Insurance brokerage	99.98%	Bulgaria	2007-2014
40.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
41.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and reinsurance brokerage	100.00%	Romania	2009-2014
42.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007-2014
43.	Piraeus Leases S.A.	Finance leases	100.00%	Greece	2007-2010, 2013-2014
44.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2014
45.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases- Rent-a-Car and long term rental of vehicles	94.00%	Greece	2009-2010, 2013-2014
46.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia	2007-2014
47.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
48.	Piraeus Leasing Doo Beograd	Finance leases	100.00%	Serbia	2007-2014
49.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2014
50.	Piraeus Real Estate Egypt LLC	Property management	100.00%	Egypt	2007-2014
51.	Piraeus Insurance Agency S.A.	Insurance - agency	100.00%	Greece	2010,2013-2014
52.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece	2010,2013-2014
53.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
54.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
55.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
56.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
57.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
58.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
59.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	-
60.	R.E Anodus LTD	Consultancy services for real estate development and investments	100.00%	Cyprus	2009-2014
61.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010,2013-2014
62.	Solum Limited Liability Company	Property management	99.00%	Ukraine	2009-2014
63.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance brokerage	100.00%	Cyprus	2009-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
64.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2010-2014
65.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010,2013-2014
66.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus	2011-2014
67.	Piraeus Equity Advisors Ltd.	Investment advise	100.00%	Cyprus	2009-2014
68.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece	2010,2013-2014
69.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2014
70.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
71.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
72.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2014
73.	Curdart Holding Ltd	Holding company	100.00%	Cyprus	2009-2014
74.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2014
75.	Piraeus Clean Energy Holdings LTD	Holding Company	100.00%	Cyprus	2010-2014
76.	Visa Rent A Car S.A.	Rent A Car company	94.00%	Greece	2010,2013-2014
77.	Adflikton Investments LTD	Property management	100.00%	Cyprus	2009-2014
78.	Costpleo Investments LTD	Property management	100.00%	Cyprus	2010-2014
79.	Cutsofiar Enterprises LTD	Property management	100.00%	Cyprus	2010-2014
80.	Gravieron Company LTD	Property management	100.00%	Cyprus	2008-2014
81.	Kaihur Investments LTD	Property management	100.00%	Cyprus	2007-2014
82.	Pertanam Enterprises LTD	Property management	100.00%	Cyprus	2007-2014
83.	Rockory Enterprises LTD	Property management	100.00%	Cyprus	2010-2014
84.	Alarconaco Enterprises LTD	Property management	100.00%	Cyprus	2011-2014
85.	Kosmopolis A' Shopping Centers S.A.	Shopping center's management	100.00%	Greece	2010,2013-2014
86.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011-2014
87.	Bulfinace E.A.D.	Property Management	100.00%	Bulgaria	2008-2014
88.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	2013-2014
89.	Asset Management Bulgaria EOOD	Travel - rental services and property management	100.00%	Bulgaria	2012-2014
90.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	100.00%	Cyprus	2012-2014
91.	Proiect Season Residence SRL	Real estate development	100.00%	Romania	2012-2014
92.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	100.00%	Greece	2013-2014
93.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	80.00%	Greece	2013-2014
94.	Piraeus Asset Management Europe S.A.	Mutual funds management	100.00%	Luxemburg	-

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
95.	Geniki Financial & Consulting Services S.A.	Financial & consulting Services	100.00%	Greece	2010-2014
96.	Special Financial Solutions S.A. (former Geniki Insurance Agency S.A.)	Advising, consultancy, organizational and training services	100.00%	Greece	2010-2014
97.	Geniki Information S.A.	Assessment and collection of commercial debts	100.00%	Greece	2010-2014
98.	Solum Enterprise LLC	Property management	99.00%	Ukraine	2012-2014
99.	General Business Management Investitii S.R.L.	Development of building projects	100.00%	Romania	2013-2014
100.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	100.00%	Greece	2010,2013-2014
101.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010,2013-2014
102.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece	2010,2013-2014
103.	Special Business Services S.A. (former Geniki Special Business Services S.A.)	Advising, consultancy, organizational and training services	100.00%	Greece	2010,2013-2014
104.	Kion Mortgage Finance Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
105.	Kion Mortgage Finance No.3 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
106.	Kion CLO Finance No.1 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
107.	Re Anodus Two Ltd	Holding and investment company	99.09%	Cyprus	2013-2014
108.	Sinitem Llc	Sale and purchase of real estate	98.01%	Ukraine	2013-2014
109.	Beta Asset Management Eood	Rent and management of real estate	99.98%	Bulgaria	2013-2014
110.	Linklife Food & Entertainment Hall S.A.	Operation of food and entertainment Halls	100.00%	Greece	2014
111.	R.E. Anodus SRL	Real Estate development	99.09%	Romania	2013-2014
112.	Entropia Ktimatiki S.A.	Property management	66.70%	Greece	2010-2014
113.	Tellurion Ltd	Holding company	100.00%	Cyprus	2013-2014
114.	Tellurion Two Ltd	Holding company	99.09%	Cyprus	2013-2014
115.	Akinita Ukraine LLC	Real estate development	99.09%	Ukraine	2014
116.	Daphne Real Estate Consultancy SRL	Real estate development	99.09%	Romania	2014
117.	Rhesus Development Projects SRL	Real estate development	99.09%	Romania	2014
118.	Varna Asset Management EOOD	Real estate development	99.98%	Bulgaria	2014
119.	Piraeus Real Estate Tirana Sh.P.K.	Real estate development	100.00%	Albania	2014
120.	Priam Business Consultancy SRL	Real estate development	99.18%	Romania	2014
121.	Marathon 1 Greenvale Rd LLC	Real estate development	99.95%	U.S.A.	2012-2014
122.	Holding Spectacles S.A.	Holding company	100.00%	Greece	2011-2014
123.	Cielo Conculancy Sh.p.k.	Holding and investment company	99.09%	Albania	2014
124.	Edificio Enterprise Sh.p.k.	Holding and investment company	99.09%	Albania	2014
125.	Tierra Projects Sh.p.k.	Holding and investment company	99.09%	Albania	2014
126.	Trastor Real Estate Investment Company	Real estate investment property	91.13%	Greece	2010,2013-2014
127.	Piraeus ACT Services S.A.	Accounting and tax consulting	100.00%	Greece	2013-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
128.	A.C.T. B.A.S. S.A. (former P-Payroll S.A.)	Counseling services for payroll and labour affairs	100.00%	Greece	2011-2014
129.	ETVA Fund Management S.A.	Management of venture capital mutual funds	65.00%	Greece	-
130.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	65.00%	Greece	-
131.	Rembo S.A.	Real estate investment company	91.13%	Greece	2010,2013-2014
132.	Cyprus Leasing S.A.	Finance leases	100.00%	Greece	2008-2010, 2013-2014
133.	Alecsandri Estates SRL	Real Estate Development	74.32%	Romania	2008-2014

Companies numbered 26, 47, 53-58 and 104-106 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 35 and 36 although presenting less than 50% holding percentage, are included in the Group's subsidiaries' portfolio due to existence of control.

Also, as at 30/6/2015 the companies numbered 25, 37, 38, 44, 105-106 and 122 were under liquidation. The financial figures and results of the companies numbered 105, 106 and 132 are included in the Financial Statements of the Bank.

The subsidiaries that are excluded from the consolidation are as follows: a) "Asbestos Mines S.A.", b) "Hellenic Industry of Aluminum", c) "ELSYF S.A.", d) "Blue Wings Ltd", e) "Piraeus Bank's Congress Centre" and its subsidiary "The Museum Ltd", f) "Piraeus Bank Group Cultural Foundation", g) "Procas Holding Ltd", h) "Phoebe Investments SRL", i) "Core investments Project SRL", j) "Amaryllis Investments Consultancy SRL", k) "Torborg Maritime Inc.", l) "Isham Marine Corp.", m) "Cybele Management Company", n) "Alegre Shipping Ltd", o) "Maximus Chartering Co.", p) "Lantana Navigation Corp.", q) "Pallas Shipping SA", r) "Zephyros Marine INC", s) "Bayamo Shipping Co.", t) "Sybil Navigation Co.", u) "Axia III Holdings Ltd.", v) "Praxis II Holdings Ltd." and w) "Kion Holdings Ltd". The companies numbered (a)-(c) are fully depreciated, under liquidation status. The company numbered (d) is under idle status. The companies numbered (g)-(j) have not started operating yet. The companies numbered (k) and (l) have been inactivated and will be set under dissolution. The companies numbered (m)-(t) have been dissolved and set under liquidation. The financial figures and results of the companies numbered (u)-(w) are consolidated through the companies in which they participate. The consolidation of the above mentioned companies does not affect the financial position and result of the Group.

B) Associate companies (equity accounting method) from continuing operations

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece	2010-2014
2.	Evros' Development Company S.A.	European community programs management	30.00%	Greece	2010-2014
3.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010-2014
4.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	27.80%	Greece	2010,2013-2014
5.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010,2013-2014
6.	Trieris Real Estate LTD	Property management	22.94%	British Virgin Islands	-
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	28.65%	Greece	2013-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
8.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010,2013-2014
9.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2010,2013-2014
10.	Euroterra S.A.	Property management	39.22%	Greece	2010-2014
11.	Rebikat S.A.	Property management	40.00%	Greece	2010-2014
12.	Abies S.A.	Property management	40.00%	Greece	2010-2014
13.	Exodus S.A. (Former Exus S.A.)	Information technology & software	49.90%	Greece	2010,2013-2014
14.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece	-
15.	Teiresias S.A.	Inter banking company. development, operation and management of information systems	23.53%	Greece	2010,2013-2014
16.	PJ Tech Catalyst Fund	Close end Venture capital fund	30.00%	Greece	-
17.	Pyrrichos S.A.	Property management	50.77%	Greece	2010,2012-2014
18.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	39.61%	Greece	2009-2011, 2013-2014
19.	Euroak S.A. Real Estate	Real estate investment	32.81%	Greece	2010-2014
20.	Gaia S.A.	Software services	30.00%	Greece	2014
21.	Olganos Real Estate S.A.	Property management/electricity production from hydropower stations	32.27%	Greece	2014
22.	Exus Software Ltd.	IT products retailer	49.90%	United Kingdom	-
23.	Marfin Investment Group Holdings S.A.	Holding company	28.50%	Greece	2013-2014
24.	Litus Advisory S.A.	Consulting in the fields of European Programmes, Communication Strategy and International Affairs	50.00%	Belgium	-
25.	Selonda Aquaculture S.A.	Fish farming	33.85%	Greece	2008-2014

The company numbered 14 is included in the associate companies' portfolio, due to the fact that Piraeus Bank Group exercises significant influence on the investment committee of the fund, which takes the investment decisions.

The companies numbered 17 and 24 are included in the associate companies' portfolio since the Group has significant influence and not control.

The changes in the portfolio of subsidiaries and associates are included in note 25.

The associate company "Evrytania S.A. Agricultural Development Company" has been excluded from the consolidation under the equity method of accounting, since it is under idle status. The consolidation of this company does not affect the financial position and results of the Group.

C) Subsidiaries from discontinued operations

Piraeus Bank Group subsidiary companies ATE Insurance S.A., ATE Insurance Romania S.A. and Piraeus Bank Egypt S.A.E. group of companies, that are included in discontinued operations, are analyzed below:

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	ATE Insurance S.A.	Insurance	100.00%	Greece	2008-2010, 2013-2014
2.	ATE Insurance Romania S.A.	Insurance	99.47%	Romania	2007-2014
3.	Piraeus Bank Egypt S.A.E.	Banking activities	98.49%	Egypt	2005-2014
4.	Piraeus Egypt Leasing Co.	Finance leases	98.42%	Egypt	2007-2014
5.	Piraeus Bank Egypt Investment Company	Investment company	98.45%	Egypt	2007-2014

Piraeus Bank has reached an agreement on August 2014 for the sale of 100% of ATE Insurance S.A. to ERGO Insurance Group, a subsidiary of Munich Re. The total consideration amounts to € 90.1 million in cash and is subject to customary net asset value adjustments upon closing. The transaction has not been completed yet.

On 21 May 2015, Piraeus Bank announced that it has entered into a definitive agreement with Al Ahli Bank of Kuwait K.S.C.P. to dispose its stake (98.5%) in Piraeus Bank Egypt S.A.E., its Egyptian subsidiary, for the amount of \$ 150 million. The finalization of the agreement is subject to the approval of the Egyptian Organization GAFI (General Authority For Investment) and is expected within November 2015.

D) Associates from discontinued operations

Piraeus Bank Group associate companies Alexandria for Development & Investment and Nile Shoes Company, that are included in discontinued operations, are analyzed below:

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	Alexandria for Development & Investment	Investment company	21.67%	Egypt	2008-2014
2.	Nile Shoes Company	Footwear seller- manufacturer	38.74%	Egypt	2003-2014

16 Due to credit institutions

“Due to credit institutions” as at 30/6/2015, includes refinancing operations through repo transactions within the eurosystem amounting to € 37.3 billion (31/12/2014: € 14.1 billion). The increase in the refinancing raised during the 1st semester of 2015, is mainly due to the reduction of domestic deposits due to economic uncertainty, the minimized access to international repo markets, as well as due to the liquidity raised from the emergency liquidity assistance (ELA) mechanism, following ECB’s decision to suspend the acceptance of securities issued or guaranteed by the Greek government for main refinancing operations.

17 Due to customers

	30 June 2015	31 December 2014
Corporate		
Current and sight deposits	4,669,088	6,788,337
Term deposits	2,218,962	5,738,682
Blocked deposits, guarantee deposits and other accounts	202,933	148,738
Repurchase agreements	660	22,885
Total (A)	7,091,643	12,698,642
Retail		
Current and sight deposits	2,213,922	2,605,089
Savings account	12,506,938	13,297,822
Term deposits	16,905,976	26,009,845
Blocked deposits, guarantee deposits and other accounts	17,224	30,757
Repurchase agreements	-	260
Total (B)	31,644,061	41,943,773
Cheques payable and remittances (C)	75,915	90,419
Total Due to Customers (A)+(B)+(C)	38,811,618	54,732,834

The decrease in "Due to customers" in the 1st semester of 2015, is due to the instability of the Greek market and the economy as well as the uncertainty created during this period, leading to a significant reduction of Bank's deposits in Greece, in alignment with the Greek market.

18 Debt securities in issue

	30 June 2015	31 December 2014
Euro Medium Term Note		
€ 60 million floating rate notes due 2015	60,000	60,000
€ 500 million fixed rate notes due 2017	364,215	448,239
Accrued interest and other expenses	5,103	17,503
Total (A)	429,318	525,743
Securitisation of mortgage loans		
€ 750 million floating rate notes due 2040	27,242	46,600
€ 1,250 million floating rate notes due 2054	57,829	59,916
€ 600 million floating rate notes due 2051	22,660	29,092
Total (B)	107,731	135,607
Total debt securities in issue (A)+(B)	537,049	661,350

It should be noted that, apart from the debt securities in the table above, as of 30/6/2015 liabilities arising from securitisations of loans are retained by Piraeus Bank. These issues are the first and third securitisation of corporate loans in the amount of € 1,750 million and € 2,352 million respectively as well as the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively.

As of 30/6/2015, a total of € 2,000 million Covered Bonds, issued by Piraeus Bank, are retained by Piraeus Bank. These covered bonds are € 1,250 million of Series 1, due February 2017, and € 750 million of Series 2, due December 2016, issued under Piraeus Bank's Global Covered Bond Programme. On 3/7/2015, Piraeus Bank proceeded to the partial cancelation of € 1,245 million from Series 1 and € 745 million from Series 2, and the total outstanding Covered Bonds are € 5 million per Series.

Issuance under the Euro Medium Term Note program is undertaken either directly through Piraeus Bank or through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group bearing the guarantee of Piraeus Bank.

In April 2015, Piraeus Bank issued a € 4,500 million senior bond and a € 1,750 million senior bond, both due July 2015, with the unconditional and irrevocable guarantee of the Hellenic Republic, under Art. 2 of Law 3723/2008, through Piraeus Bank's EMTN programme. In April, a senior bond of € 3,100 million, issued by Piraeus Bank in January 2015 with the unconditional and irrevocable guarantee of the Hellenic Republic (art. 2 of Law 3723/2008) and retained by Piraeus Bank, matured and was not renewed. In May, Piraeus Bank issued a € 3,100 million senior bond, due August 2015. All the bonds mention above pay a floating rate coupon of 3M Euribor plus 600 bps and are retained by Piraeus Bank.

As at 30/6/2015, face value of € 134.8 million of the € 500 million fixed coupon, senior unsecured notes due 2017 were retained by Piraeus Bank.

Piraeus Bank, during the period 1/4/2015 – 30/6/2015, proceeded to the buy back of bonds of securitised loans of total amount after amortization of € 9.2 million.

From the above mentioned securitisation of mortgage loans issues, Piraeus Bank possesses as at 30/6/2015 bonds of nominal value amounting € 113.7 million from the issuance of € 750 million, € 653.6 million from the issuance of € 1,250 million and € 48.3 million from the issuance of € 600 million.

On October 15, 2015, the Bank invited the holders of the € 500 million 5% Notes of Piraeus Group Finance PLC due March 2017 to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank (note 28).

19 Hybrid capital and other borrowed funds

	30 June 2015	31 December 2014
Hybrid capital (Tier I)		
€ 200 million floating rate notes due 2034	16,249	16,373
	16,249	16,373
Subordinated debt (Tier II)		
€ 336 million floating rate notes due 2016	210,324	215,132
Accrued interest and other expenses	813	876
	211,137	216,008
Total hybrid capital and other borrowed funds	227,386	232,381

The Bank is not in default of any payments of principal and interest of the subordinated debt. In the third quarter of 2012, it has been decided that the interest return on hybrid capital will not be paid, taking into account the special terms and conditions that rule out the related payments. Since October 2014 the margin increased to 2.25% from 1.25% (step up).

Piraeus Bank, during the period 1/4/2015 – 30/6/2015, proceeded to the buy back of hybrid securities and subordinated securities of total amount € 1.4 million.

The nominal value of € 400 million relating to the issuance of the subordinated debt (Tier II) has been reduced by € 63.8 million, concerning the nominal value of the debt repurchased and cancelled by the Bank during 2012, under the Proposal that was made to the owner of the aforementioned debt.

On October 15, 2015, the Bank invited the holders of hybrid capital and other borrowed funds to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank (note 28).

20 Contingent liabilities and commitments

A) Legal procedures

The Group's provision for outstanding litigations as at 30/6/2015 amounts to € 15.6 million from continuing operations and € 5.9 million from discontinued operations, against € 14.6 million and € 4.0 million respectively as at 31/12/2014. The legal proceedings outstanding against the Group as at 30/6/2015, for which no provisions have been recorded, are not expected to have any significant impact on the financial statements of the Group.

B) Credit commitments

As at 30/6/2015 the Group had undertaken the following commitments:

	30 June 2015	31 December 2014
Letters of guarantee	2,982,821	3,142,020
Letters of credit	44,145	50,710
Commitments to extent credit	1,970,007	2,143,044
	4,996,973	5,335,775

C) Assets pledged

	30 June 2015	31 December 2014
Cash and balances with Central Banks	1,324,899	1,029,003
Financial instruments at fair value through profit or loss	148,355	117,624
Investment securities	1,148,009	1,140,238
Loans and advances to customers	22,048,610	4,046,740
Debt securities - receivables	14,255,693	5,738,198
	38,925,567	12,071,803

The above mentioned assets pledged are mainly used for liquidity purposes. Apart from the aforementioned assets, the Group also pledges debt securities of own issue amounting to € 17,134 million as at 30/6/2015 (31/12/2014: € 6,284 million) and are not included in Group's assets. The amount of € 17,134 million includes securities of amount € 9,460 million that had been issued with the unconditional and irrevocable guarantee of the Hellenic Republic, securities of amount to € 5,673 million issued under the securitization of consumer, mortgage and corporate loans of the Bank and securities of amount € 2,001 million from the issuance of covered bonds of the Bank.

It is also noted that the "Loans and advances to customers" include loans of € 2,932 million (31/12/2014: € 2,998 million) which have been pledged under Law 3723 / 2008 for liquidity purposes and loans amounting to € 17,962 million, which have been pledged under financing from the E.L.A.

D) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are analysed as follows:

	30 June 2015	31 December 2014
Up to 1 year	60,872	71,370
From 1 to 5 years	222,014	264,654
More than 5 years	345,768	437,184
	628,654	773,208

21 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
Opening balance at 1 January 2014	2,271,770	10,008,733	(113)	12,280,390
Increase of share capital	308,824	1,384,581	-	1,693,405
Repurchase of preferred shares	(750,000)	-	-	(750,000)
Purchases/ shares of treasury shares	-	-	113	113
Balance at 31 December 2014	1,830,594	11,393,314	0	13,223,908
Opening balance at 1 January 2015	1,830,594	11,393,314	0	13,223,908
Purchases/ shares of treasury shares	-	-	(1,418)	(1,418)
Balance at 30 June 2015	1,830,594	11,393,314	(1,418)	13,222,490

Changes to the number of Bank's shares are analysed in the table below:

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1 January 2014	6,416,802,751	(15,715)	6,416,787,036
Increase of share capital	1,029,411,764	-	1,029,411,764
Repurchase of preferred shares	(1,344,234,800)	-	(1,344,234,800)
Purchases of treasury shares	-	(1,430,960)	(1,430,960)
Sales of treasury shares	-	1,446,675	1,446,675
Balance at 31 December 2014	6,101,979,715	0	6,101,979,715
Opening balance at 1 January 2015	6,101,979,715	0	6,101,979,715
Purchases of treasury shares	-	(9,826,879)	(9,826,879)
Sales of treasury shares	-	6,327,868	6,327,868
Balance at 30 June 2015	6,101,979,715	(3,499,011)	6,098,480,704

Following the share capital increase and the redemption of preference shares that took place in 2014, the share capital of the Bank on 31/12/2014 and 30/6/2015 amounted to € 1,830,593,914.50 divided into 6,101,979,715 ordinary registered shares with a nominal value of € 0.30 each. The amendment to the articles of association of the Bank, related to the cancellation of the preference shares of the Hellenic Republic, has been resolved by the Bank's Extraordinary General Meeting of Shareholders dated 30/10/2014 and it is subject to the approval by the supervising authority.

On January 7, 2015, the Bank announced that, after the settlement of warrant exercise orders, 3,568 warrants in total were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF). Exercised warrants correspond to 15,969 ordinary shares, i.e. to 0.00026% of the outstanding number of ordinary shares, with the total amount paid by the warrant holders to the HFSF amounting to € 28,911.87. Following the abovementioned exercise of warrants (3rd in row), as well as the 4th exercise on 2 July 2015 in which no warrants were exercised, the HFSF percentage of Bank's total share capital stood at 66.93%.

The Annual Ordinary General Meeting of Shareholders, held on 29/6/2015, decided not to distribute dividend for the fiscal year 2014, according to the established provisions of article 10 of Law 3864/2010 combined with article 1 par. 3 of Law 3723/2008, as in force for the credit institutions participating in the Economy reinforcement plan

According to article 28, Law 3756/2009 (Gov. Gazette A' 53/31.3.2009) the acquisition of treasury shares is not permitted for so long as the Bank participates in the reinforcement programmes, provided by the Law 3723/2008 (Gov. Gazette A' 250/9.12.2008). Furthermore, pursuant to par. 1, art. 16C of law 3864/2010 the acquisition of treasury shares by the Bank is not permitted for so long as the HFSF is a shareholder of the Bank. Treasury shares transactions are carried out by the Group subsidiary Piraeus Securities S.A. through its activities which are derived from its role as a market maker.

22 Other reserves and retained earnings

	30 June 2015	31 December 2014
Legal reserve	110,361	74,809
Extraordinary reserve	13,940	13,940
Available for sale reserve	(135,650)	(56,808)
Currency translation reserve	(183,589)	(165,570)
Other reserves	13,172	56,171
Reserve of defined benefit obligations	(24,336)	(33,782)
Other reserves from continuing operations (A)	(206,102)	(111,240)
Amounts recognized directly in equity relating to non-current assets from discontinued operations (B)	36,279	18,787
Total other reserves (A) + (B)	(169,823)	(92,453)

In the "Amounts recognized directly in equity relating to non-current assets from discontinued operations" category the "Available for sale reserve", the "Currency translation reserve" and the "Reserve of defined benefit obligations" from discontinued operations are included.

Other reserves movement	30 June 2015	31 December 2014
Opening balance for the period	(92,453)	100,709
Movement of available for sale reserve	(78,842)	(151,298)
Transfer from other reserves to retained earnings	388	(1,663)
Acquisitions, disposals, absorptions and movement in participating interest	(7,834)	-
Change in reserve of defined benefit obligations	9,446	(40,975)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	17,491	682
Foreign exchange differences and other adjustments	(18,018)	93
Closing balance for the period	(169,823)	(92,453)

Available for sale reserve movement	30 June 2015	31 December 2014
Opening balance for the period	(56,808)	94,490
Opening balance of discontinued companies	119	-
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	(112,846)	(92,630)
Gains/ (losses) from the valuation of shares and mutual funds	7,700	(78,705)
Recycling to income statement of shares and mutual funds impairment	28	37,466
Recycling of the accumulated fair value adjustment of disposed securities	(1,272)	(75,051)
Deferred income taxes	27,615	53,443
Foreign exchange differences and adjustments	(186)	4,180
Closing balance for the period	(135,650)	(56,808)

Retained earnings movement	30 June 2015	31 December 2014
Opening balance for the period	(5,921,295)	(3,957,191)
Profit/ (loss) after tax attributable to the owners of the parent entity	(1,123,658)	(1,965,087)
Profit/ (loss) from sales of treasury shares	319	(52)
Transfer between other reserves and retained earnings	(387)	1,664
Acquisitions, disposals, absorption, liquidation and movements in participating interest	5,825	(628)
Closing balance for the period	(7,039,196)	(5,921,295)

23 Related parties transactions

Related parties include: a) Members of the Bank Board of Directors and key management personnel of the Bank, b) Close family and financially dependants (husbands, wives, children etc) of the Board of Directors members and key management personnel, c) Companies having transactions with Piraeus Bank Group, if the total cumulative participating interest (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds cumulatively 20%, d) Bank's subsidiaries, e) Bank's associates and f) HFSF, which in accordance with IAS 24 is related party of Piraeus Bank, after the recapitalization in the context of the law 3864/2010. It is noted that related parties do not include companies with which HFSF is potentially considered as a related party.

The transactions with the above related parties are under the usual market terms. More specifically, loans and letters of guarantee issued to related parties represent an insignificant part of total loans and letters of guarantee issued by the Bank, respectively. Loans and letters of guarantee have been issued to related parties in the normal course of business, within the approved credit policies and Bank procedures, adequately collateralized and the risk of their repayment is within the normal course of the market conditions.

Transactions with the Board of Directors members and the key management personnel, the close family and the financially dependants, the related with them companies and the HFSF are the following:

Board of Directors members and key management personnel	30 June 2015	31 December 2014
Loans	74,396	101,131
Deposits	12,384	34,595

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/6/2015 are € 3.5 million (31/12/2014: € 3.4 million). The total income that relates to members of the Board of Directors and to key management personnel for the period 1/1 - 30/6/2015 is € 1.1 million (1/1 - 30/6/2014: € 2.0 million). The total expense that relates to the prementioned related parties for the period 1/1 - 30/6/2015 is € 0.8 million (1/1 - 30/6/2014: € 0.3 million).

Members of the Board of Directors and key management personnel remuneration	1/1-30/6/2015	1/1-30/6/2014
Wages, salaries, employer's share of social contributions and charges	3,584	4,061
Provisions for compensation and retirement programs	543	472

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel amount to € 30.5 million instead of € 29.7 million as at 31/12/2014. The full amount of the above provisions has been included in the retirement benefit obligations.

The transactions with associate companies are analysed as follows:

	Associates	
	30 June 2015	31 December 2014
Deposits and other liabilities	70,602	125,463
Loans and other receivables	1,048,943	936,575

The increase in the balance of loans and other receivables as at 30/6/2015 versus 31/12/2014 is mainly due to the classification of "Selonda Aquaculture S.A." in the portfolio of associate companies. The aggregate provisions on loans to associate companies amount to € 63.2 million instead of € 47.1 million as at 31/12/2014.

	Associates	
	1/1-30/6/2015	1/1-30/6/2014
Total expense & capital expenditure	(11,740)	(11,149)
Total income	28,766	6,015

The increase in total revenues for the 1st semester of 2015 compared to the respective quarter last year, is mainly due to loan interest income from MIG Group, which has been classified in the portfolio of associates in December 2014.

Letters of guarantee to associates of the Group as at 30/6/2015 are € 15.2 million (31/12/2014: € 13.9 million).

24 Acquisition of assets and liabilities of former Panellinia Bank S.A.

On 17/4/2015, Piraeus Bank acquired the "healthy" segments of the assets and liabilities of former Panellinia Bank S.A. for a consideration of € 17.1 million. The fair values of the acquired assets and liabilities are provisional and as a result the initial accounting of the acquisition is incomplete (provisional accounting). Following the completion of the valuation, within the required period (measurement period) according to the requirements of IFRS 3, that is within one year from the acquisition date, the values of the acquired assets and liabilities will be adjusted retrospectively from the acquisition date, according to the requirements of IFRS 3.

The provisional fair values of the assets and liabilities acquired from former Panellinia Bank S.A., are as follows:

	Former Panellinia Bank S.A.
Assets	
Cash and balances with Central Banks	1,594
Loans and advances to credit institutions	1,697
Loans and advances to customers (net of provisions)	195,304
Available for sale securities	347
Property, plant and equipment	2,052
Other assets	34,135
Funding gap	360,610
Total Assets	595,739
Liabilities	
Due to credit institutions	89,306
Due to customers	504,288
Other liabilities	2,146
Total liabilities	595,739
Shareholders equity	-
Total liabilities and shareholders equity	595,739
Cost of acquisition	17,100
Percentage of net assets acquired	100%
Goodwill on acquisition	17,100

25 Changes in the portfolio of subsidiaries and associates

During the period 1/1 - 30/6/2015, Piraeus Bank and its subsidiaries paid for the acquisition, establishment and participation in share capital increases of subsidiaries, a total amount of € 91.5 million. Additionally, Piraeus Bank and its subsidiaries paid for the acquisition, establishment and participation in share capital increases of associates, a total amount of € 54 million. The analysis of changes of subsidiaries' and associates' portfolio is presented below:

a) Gain of control or significant influence:

On 6/2/2015, Piraeus Bank S.A. acquired 100% of the company "Cyprus Leasing S.A.", which was included in the portfolio of subsidiaries.

On 17/3/2015, the share capital increase of "Selonda Aquaculture S.A". of amount € 50.4 million was concluded, through debt capitalization, including bank loans from Piraeus Bank. As a result, Piraeus Bank became shareholder of the aforementioned company with shareholding percentage of 33.85%, thus incorporating the said participation in the portfolio of associate companies.

On 18/6/2015, Alecsandri Estates SRL increased its share capital by € 11 million, which was fully covered by 99.09% Group's subsidiary, Daphne Real Estate Consultancy SLR. As a result, Daphne Real Estate Consultancy SRL acquired 75% of the company Alecsandri Estates SRL, which was included in the subsidiaries' portfolio of the Group.

b) Establishments:

ETVA Industrial Parks S.A., 65% subsidiary of Piraeus Bank S.A., established its 100% subsidiary companies, ETVA Fund Management S.A. and ETVA Development S.A., by paying the amount of € 100 thousand and € 60 thousand respectively.

On 21/1/2015, Green Investments S.A., 100% subsidiary of Piraeus Bank S.A., participated by 50% in the establishment of Litus Advisory S.A., by paying the amount of € 150 thousand, and as a result, the company was classified in the portfolio of associate companies.

c) Participation in the share capital increases / decreases - Changes of participation:

Solum Enterprise LLC, 99% subsidiary of the Group, decreased its percentage in SINITEM LLC by 1%. As a result, its shareholding percentage in its subsidiary company was decreased to 99%, while the shareholding percentage of the Group in the company decreased to 98% from 99%.

In early January 2015, Piraeus Bank S.A. decreased its shareholding percentage in European Reliance Gen. Insurance Co. S.A. by 1.59%. As a result, its shareholding percentage in the company decreased to 28.65%.

On 14/1/2015, Piraeus Bank S.A. acquired an additional 10.71% of Marfin Investment Group Holdings S.A. with the amount of € 28.26 million. As a result, Piraeus Bank S.A. owns 28.50% of the company.

On 22/1/2015, Piraeus Bank S.A. acquired an additional 51% of ACT Services S.A. for the amount of € 322 thousand and as a result, owns 100% of the company. On that date, the company was classified from the portfolio of associates to the portfolio of subsidiary companies, whereas on 18/5/2015 was renamed to Piraeus ACT Services S.A. Consequently, P - Payroll S.A., 100% subsidiary of Piraeus ACT Services S.A., has become a subsidiary of the Group.

On 13/2/2015, PJ Tech Catalyst Fund, 30% associate participation of the Group, increased its assets by € 223.7 thousand. As a result, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., covered its shareholding ratio by paying a total of € 67.1 thousand without altering its shareholding percentage in the company.

On 26/2/2015, ND Development S.A., 100% subsidiary company of Piraeus Bank S.A., increased its share capital by € 60 thousand, which was fully covered by Piraeus Bank S.A., without altering its shareholding percentage in the company.

On 26/2/2015, Pleiades Estate S.A., 100% subsidiary company of the Group, increased its share capital by € 210 thousand, which was fully covered by Piraeus Bank S.A., without the participation of Piraeus Real Estate S.A. As a result, the direct shareholding percentage of the Bank in the company increased to 15.98% from 14.76%, while that of Piraeus Real Estate S.A. decreased to 84.02% from 85.24%.

On 26/2/2015, Property Horizon S.A., 100% subsidiary company of Piraeus Bank S.A., increased its share capital by € 60 thousand, which was fully covered by Piraeus Bank S.A. without altering its shareholding percentage in the company.

On 26/2/2015, Piraeus Development S.A., 100% subsidiary company of Piraeus Bank S.A., increased its share capital by € 170 thousand, which was fully covered by Piraeus Bank S.A. without altering its shareholding percentage in the company.

On 23/3/2015, Piraeus Bank S.A. acquired an additional 37.08% of shares of the company Trastor Real Estate Investment Company for the amount of € 28.55 million, so as Piraeus Bank S.A. to directly own 70.88% of the company, which was transferred to the portfolio of subsidiary companies from the portfolio of associates. Consequently, Rembo S.A., 100% subsidiary company of Trastor Real Estate Investment Company, has become subsidiary of the Group.

On 2/4/2015, 98% of the share capital of Integrated Services Systems Co, subsidiary company of the Group, was disposed. As a result, the company was transferred to the available for sale portfolio.

On 6/4/2015, Piraeus Green Investments S.A., 100% subsidiary of Piraeus Bank S.A., increased its share capital by € 160 thousand, which was fully covered by Piraeus Bank S.A., without altering its shareholding percentage in the company.

On 5/5/2015, Picar S.A., 100% subsidiary of Piraeus Bank S.A., increased its share capital by € 35 million, which was fully covered by Piraeus Bank S.A., without altering its shareholding percentage in the company.

On 13/5/2015, Centre of Sustainable Entrepreneurship Excelixi S.A., 100% subsidiary of Piraeus Bank S.A., increased its share capital by € 300 thousand, which was fully covered by Piraeus Bank S.A., without altering its shareholding percentage in the company.

On 5/6/2015, Piraeus Bank paid to its associate company Piraeus - TANEO Capital Fund the amount of € 100.9 thousand.

On 12/6/2015, Piraeus Bank S.A. acquired an additional 16.19% of Hellenic Seaways Maritime S.A. for the amount of € 25 million. As a result, Piraeus Bank S.A. owns 39.61% of the company.

On 16/6/2015, the Mandatory Tender Offer of Piraeus Bank S.A. to the shareholders of its 70.88% subsidiary Trastor REIC for the acquisition of the total amount of common shares of the company was completed. As a result, Piraeus Bank acquired an additional 2.52% of the share capital of the company by paying the amount of € 1.94 million. During the period of acceptance of the Mandatory Tender Offer (19/5/2015-16/6/2015), Piraeus Bank acquired through the stock exchange an additional 17.24% of the share capital of Trastor REIC by paying € 13.26 million. Following the completion of the Mandatory Tender Offer and until 26/6/2015, Piraeus Bank acquired through the stock exchange an additional 0.49% of the share capital of Trastor REIC by paying € 376.0 thousand approximately. As a result, Piraeus Bank S.A. owns 91.13% of the company.

On 25/6/2015, Trieris Real Estate LTD, associate of Piraeus Bank S.A., repurchased 219 of its shares from Piraeus Bank S.A., for the amount of € 2.08 million.

During the 2nd quarter of 2015, PJ Tech Catalyst Fund, 30% associate company of the Group, increased its assets by € 1.27 million. As a result, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., covered its shareholding ratio with the amount of € 382.28 thousand, without altering its shareholding percentage.

d) Liquidation and disposal:

On 26/3/2015, Piraeus Bank proceeded to complete disinvestment from the associate Serbian Bank "AIK Banka" by transferring 20.35% of the common and 25% of the preference shares for the amount RSD 3,290 million and RSD 311 million respectively (in total € 30 million approximately).

On 8/4/2015, Piraeus Bank (Cyprus) Nominees LTD, 100% subsidiary company of the Group, has been removed from the relevant company Register.

On 19/6/2015, Group's associate company Good Works Energy Photovoltaics S.A., the proceeds from the liquidation of which were distributed to its shareholders on December 2014, was removed from the Tax Office of Commercial Companies' Registry.

e) Further changes – Transfers:

On 20/4/2015, Exus S.A., 49.9% associate of Piraeus Bank S.A., has been renamed to Exodus S.A.

On 2/6/2015, Geniki Insurance Agency S.A., 100% subsidiary of the Group, has been renamed to Special Financial Solutions S.A.

On 4/6/2015, the merger of Kosmopolis A' Shopping Centers S.A., 100% subsidiary of Piraeus Bank S.A., with its 100% subsidiary Parking Kosmopolis S.A., has been completed through absorption of the latter from the former.

On 8/6/2015, Geniki Special Business Services S.A, 100% subsidiary of Piraeus Bank S.A., has been renamed to Special Business Services S.A.

On 12/6/2015, P - Payroll S.A., 100% subsidiary of the Group, has been renamed to A.C.T. B.A.S. S.A.

26 Capital adequacy

Capital adequacy ratios are calculated based on the new regulatory framework CRD IV (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU and Regulation (EU) No. 575/2013:

	30 June 2015	31 December 2014
Common Equity Tier 1 Capital (CET1)	5,560,206	6,884,722
Tier 2 Capital (T2)	36,949	75,603
Total Capital (TC)	5,597,155	6,960,325
Total risk weighted assets (on and off-balance sheet items)	56,308,819	55,719,654
Common Equity Tier 1 ratio	9.9%	12.4%
Tier 1 ratio	9.9%	12.4%
Total Capital ratio	9.9%	12.5%

The determination of capital for 30/6/2015, as referred to in the above table, takes into account the voluntary conversion of deferred tax assets arising from temporary differences into directly enforceable claims against the Greek State, as provided by Article 27A of Greek Law 4172/2013.

27 Restatement of comparative period

The restatement in consolidated interim income statement of the comparative period 1/1-30/6/2014 and 1/4-30/6/2014 and consolidated interim cash flow statement of the period 1/1-30/6/2014 is due to the transfer of Egypt group of companies to discontinued operations.

Consolidated income statement	From 1 January to 30 June 2014		
	Published amounts	Restatements	Restated amounts
Interest and similar income	1,765,009	(30,082)	1,734,927
Interest expense and similar charges	(785,689)	20,576	(765,113)
Net interest income	979,320	(9,506)	969,814
Fee and commission income	179,642	(5,668)	173,974
Fee and commission expense	(19,638)	1,524	(18,114)
Net fee and commission income	160,005	(4,144)	155,860
Dividend income	14,478	(122)	14,356
Net income from financial instruments designated at fair value through profit or loss	(42,850)	(837)	(43,688)
Results from investment securities	76,539	(248)	76,291
Other operating income/ (expense)	186,198	(118)	186,080
Total net income	1,373,689	(14,976)	1,358,713
Staff costs	(365,184)	9,397	(355,787)
Administrative expenses	(272,339)	3,023	(269,316)
Depreciation and amortization	(88,546)	2,725	(85,821)
Total operating expenses before provisions	(726,069)	15,145	(710,924)
Profit before provisions, impairment and income tax	647,620	169	647,789
Impairment losses on loans	(995,686)	2,214	(993,472)
Impairment losses on other receivables	(67,682)	-	(67,682)
Other provisions and impairment	(24,589)	-	(24,589)
Share of profit of associates	4,190	(308)	3,882
Profit/ (loss) before income tax	(436,147)	2,075	(434,072)
Income tax	354,199	1,785	355,983
Profit/ (loss) after income tax	(81,948)	3,859	(78,089)
Profit/ (loss) after income tax from discontinued operations	(565)	(3,859)	(4,424)
Profit/ (loss) after tax	(82,513)	0	(82,513)
From continuing operations			
Profit/ (loss) attributable to equity holders of the parent entity	(82,343)	3,779	(78,564)
Non controlling interest	395	80	475
From discontinued operations			
Profit/ (loss) attributable to equity holders of the parent entity	(563)	(3,779)	(4,343)
Non controlling interest	(1)	(80)	(81)
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):			
From continuing operations			
- Basic and Diluted	(0.0147)	0.0007	(0.0141)
From discontinued operations			
- Basic and Diluted	(0.0001)	(0.0007)	(0.0008)

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	From 1 January to 30 June 2014		
	Published amounts	Restatements	Restated amounts
CONTINUING OPERATIONS			
Profit/ (loss) after tax (A)	(81,948)	3,859	(78,089)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(39,784)	1,089	(38,695)
Change in currency translation reserve	(2,541)	18,092	15,550
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	282	-	282
Other comprehensive income, net of tax (B)	(42,043)	19,181	(22,862)
Total comprehensive income, net of tax (A+B)	(123,991)	23,040	(100,951)
- Attributable to equity holders of the parent entity	(124,428)	22,954	(101,474)
- Non controlling interest	437	86	523
DISCONTINUED OPERATIONS			
Profit/ (loss) after tax (C)	(565)	(3,859)	(4,424)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	4,124	(1,089)	3,034
Change in currency translation reserve	210	(18,092)	(17,882)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income, net of tax (D)	4,334	(19,181)	(14,847)
Total comprehensive income, net of tax (C+D)	3,769	(23,040)	(19,271)
- Attributable to equity holders of the parent entity	3,770	(22,954)	(19,185)
- Non controlling interest	0	(87)	(87)

Consolidated income statement	From 1 April to 30 June 2014		
	Published amounts	Restatements	Restated amounts
Interest and similar income	888,098	(15,272)	872,827
Interest expense and similar charges	(387,793)	10,346	(377,447)
Net interest income	500,306	(4,926)	495,379
Fee and commission income	90,444	(3,239)	87,204
Fee and commission expense	(10,472)	869	(9,603)
Net fee and commission income	79,971	(2,371)	77,601
Dividend income	14,453	(122)	14,331
Net income from financial instruments designated at fair value through profit or loss	(22,508)	(438)	(22,946)
Results from investment securities	71,172	(211)	70,961
Other operating income/ (expense)	177,050	(5)	177,045
Total net income	820,443	(8,073)	812,371
Staff costs	(175,563)	4,657	(170,906)
Administrative expenses	(149,878)	1,511	(148,367)
Depreciation and amortization	(45,142)	1,407	(43,735)
Total operating expenses before provisions	(370,583)	7,575	(363,008)
Profit before provisions, impairment and income tax	449,860	(498)	449,362
Impairment losses on loans	(514,942)	1,231	(513,712)
Impairment losses on other receivables	(33,777)	-	(33,777)
Other provisions and impairment	(23,725)	-	(23,725)
Share of profit of associates	8,153	(296)	7,857
Profit/ (loss) before income tax	(114,431)	437	(113,994)
Income tax	278,793	1,015	279,808
Profit/ (loss) after income tax	164,361	1,452	165,813
Profit/ (loss) after income tax from discontinued operations	1,409	(1,452)	(43)
Profit/ (loss) after tax	165,770	(0)	165,770
From continuing operations			
Profit/ (loss) attributable to equity holders of the parent entity	164,287	1,419	165,706
Non controlling interest	74	33	108
From discontinued operations			
Profit/ (loss) attributable to equity holders of the parent entity	1,410	(1,419)	(9)
Non controlling interest	(1)	(33)	(34)
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):			
From continuing operations			
- Basic and Diluted	0.0276	0.0002	0.0279
From discontinued operations			
- Basic and Diluted	0.0002	(0.0002)	(0.0000)

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	From 1 April to 30 June 2014		
	Published amounts	Restatements	Restated amounts
CONTINUING OPERATIONS			
Profit/ (loss) after tax (A)	164,361	1,452	165,813
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(65,830)	168	(65,662)
Change in currency translation reserve	2,002	18,119	20,121
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	275	-	275
Other comprehensive income, net of tax (B)	(63,553)	18,287	(45,266)
Total comprehensive income, net of tax (A+B)	100,808	19,740	120,548
- Attributable to equity holders of the parent entity	100,719	19,716	120,435
- Non controlling interest	89	25	114
DISCONTINUED OPERATIONS			
Profit/ (loss) after tax (C)	1,409	(1,452)	(43)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	698	(168)	529
Change in currency translation reserve	70	(18,119)	(18,049)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income, net of tax (D)	768	(18,288)	(17,520)
Total comprehensive income, net of tax (C+D)	2,177	(19,740)	(17,563)
- Attributable to equity holders of the parent entity	2,178	(19,716)	(17,538)
- Non controlling interest	0	(25)	(25)

Consolidated interim cash flow statement	1/1-30/6/2014		
	Published amounts	Restatements	Restated amounts
Net cash inflow/ (outflow) from operating activities	(830,333)	42,314	(788,019)
Net cash inflow/ (outflow) from investing activities	(181,959)	(14)	(181,973)
Net cash inflow/ (outflow) from financing activities	1,359,132	-	1,359,132
Total cash inflows/ (outflows) for the period	346,840	42,300	389,140
Effect of exchange rate fluctuations on cash and cash equivalents	41,180	643	41,823
Net increase/ (decrease) in cash and cash equivalents of the period from continuing operations (A)	388,020	42,943	430,963
Net increase/ (decrease) in cash and cash equivalents of the period from discontinued operations (B)	906	(42,943)	(42,036)
Cash and cash equivalents at the beginning of the period (C)	1,888,466	0	1,888,466
Cash and cash equivalents at the end of the period (A)+(B)+(C)	2,277,393	0	2,277,393

28 Events subsequent to the end of the interim period

- Due to the significant deposits outflows during the 1st half of 2015, as well as for the protection of the Greek banking system, the Greek government issued on June 28, 2015 a Legislative Act declaring the period from June 28, 2015 to July 6, 2015 as a bank holiday for all credit institutions operating in Greece, later extended until July 17, 2015. In addition, capital controls and restrictions on cash withdrawals were imposed during the bank holiday. Banks reopened on Monday, July 20th. The Hellenic Capital Market Commission (HCMC) decided the Athens Exchange to remain closed during the whole period of the bank holiday, a period extended to July 31st, 2015. On August 3, 2015, the BoD of the HCMC decided to reopen the Athens Exchange. At present, restrictions on cash withdrawals and the transfer of funds are still imposed according to the Legislative Act of July 18, 2015, as amended and supplemented from later issued Legislative Acts.
- Due to the uncertainty, deposit outflows from the Greek market during the 1st half of 2015 amounted to € 46.3 billion (-24.8%). Following the imposition of capital controls, deposits outflows were reduced significantly and finally deposits balances exhibited stabilization and a trend of slight increase (July-September data, Bank of Greece). A similar trend was observed during the same period on Piraeus Bank deposits in Greece. It should also be noted that during the third quarter of 2015, a significant reduction of the deposit cost was observed, mainly coming from time deposits. In addition, during the period July – September 2015 Eurosystem funding of the Greek banking system decreased (-€ 5.2 billion), while during the same period the funding of Piraeus Bank from the Eurosystem was also slightly reduced, easing to € 35.8 at the end of September (out of which € 21.2 billion ELA) vs € 37.3 billion at end-June 2015.
- On July 19, 2015, Piraeus Bank completed the integration of former Panellinia Bank's network systems into the Group's unified IT environment.
- On the 23rd of July 2015, the "Bank Recovery and Resolution Directive" (BRRD) of the European Union (2014/59/EU) was incorporated in the Greek Law (Law 4335/2015). This law was enacted in light of the negotiations for a new financial support program with the participation of the European Stability Mechanism. The BRRD constitutes part of the Single Rulebook applied in the market of financial services of the European Union and establishes a uniform framework for the recovery of financial institutions through bail-in. The articles of Law 4335/2015 regarding the bail-in exercise of depositors will become enforceable on the 1st of January 2016.
- The enactment of law 4335/2015 as at 23rd of July 2015, brought about changes in the operation of the Hellenic Deposit and Investment Guarantee Fund (HDIGF), the most important of which relate to the functioning of the Resolution Scheme as the national financing arrangement for the application of resolution tools to credit institutions, the involvement of the Deposit Cover Scheme (DCS) of HDIGF in the financing of resolution measures and the transfer of the Resolution Scheme assets and liabilities to a new Account (Account for the Settlement of Past Years' Resolution Measures).

Loans that have been granted for the financing of resolution measures for credit institutions are included in the aforementioned liabilities which are transferred to the new Account. The Bank estimates that credit institutions participating in the HDIGF will continue to recognize regular contributions regarding this account, the amount of which will be determined each time by the BoD of the HDIGF. The framework for determining these contributions, as well as the other conditions concerning the operation and settlement of the new Account will be determined in the coming period, with the integration of Directive 49 EU into Greek legislation.

It is noted that the specific provision of law 4335/2015 concerning the creation of the "Account for the Settlement of Past Years' Resolution Measures", is repealed by the legislation for the recapitalization of the Banks, that will be voted by the Greek Parliament.

- On September 30, 2015, the Bank returned Pillar III special bonds (L.3273/2008) to the Greek State of a total nominal value of € 2.24 billion maturing on April 22, 2016. These special bonds were given to the Bank against the concession to the State of credit claims as a collateral, under a lending agreement between the two counterparties. As a result, the pledge of loans with nominal value of approximately € 3 billion was lifted, thus becoming available collaterals for raising liquidity through the ELA mechanism.
- On October 15, 2015, the Bank invited the holders of the outstanding € 200 million Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of Piraeus Group Capital Limited, the € 400 million Subordinated Callable Step-up Floating Rate Notes of Piraeus Group Finance PLC due 2016 and the € 500 million 5% Notes of Piraeus Group Finance PLC due March 2017 to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank. The offers were made to strengthen the Bank's capital base, which has been impacted by the impaired macro-economic conditions recently experienced in the Hellenic Republic that are affecting all Greek financial institutions. In addition, the exchange offers in relation to the 2016 securities and the perpetual securities reflect the fact that, if State aid is required to meet any part of the additional capital requirements that may be imposed as a result of the Comprehensive Assessment currently being conducted by the Single Supervisory Mechanism (SSM) or otherwise, burden-sharing will need to be achieved to the maximum extent possible through contributions by holders of equity, hybrid capital and subordinated debt of the Bank. The process is expected to be finalized on or about November 4, 2015 (announcement: <http://www.piraeusbankgroup.com/en/press-office/press-release/2015/10/announcement>).
- Piraeus Bank took notice of the announcement of European Central Bank on October 31, 2015 regarding the results of the Comprehensive Assessment exercise conducted for the four Greek systemic banks. The exercise was carried out on provisional balance sheet figures as of June 30, 2015 and consisted of (i) an Asset Quality Review ("AQR"), constituting a review of the carrying values of the Bank's Greek loan portfolios, and (ii) a stress test under a "baseline" and an "adverse" scenario. The results imply, on a consolidated basis, a capital shortfall for the Bank (before any mitigating actions) of the maximum of:
 - € 2,213 million under the "baseline" scenario, after considering the results of the AQR and the stress test.
 - € 4,933 million under the "adverse" scenario, after considering the results of the AQR and the stress test.

	bps of CET1%	€ million
(a) AQR (9.5% threshold)	402	2,188
(b) Stress test "baseline" scenario (9.5% threshold)	432	2,213
(c) Stress test "adverse" scenario (8.0% threshold)	1,035	4,933
Aggregate shortfall [max of (a),(b),(c)]	1,035	4,933

The above capital shortfall does not take into account any mitigating actions that will be included in the Capital Plan of the Bank, to be formally submitted to the ECB by 6 November 2015. The Bank is in constructive dialogue with the ECB in relation to the aforementioned actions and its Capital Plan describing in detail the measures it will undertake. Piraeus Bank is capable to proceed with all steps required to cover the arising capital needs.

On October 30th 2015 the draft legislation setting the rules for recapitalization of the financial institutions in Greece and updating or introducing new regulations regarding the role of the Financial Stability Fund was submitted to the Greek Parliament.

Other clauses of the same legislation regulate issues regarding the deferred tax assets of financial institutions, which fall under the clauses of article 27A of law 4172/2013 and can be converted into final and settled claims against the Greek State. These clauses refer to the following:

- The restriction of the amount of deferred tax assets to the amount that relates to provisions for bad debts, which have been reported in the financial statements of the credit institution until 30 June 2015.
- The deferral by one year of the application of the clause for the conversion of deferred tax assets and as such, the activation of the relevant clauses for accounting losses that will occur from 1.1.2016 and onwards.

The discussion of the draft legislation in the Parliament and its subsequent voting is in process.

Athens, October 31st, 2015

CHAIRMAN
OF THE BOARD OF DIRECTORS

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MANAGING DIRECTOR
& C.E.O.

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DEPUTY
CHIEF FINANCIAL
OFFICER

KONSTANTINOS S. PASCHALIS

PIRAEUS BANK



PIRAEUS BANK S.A.

**Interim Condensed Financial
Information**

30 June 2015

In accordance with the International
Financial Reporting Standards

The attached interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on October 31st 2015 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

This financial information has been translated from the original interim financial information that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial information, the Greek language financial information will prevail over this document.

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INTERIM INCOME STATEMENT	Note	Period from 1 January to		Period from 1 April to	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
Interest and similar income		1,414,555	1,508,698	704,221	760,296
Interest expense and similar charges		(549,947)	(720,927)	(282,066)	(359,678)
NET INTEREST INCOME		864,608	787,772	422,155	400,618
Fee and commission income		128,129	112,056	64,373	57,710
Fee and commission expense		(21,084)	(11,352)	(11,367)	(6,129)
NET FEE AND COMMISSION INCOME		107,046	100,704	53,006	51,581
Dividend income		98,402	15,454	97,935	15,429
Net income from financial instruments designated at fair value through profit or loss		11,343	(26,647)	20,046	(24,765)
Results from investment securities		(4,929)	75,978	(141)	70,667
Other operating income		53,058	183,024	4,513	180,274
TOTAL NET INCOME		1,129,527	1,136,285	597,515	693,803
Staff costs		(272,266)	(272,033)	(135,144)	(130,032)
Administrative expenses		(230,731)	(214,457)	(117,133)	(120,964)
Depreciation and amortisation		(43,381)	(67,085)	(21,536)	(34,146)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(546,378)	(553,574)	(273,813)	(285,142)
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		583,150	582,710	323,702	408,661
Impairment losses on loans	11	(1,813,428)	(1,027,446)	(1,590,738)	(588,607)
Impairment losses on other receivables		(46,064)	(43,382)	(41,473)	(26,759)
Other provisions and impairment		(1,803)	(137,652)	(472)	(136,723)
PROFIT/ (LOSS) BEFORE INCOME TAX		(1,278,146)	(625,770)	(1,308,980)	(343,428)
Income tax	7	345,692	353,988	353,120	280,670
PROFIT/ (LOSS) AFTER TAX		(932,454)	(271,782)	(955,859)	(62,758)
Earnings/ (losses) per share (in €):					
- Basic and Diluted	8	(0.1528)	(0.0486)	(0.1566)	(0.0106)

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to		Period from 1 April to	
		30 June 2015	30 June 2014	30 June 2015	30 June 2014
Profit/ (loss) after tax for the period (A)		(932,454)	(271,782)	(955,859)	(62,758)
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	9, 22	(78,360)	(43,176)	(33,851)	(69,879)
Amounts that can not be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	9, 22	8,350	-	-	-
Other comprehensive income, net of tax (B)		(70,010)	(43,176)	(33,851)	(69,879)
Total comprehensive income, net of tax (A)+(B)		(1,002,464)	(314,958)	(989,710)	(132,637)

INTERIM STATEMENT OF FINANCIAL POSITION	Note	30 June 2015	31 December 2014
ASSETS			
Cash and balances with Central Bank		2,978,207	2,864,234
Loans and advances to credit institutions		823,955	932,793
Financial assets at fair value through profit or loss	10	57,314	110,173
Derivative financial instruments - assets		452,495	506,941
Reverse repos with customers		7,442	63,632
Loans and advances to customers (net of provisions)	11	50,742,252	53,987,068
Available for sale securities	12	2,348,752	2,059,917
Debt securities - receivables	13	14,261,056	14,273,935
Assets held for sale	14	123,719	10,307
Inventories property		600,612	523,883
Investment property		317,961	321,636
Investments in subsidiaries		1,702,719	1,691,120
Investments in associated undertakings		262,222	279,154
Property, plant and equipment		859,980	838,804
Intangible assets		259,094	238,448
Deferred tax assets		4,332,972	3,950,983
Other assets		2,054,773	1,950,071
TOTAL ASSETS		82,185,526	84,603,099
LIABILITIES			
Due to credit institutions	16	37,356,565	24,566,067
Due to customers	17	35,956,603	50,240,344
Liabilities at fair value through profit or loss		722	1,853
Derivative financial instruments - liabilities		467,417	538,260
Debt securities in issue	18	537,215	661,341
Current income tax liabilities		2,508	9,007
Retirement benefit obligations		196,008	192,198
Other provisions		29,063	27,665
Other liabilities		1,027,636	747,116
Hybrid capital and other borrowed funds	19	227,386	232,381
TOTAL LIABILITIES		75,801,123	77,216,232
EQUITY			
Share capital	21	1,830,594	1,830,594
Share premium	21	11,393,315	11,393,315
Other reserves	22	(77,459)	(7,449)
Retained earnings	22	(6,762,046)	(5,829,593)
TOTAL EQUITY		6,384,403	7,386,867
TOTAL LIABILITIES AND EQUITY		82,185,526	84,603,099

INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Opening balance as at 1 January 2014		2,271,770	10,008,734	183,732	(4,195,148)	8,269,089
Other comprehensive income, net of tax	9			(43,176)		(43,176)
Results after tax for the period 1/1/2014 - 30/6/2014	22				(271,782)	(271,782)
Total recognized income for the period 1/1/2014 - 30/6/2014		0	0	(43,176)	(271,782)	(314,958)
Increase of share capital	21	308,824	1,384,581			1,693,404
Repurchase of preferred shares	21	(750,000)				(750,000)
Absorption of company	22			32	(3,603)	(3,571)
Balance as at 30 June 2014		1,830,594	11,393,315	140,588	(4,470,533)	8,893,964
Opening balance as at 1 July 2014		1,830,594	11,393,315	140,588	(4,470,533)	8,893,964
Other comprehensive income, net of tax				(148,037)		(148,037)
Results after tax for the period 1/7/2014 - 31/12/2014	22				(1,793,418)	(1,793,418)
Total recognized income for the period 1/7/2014 - 31/12/2014		0	0	(148,037)	(1,793,418)	(1,941,455)
Absorption of companies	22				434,358	434,358
Balance as at 31 December 2014		1,830,594	11,393,315	(7,449)	(5,829,593)	7,386,867
Opening balance as at 1 January 2015		1,830,594	11,393,315	(7,449)	(5,829,593)	7,386,867
Other comprehensive income, net of tax	9, 22			(70,010)		(70,010)
Results after tax for the period 1/1/2015 - 30/6/2015	22				(932,454)	(932,454)
Total recognized income for the period 1/1/2015 - 30/6/2015		0	0	(70,010)	(932,454)	(1,002,464)
Balance as at 30 June 2015		1,830,594	11,393,315	(77,459)	(6,762,047)	6,384,403

INTERIM CASH FLOW STATEMENT	Period from 1 January to	
	30 June 2015	30 June 2014
<i>Cash flows from operating activities</i>		
Profit / (loss) before tax	(1,278,146)	(625,770)
Adjustments to profit/ loss before tax:		
Add: provisions and impairment	1,861,296	1,208,480
Add: depreciation and amortisation charge	43,381	67,085
Add: retirement benefits	7,500	6,909
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss	(20,254)	(141,642)
(Gains)/ losses from investing activities	(94,243)	(86,550)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>	519,534	428,512
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/ decrease in cash and balances with Central Bank	(297,228)	(34,033)
Net (increase)/ decrease in financial instruments at fair value through profit or loss	42,008	(52,452)
Net (increase)/ decrease in loans and advances to credit Institutions	37,532	82,725
Net (increase)/ decrease in loans and advances to customers	1,614,212	2,827,589
Net (increase)/ decrease in debt securities - receivables	12,879	1,281,050
Net (increase)/ decrease in reverse repos with customers	56,190	(125,082)
Net (increase)/ decrease in other assets	312,595	(202,870)
Net increase/ (decrease) in amounts due to credit institutions	12,701,192	(4,646,973)
Net increase/ (decrease) in liabilities at fair value through profit or loss	(1,130)	(549)
Net increase/ (decrease) in amounts due to customers	(14,788,030)	(467,236)
Net increase/ (decrease) in other liabilities	203,436	186,162
<i>Net cash flow from operating activities before income tax payment</i>	413,190	(723,155)
Income tax paid	-	(470)
Net cash inflow/ (outflow) from operating activities	413,190	(723,625)
<i>Cash flows from investing activities</i>		
Purchases of property, plant and equipment	(47,981)	(45,249)
Sales of property, plant and equipment	2,860	22,553
Purchases of intangible assets	(33,592)	(9,223)
Purchases of investment securities	(4,475,765)	(3,127,609)
Disposals/ maturity of investment securities	4,083,122	3,003,449
Acquisition of subsidiaries and participation in share capital increases	(80,405)	(20,000)
Sales of subsidiaries	-	2,136
Acquisition of associates and participation in share capital increases	(53,427)	(311)
Sales of associates	32,479	-
Dividends receipts from available for sale securities	5,902	9,496
Dividends receipts from associates	-	1,670
Net cash inflow/ (outflow) from investing activities	(566,809)	(163,088)
<i>Cash flows from financing activities</i>		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(119,504)	425,350
Increase of share capital	-	1,673,519
Repurchase of preferred shares	-	(750,000)
Net cash inflow/ (outflow) from financing activities	(119,504)	1,348,869
Effect of exchange rate changes on cash and cash equivalents	15,272	17,574
Net increase/ (decrease) in cash and cash equivalents of the period (A)	(257,851)	479,730
Cash and cash equivalents at the beginning of the period (B)	1,926,139	1,040,989
Cash and cash equivalents from absorption of company (C)	-	43
Cash and cash equivalents at the acquisition date of assets and liabilities of Panellinia Bank (D)	3,291	-
Cash and cash equivalents at the end of the period (A)+(B)+(C)+(D)	1,671,579	1,520,762

1 General Information about the Bank

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Laws 2190/1920 on sociétés anonymes, 4261/2014 on credit institutions, and other relevant laws. According to article 2 of its Statute, the scope of the company is to execute, on its behalf or on behalf of third parties, any and every operation acknowledged or delegated by law to banks.

Piraeus Bank is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece and in London (U.K.). The Bank employs in total 14,445 people.

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (Greece, RAFI, Med 100), MSCI (Emerging Markets, EM EMEA, Greece), Euro Stoxx (TMI, TMI Banks, All Europe TM, Greece TM) and S&P (Global BMI, Developed BMI, Greece BMI), Dow Jones Sustainability Index (Emerging Markets).

2 General accounting policies, critical accounting estimates and judgements

a. General accounting policies

The same accounting principles and calculation methods have been used as in the annual financial statements as of 31st December 2014.

The following interpretation and the improvements in IFRSs have been issued by the IASB, have been endorsed by the European Union and they are effective from 1/1/2015.

- **IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2015).** The interpretation sets out the accounting treatment for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is described in the relevant legislation that triggers the payment of the levy. This amendment does not have a significant influence in interim condensed financial information of the 1st semester of 2015.

Improvements to IFRSs 2011 - 2013 (December 2013)

- **IFRS 3 (Amendment), "Business Combinations" (effective for annual periods beginning on or after 1 January 2015).** The amendment clarifies that joint arrangements as well as joint ventures are outside the scope of IFRS 3.
- **IFRS 13 (Amendment), "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2015).** The amendment clarifies that the exception in IFRS 13 for measuring the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39.
- **IAS 40 (Amendment), "Investment Property" (effective for annual periods beginning on or after 1 January 2015).** The amendment refers to the interaction of IFRS 3 and IAS 40 with respect to the classification of an asset as investment property, clarifying that the two standards are not mutually exclusive.

These improvements do not significantly affect the interim condensed financial information of the 1st semester of 2015.

b. Critical accounting estimates and judgments in the application of the accounting policies

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

The most important areas where the Bank uses accounting estimates and judgements, in applying the Bank's accounting policies, are as follows:

b.1. Impairment losses on loans and other receivables

The Bank examines, at every reporting period, whether trigger for impairment exists for its loans or loan portfolios. If such triggers exist, the recoverable amount of the loan portfolio is calculated and the relevant provision for this impairment is raised. The provision is recorded in the income statement. The estimates, methodology and assumptions used are reviewed regularly to reduce any differences between loss estimates and actual losses. Relevant to the change in some of the accounting estimates for the determination of the future cash flows of the Bank's loan portfolio, so as to better reflect the current market conditions and the macroeconomic environment, is note 11 of the interim condensed financial information.

b.2. Fair value of derivative financial instruments

The fair value of derivative financial instruments that are traded over the counter (OTC), with banking or corporate counterparties, is determined by using commonly accepted valuation models. These valuation models use observable data. Where this is not possible, estimates and assumptions are required by Management concerning the parameters that affect the fair value of derivatives. These assumptions and estimates are assessed regularly and when market conditions change significantly.

The fair value for derivative financial instruments includes adjustments for the credit risk in a bilateral derivative transaction (CVA/DVA). The calculation of credit adjustments take into account the future expected credit exposure, which is estimated using simulation techniques for the derivatives' future fair values, in combination with the currently in force netting agreements and collateral held (as per the ISDA-CSA contracts in force).

In addition, the calculation of credit adjustments is also based on loss given default (LGD) rates as well probability of default (PD) curves, as these are derived from the purchase prices of the Credit Default Swap Market. In case that the aforementioned prices are not available from the CDS market, or the available market prices are not reliable due to very low liquidity, the relevant calculation is based on proxy credit curves and LGD rates, approved by the Bank's management.

Fair value models are applied consistently from one accounting period to the other, ensuring comparability and consistency of information over time.

b.3. Impairment of available for sale portfolio and associate companies

Available for sale portfolio

The available for sale portfolio is recorded at fair value and any changes in fair value are recorded in the available for sale reserve. Impairment of available for sale investments in shares and bonds is accounted for when the decline in the fair value

below cost is significant or prolonged in the case of shares or there are reasonable grounds for the issuer's inability to meet its future obligations in the case of bonds. Then, the available for sale reserve is recycled to the income statement.

Significant or prolonged decline of the fair value is defined as: (a) the decline in fair value below the cost of the investment for more than 40% or (b) the twelve month period decline in fair value for more than 25% of acquisition cost.

Judgement is required for the estimation of the fair value of investments that are not traded in an active market. For these investments, the fair value computation through financial models takes also into account evidence of deterioration in the financial performance of the investee, as well as industry and sector economical performance and changes in technology.

Associate companies

The Bank tests for impairment the investments in associate companies, comparing the recoverable amount of the investment (the higher of the value in use and the fair value less cost to sell) with its carrying amount.

In these cases, a similar methodology is used with that described above, for the shares of the available for sale portfolio, while taking into account the present value of the estimated future cash flows expected to be generated by the associate company. The amount of the permanent impairment of the investment, which may arise from the assessment, is recorded to the income statement.

b.4. Investment property

Investment property is measured at fair value, which is determined in cooperation with valuers.

Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific investment property. If this information is not available, valuation methods are used. The fair value of investment property reflects rental income from current leases as well as assumptions about future rentals, taking into consideration current market conditions.

For investment property of a value that is not considered as individually significant, the fair value may be determined by applying the aforementioned valuation methods or by extrapolating the results of the valuations, to groups of investment property, with similar characteristics.

b.5. Defined benefits obligation

The determination of the present value of defined benefits obligation is based on actuarial analysis conducted by independent actuaries at the end of each year. The basic estimates and assumptions made in the context of the actuarial analysis are the discount rate, the pay increase rate as well as the inflation rate. The determination of the appropriate discount rate takes into account the rates of high quality corporate bonds, of the same currency and of similar maturities to that of the defined benefits obligation.

b.6. Provisions and contingent liabilities

The Bank recognises provisions when there is a present legal or constructive obligation which has been caused by events that took place in the past, and it is almost certain that an outflow of resources which can be measured reliably would be required for

its settlement. On the contrary, in case that the probability for settling the obligation through an outflow of resources is remote or the amount of the outflow cannot be measured reliably, no provision is recognized but the relevant event is disclosed in the financial statements.

At each reporting date, the Bank proceeds to significant estimates and assumptions concerning the assessment of the probability for the settlement of the obligation, the ability to estimate reliably the amount of the outflow required for the settlement of the aforementioned obligation as well as the timing of such settlement.

Specifically, for the material cases where the settlement of the obligation is estimated to take place at a significantly later time as compared to the reporting date, so that the effect from the time value of money is material, the relevant provision is calculated as the present value of the outflows that are expected to be required for the settlement of the obligations. The estimation of the discount rate takes into account the current market conditions for the time value of money, as well as the risks associated with the obligation. Furthermore, the discount rate used does not take into account any taxes.

Furthermore, in case of pending litigations, the Bank has adopted an analytical assessment at each reporting date, by taking into consideration the best estimates of the Legal Division of the Bank or even independent legal advisors where the amount under assessment is material.

b.7. Recoverability of Deferred Tax Assets

The Bank recognizes deferred tax on temporary tax differences in accordance with the regulations of tax law which distinguishes revenues on those subject to tax and non-taxable, assessing future benefits as well as tax liabilities.

For the calculation and evaluation of the deferred tax asset recoverability, management considers the best estimates for the evolution of the Bank's tax results in the foreseeable future.

The Management's estimates for the future tax results of the Bank, taking into account the Restructuring Plan approved as of 23 July 2014, by the European Commission (Directorate-General for Competition), are based on the assumptions related to the Greek economy prospect, as well as on other actions or amendments already implemented, improving the evolution of the future profitability.

Moreover, the Bank examines the nature of the temporary differences and tax losses, as well as the ability for their recovery, in accordance with the tax regulations related to their offsetting with profits generated in future periods (e.g. five years), or with other specific tax regulations, as for example the regulations set by the Greek tax legislation which allow the optional conversion of deferred tax assets on specific temporary differences, into final and settled claims against the Greek Government, under certain terms and conditions.

b.8. Goodwill/negative goodwill

The acquisition method is used by the Bank to account for the acquisitions. The Bank, for the estimation of the fair values of identifiable assets and liabilities and contingent liabilities of the newly acquired operations, uses the method of purchase price allocation (PPA), according to the requirements of IFRS 3 "Business Combination". For this purpose, the Bank uses estimates to determine the fair value of the acquired net assets.

In case of goodwill, the Bank proceeds to impairment test annually and whenever there is an indication of impairment, by comparing the carrying amount of the cash generating unit, including goodwill, with the respective recoverable amount. In the context of this procedure, the Bank's estimates for the determination of the recoverable amount include key assumptions of the Management for the period of the estimated cash flows, the cash flows, the growth rate and the discount rate. These estimates are disclosed in the financial statements, in case that the amount of goodwill allocated to each cash generating unit is significant compared to the total goodwill, according to IAS 36. Reference to goodwill is made in note 25 of the interim condensed financial information.

b.9. Greek public sector

Piraeus Bank's management makes significant estimates and assumptions regarding the progress of the Greek economy. The economic situation in Greece creates uncertainties that may affect the creditworthiness of the Greek public sector. Reference to the Management's estimates concerning the economic developments is made in note 3.

3 Basis of preparation of the Bank's interim condensed financial information

Basis of preparation

The interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Bank's annual financial statements for the year ended 31 December 2014.

Piraeus Bank prepares, except for the attached interim condensed financial information, consolidated interim condensed financial information including the financial information of the Bank and its subsidiaries.

The financial statements of Piraeus Bank are prepared in euro. The amounts of the attached financial statements are expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand. It shall be noted that, the figures of the income statement for the 1st semester of 2015 are not comparable with the corresponding figures for the 1st semester of 2014 as Piraeus Bank incorporated Geniki Bank S.A. on 21/11/2014.

Going concern basis

The interim condensed financial information has been prepared on a going concern basis, even though there are significant uncertainties until the completion of the recapitalization of the Greek banking system, which may cause significant doubt about the Bank's ability to continue its business activity. Piraeus Bank's Management estimates that the Bank will continue in operational existence for the foreseeable future:

Macroeconomic environment

The volatile macroeconomic and financial environment in Greece, in combination with the political developments, remains the main risk factor for the Greek banking sector. The intensified political and economic uncertainty in the 1st half 2015 peaked on June 28, 2015 with the imposition of capital controls and bank holiday in the country. Capital controls include, among others, a weekly limit on all cash withdrawals (€ 420) per customer and restrictions on capital transfers and payments abroad, affecting mainly dealings with foreign suppliers and creditors. The bank holiday lasted for 3 weeks, with the banks reopening on 20 July

2015 and capital control measures began gradually to relax. Capital controls, although harsh in nature, are expected to have rather limited and short-term negative effects in the economy due to the following factors:

- a) Significant increase of banknotes in circulation in the Greek economy, that took place in the period end November 2014 to end June 2015
- b) Ability to conduct electronic transactions without restrictions through alternative channels and networks within the country, which was given from the first moment of the imposition of capital controls, reducing significantly the impact for the transacting parties and the economy
- c) The majority of companies (especially the larger ones trading internationally) were prepared for the possibility of capital controls and, as a consequence, their operation was not disrupted as much as it was initially expected
- d) Limited impact on tourism. The initial concerns about a significant impact on tourism have not materialised as revenues from tourism and tourist arrivals for the period July-August 2015 increased by 5.5% YoY and 3.6% YoY respectively. The developments show that Greece will have a record year in the tourist arrivals and the relevant revenues in 2015.

On 8 July 2015, Greece made an official request for stability support – in the form of a loan facility – to the European Stability Mechanism (ESM) to be used for meeting debt obligations and to ensure stability of its financial system. A separate request for financial assistance was sent to the IMF on 23 July 2015. The Greek authorities passed a set of legislation on 15th and 22nd July 2015, as well as on 14th August 2015. On 19th of August 2015, the European Commission signed a Memorandum of Understanding (MoU) with Greece following approval by the ESM Board of Governors for further stability support accompanied by a third economic adjustment program. Moreover, the Greek authorities signed a Financial Assistance Facility Agreement with the ESM to specify the financial terms of the loan. The total amount of the loans from the ESM is up to € 86 billion. (Duration: August 2015 – August 2018). The disbursement of funds is linked to progress in delivery of policy conditions, in accordance with the MoU.

A first disbursement of funds under the program in the amount of € 13 billion was made available on 20 August 2015 to allow the Greek state to cover financing needs, make overdue payments, as well as repay a short-term bridge loan of € 7.16 billion that was disbursed under the European Financial Stabilisation Mechanism on 20 July 2015. Moreover on 20th of August 2015, an additional amount of € 10 billion was made available immediately in a segregated account at the ESM for potential bank recapitalization and resolution costs.

The aforementioned uncertainties concerning the course of the Greek economy, which may have a negative impact on the capital adequacy and the liquidity of the banking sector, are mitigated by the fact that a new € 86 billion economic adjustment program is in place for the country, securing its financing needs for the next 3 years. Furthermore, the new program passed with great majority in the parliament (c.74%), thus enhancing substantially the probability of its swift implementation. Piraeus Bank's management closely monitors the developments and assesses periodically the impact that any negative developments in these areas might have in its operations. In this context, the Bank proceeded to the change in some of the accounting estimates for the determination of the future cash flows of the loan portfolio, as a result of the deterioration in the macroeconomic conditions mentioned above, and consequently to the recognition of increased impairment provisions in the second quarter of 2015. Information relevant to the change in estimates is presented in note 11 of the interim condensed financial information.

Capital adequacy

According to the Eurogroup statement on the ESM program for Greece on August 14, 2015, the total € 86 billion envelope includes a buffer of up to € 25 billion for the banking sector, in order to address potential bank recapitalization needs and resolution costs. The first sub-tranche of € 10 billion was made available in a segregated account at the ESM, as part of the € 23 billion instalment of the program paid on 20th of August 2015. The MoU required a Comprehensive Assessment (“CA” i.e. Asset Quality Review and Stress Tests) which was carried out by ECB/ SSM to quantify possible capital shortfalls, which were included in the above mentioned buffer, after the legal framework is applied (i.e. transposition of the Bank Recovery and Resolution Directive).

The announcement of the outcome of the CA by the relevant European regulatory authorities (ECB/ SSM), was made on 31st October 2015. However, there is uncertainty regarding the structure of the recapitalization, which might affect the Bank’s current shareholding structure and its liabilities to the bondholders, as well as the ability to cover the amount of the recapitalisation. Reference concerning the outcome of the CA is made in note 26 of the interim condensed financial information.

Liquidity

During the first nine months of 2015, the Greek banking system had to raise liquidity from the emergency liquidity assistance (ELA) mechanism to cover the short term financing needs resulting from a) the decision of the ECB to suspend acceptance of securities issued or guaranteed by the Greek government for Main Refinancing Operations, b) the minimized access to international repo markets as well as c) the significant reduction of domestic deposits due to the prevailing uncertainty.

From December 2014 until August 2015, domestic market deposits (private and public sector) reduced by € 44 billion, amounting to € 129 billion. The exposure of all Greek banks in the Eurosystem increased from € 45 billion at the end of November 2014 (no contribution from the Emergency Liquidity Assistance existed) to € 121 billion at the end of September 2015, of which about € 82 billion was covered by the Emergency Liquidity Assistance (ELA). The provision of liquidity support by the ELA is granted to adequately capitalized credit institutions that have acceptable assets as collateral, and is assessed on a regular basis by the ECB. Following the banks reopening on 20 July 2015, given the capital control measures, customer deposits present stabilization with a slightly growing trend, while Eurosystem funding was reduced to € 121 billion at end of September 2015, as compared to € 125 billion on 31st July, 2015.

Piraeus Bank’s management, after taking into account the introduction of the new economic adjustment program, as well as the liquidity provided by the Eurosystem to the Greek banking system, expects to be able to cover its short-term financing needs.

4 Fair values of assets and liabilities

a) Assets and liabilities not measured at fair value

The following table summarises the fair values and the carrying amounts of those assets and liabilities not presented in the Bank's balance sheet at fair value.

Assets	Carrying value		Fair value	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Loans and advances to credit institutions	823,955	932,793	823,955	932,793
Loans and advances to customers (net of provisions)	50,742,252	53,987,068	49,261,698	53,230,068
Debt securities - receivables	14,261,056	14,273,935	14,604,796	14,641,345
Reverse repos with customers	7,442	63,632	7,442	63,632

Liabilities	Carrying value		Fair value	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Due to credit institutions	37,356,565	24,566,067	37,356,565	24,566,067
Due to customers	35,956,603	50,240,344	35,956,603	50,240,344
Debt securities in issue	537,215	661,341	277,352	532,140
Hybrid capital and other borrowed funds	227,386	232,381	57,240	197,327

The fair values as at 30/6/2015 of loans and advances to credit institutions, reverse repos with customers, due to credit institutions and due to customers which are measured at amortized cost, are not materially different from the respective carrying values since they are very short term in duration and priced at current market rates. These rates are often repriced and due to their short duration they are discounted with the risk free rate.

The fair value of loans and advances to customers has been calculated using a discounted cash flow model, taking into account yield curves and any adjustments for credit risk.

Fair value for debt securities – receivables is estimated using quoted market prices. Where this information is not available, fair value has been estimated using the prices of securities with similar credit, maturity and yield characteristics, or by discounting cash flows.

The fair value of debt securities in issue is calculated based on quoted prices. Where quoted market prices are not available, the estimated fair value is based on other debt securities with similar credit, yield and maturity characteristics or by discounting cash flows.

The fair value of hybrid and other borrowed funds and hybrid capital is based on quoted market prices. When quoted market prices are not reliable, the fair value is estimated by discounting cash flows with appropriate yield curves.

b) Assets and liabilities measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. The Bank considers relevant and observable market prices in its valuations where possible. Observable inputs reflect market data obtained from independent sources. Unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed shares and bonds on exchanges as well as exchange traded derivatives like futures.

In 1st semester of 2015, the valuation of shares listed in the Athens Stock Exchange, was based on the latest available prices, due to the imposition of Capital Controls on 28.6.2015 and the suspension of transactions in the Athens Stock Exchange.

Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This level includes OTC derivatives and bonds. Input parameters are based on yield curves or data from reliable sources (Bloomberg, Reuters).

Level 3

The valuation of assets and liabilities is carried out by introducing variables that are not based on observable market data. Level 3 inputs are unobservable inputs for the asset or liability. Level 3 includes shares categorized in the available for sale portfolio and derivative financial instruments. Shares and derivative financial instruments within level 3 are not traded in an active market or there are no available prices from external traders in order to determine their fair value.

Shares categorized in the available for sale portfolio

The valuation is carried out with variables that are not based on observable market data (unobservable inputs). For the determination of the fair value of the aforementioned shares, the Bank uses generally accepted valuation models and techniques such as: discounted cash flow models, estimation of options, comparable transactions, estimation of the fair value of assets (i.e. fixed assets) and net asset value. The Bank, based on prior experience, adjusts if necessary, the relevant values in order to reflect the current market conditions. The fair value of the shares in level 3 is only taken into account in case that there is evidence of impairment, else these shares are recorded at cost.

Derivative financial instruments

The embedded derivative of the convertible bond issued by Marfin Investment Group ("MIG"), is included in level 3 of derivative financial assets. The aforementioned derivative is accounted at fair value. The fair value of the embedded derivative is determined according to valuation techniques following basic parameters a) the relevant share price, b) the volatility of the relevant share price, c) the interest rates and d) the credit spreads.

The following table presents financial assets and liabilities measured at fair value, categorized in the three levels mentioned above:

Assets & Liabilities measured at fair value	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	445,300	7,195	452,495
Financial Assets at fair value through profit or loss				
- Trading Bonds	57,314	-	-	57,314
Available for Sale Securities				
- Bonds	245,441	666	-	246,107
- Shares & Other variable income securities	134,688	-	167,594	302,282
- Treasury bills	1,800,362	-	-	1,800,362
Liabilities				
Derivative financial instruments - liabilities	-	467,417	-	467,417

The Bank examines transfers between fair value hierarchy levels at the end of each reporting period.

For assets and liabilities valued at fair value on 30/6/2015, no transfer from level 1 to level 2 and vice versa occurred in the 1st semester of 2015.

The following table presents the movement of derivative financial instruments-assets and shares of the available for sale portfolio within level 3:

Reconciliation of level 3 items	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening Balance 1/1/2015	18,488	166,553
Balance of Panellinia Bank at acquisition date	-	347
Purchases	-	107
Settlements	-	(16)
Profit/ (loss) for the period	(11,293)	-
Foreign exchange differences	-	603
Total 30/6/2015	7,195	167,594

The following table presents the sensitivity analysis of level 3 available for sale securities and derivative financial instruments-assets:

Sensitivity analysis of level 3 hierarchy: (amounts in €million)	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(25)
Derivative financial instruments - assets	7	(7)
Equity		
Available for sale shares & other variable income securities	19	(3)

The estimation of the change in the value of the shares of available-for-sale portfolio within level 3 has been approached by various methods, such as:

- the net asset value (NAV),
- the discounted future dividends taking into account estimates of the issuer and the relevant cost of capital,
- the closing prices of similar listed shares or the indices of similar listed companies,
- the adjusted equity position taking into account the fair value of the assets (i.e. tangible assets) and the relevant qualifications from the certified auditors' report.

Also, factors that may adjust these values such as the industry and the business environment in which companies operate, current developments and prospects, have been taken into account, while the Bank based on prior experience, adjusts further where necessary, these values so as to assess the possible changes.

5 Offsetting of financial assets and liabilities

According to the provisions of IFRS 7, the impact or the possible impact of enforceable master netting agreements for financial instruments to the financial position of the Bank should be disclosed. More specifically, the disclosures should include the following:

- (i) The financial assets and liabilities, which are offset in accordance with the criteria of IAS 32 and the net amount that is presented in the statement of financial position, when there is a legally enforceable right and the intention to settle the net amounts or simultaneously collect the receivable and settle the obligation.
- (ii) The transactions which appertain to International Swaps and Derivatives Association (ISDA) contracts and similar master netting agreements irrespectively of whether these are offset or not in the statement of financial position.

The Bank has not offset any financial assets or liabilities on 30/6/2015 and 31/12/2014, given that the netting criteria mentioned in the first case (i) are not fulfilled.

The following tables present the recognized on 30/6/2015 and 31/12/2014 financial instruments, for which ISDA and similar master netting agreements (case (ii)) exist, as well as the net effect on the statement of financial position of the Bank from the exercise of netting rights ("net amount"). These tables include mainly the following financial instruments: a) interest rate swap contracts (IRSs) and cross currency interest rate swap contracts, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement (GMRA).

6/30/2015	Related amounts not offset in the Statement of Financial Position					
	Recognized financial assets (amounts to be offset)	Financial liabilities (amounts offset)	Net amount of financial assets	Financial instruments collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	452,468	-	452,468	-	-	452,468
Total	452,468	0	452,468	0	0	452,468

6/30/2015	Related amounts not offset in the Statement of Financial Position					
	Recognized financial liabilities (amounts to be offset)	Financial assets (amounts offset)	Net amount of financial liabilities	Financial instruments collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	429,394	-	429,394	-	429,394	-
Repurchase agreements	-	-	-	-	-	-
Total	429,394	0	429,394	0	429,394	0

12/31/2014	Related amounts not offset in the Statement of Financial Position					
	Recognized financial assets (amounts to be offset)	Financial liabilities (amounts offset)	Net amount of financial assets	Financial instruments collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	487,790	-	487,790	-	-	487,790
Total	487,790	0	487,790	0	0	487,790

12/31/2014	Related amounts not offset in the Statement of Financial Position					
	Recognized financial liabilities (amounts to be offset)	Financial assets (amounts offset)	Net amount of financial liabilities	Financial instruments collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	538,173	-	538,173	-	538,173	-
Repurchase agreements	8,919,209	-	8,919,209	-	1,660	8,917,549
Total	9,457,382	0	9,457,382	0	539,833	8,917,549

6 Business segments

Piraeus Bank has defined the following business segments:

Retail Banking - This segment includes the retail banking operations of the Bank, which are addressed to retail customers, as well as to small - medium companies (deposits, loans, working capital, imports – exports, letters of guarantees, etc.).

Corporate Banking - This segment includes facilities related to corporate banking addressed to large and maritime companies, which due to their specific needs are serviced by the headquarters (deposits, loans, syndicated loans, project financing, working capital, imports – exports, letters of guarantees etc.).

Investment Banking - This segment includes activities related to investment banking operations of the Bank (investment and advisory services, underwriting services and public listings, stock exchange services, etc.).

Asset Management and Treasury – This segment includes asset management facilities for clients and for the Bank (wealth management facilities, mutual funds management, treasury).

Other Segments – Other segments include other facilities of the Bank that are not included in the above segments (Bank's administration, etc.).

According to IFRS 8, the identification of the business segments results from the internal reports that are regularly reviewed by the Executive Board in order to monitor each segment's performance. Significant elements are the evolution of figures and results per segment.

An analysis of income and other financial figures per business segment of the Bank is presented below:

1/1 - 30/6/2015	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	634,164	304,401	-	64,930	(138,887)	864,608
Net fee and commission income	86,579	16,169	131	2,679	1,488	107,046
Other income	7,167	1,026	4	11,195	138,481	157,874
Net income	727,910	321,596	135	78,804	1,082	1,129,527
Depreciation and amortisation	(12,601)	(49)	(2)	(1,339)	(29,390)	(43,381)
Other operating expenses	(433,627)	(37,568)	(1,495)	(30,308)	-	(502,997)
Results before provisions, impairment and income tax	281,682	283,979	(1,362)	47,158	(28,307)	583,150
Impairment losses on loans	(1,072,375)	(741,054)	-	-	-	(1,813,428)
Impairment losses on other receivables	-	-	-	-	(46,064)	(46,064)
Other provisions and impairment	(1,323)	(481)	-	-	-	(1,803)
Results before tax	(792,015)	(457,555)	(1,362)	47,158	(74,371)	(1,278,146)
Income tax						345,692
Results after tax						(932,454)
As at 30 June 2015						
Total assets	38,604,693	13,212,415	56	19,748,602	10,619,760	82,185,526
Total liabilities	34,445,823	940,393	26	38,955,591	1,459,290	75,801,123
Capital expenditure	15,948	197	164	642	64,624	81,573

1/1 - 30/6/2014	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	478,612	329,037	-	40,916	(60,793)	787,772
Net fee and commission income	74,876	23,724	612	1,229	264	100,704
Other income	2,521	183,727	(5)	(22,471)	84,036	247,809
Net income	556,009	536,488	607	19,674	23,507	1,136,285
Depreciation and amortisation	(37,608)	(40)	-	(162)	(29,274)	(67,085)
Other operating expenses	(427,783)	(33,510)	(976)	(24,221)	-	(486,490)
Results before provisions, impairment and income tax	90,618	502,938	(369)	(4,709)	(5,767)	582,711
Impairment losses on loans	(787,380)	(240,066)	-	-	-	(1,027,446)
Impairment losses on other receivables	-	-	-	-	(43,382)	(43,382)
Other provisions and impairment	(850)	(309)	-	-	(136,493)	(137,652)
Results before tax	(697,612)	262,563	(369)	(4,709)	(185,643)	(625,769)
Income tax						353,988
Results after tax						(271,782)
As at 31 December 2014						
Total assets	41,089,096	13,904,497	22	19,879,050	9,730,434	84,603,099
Total liabilities	46,463,251	1,842,336	257	27,039,817	1,870,571	77,216,233
As at 30 June 2014						
Capital expenditure	23,799	220	66	6,081	24,306	54,471

In the tables above, interest income is analyzed into business segments net of interest expense, as the Bank's management relies primarily on net interest revenue to assess the performance of the segment.

Capital expenditure includes additions of intangible and tangible assets that took place in the period by each business segment.

Assets of business segments «Retail Banking» and «Corporate Banking» include the following loans, which are managed by the Bank's special Unit named "Recovery Business Unit "(RBU) that was established during 2014.

30/6/2015	Balance before allowances and adjustments	Accumulated allowances and adjustments	Balance net of allowances and adjustments
Corporate	18,821,131	(9,136,532)	9,684,599
Mortgages	4,735,913	(1,310,284)	3,425,629
Consumer	3,363,381	(2,249,335)	1,114,046
Total	26,920,425	(12,696,151)	14,224,274

31/12/2014	Balance before allowances and adjustments	Accumulated allowances and adjustments	Balance net of allowances and adjustments
Corporate	17,516,163	(8,380,185)	9,135,978
Mortgages	4,585,295	(1,030,602)	3,554,693
Consumer	3,373,641	(2,131,069)	1,242,572
Total	25,475,099	(11,541,856)	13,933,243

Total liabilities include deposits of customers of the unit "Recovery Business Unit" (RBU) of amount € 403,203 thousand (31/12/2014: € 430,828 thousand).

7 Income tax

	1/1-30/6/2015	1/1-30/6/2014
Current tax	(414)	(6,172)
Deferred tax	346,106	362,132
Provisions for tax differences	-	(1,973)
Total	345,692	353,988

In accordance with the provisions of the enacted Greek Tax Law (L.4172/2013), as amended by Law 4334/2015 (Gazette A'80/16-07-2015) and being in effect today, the income tax rate for legal entities is set at 29% since the fiscal year 2015 and thereon, as for the fiscal year 2014 is set at 26%. Due to the fact that the increase of the current income tax rate to 29% took place later than 30/06/2015, the previous income tax rate of 26% applied for the estimation of tax liabilities and claims in the financial statements in the 2nd quarter of 2015. The change of the income tax rate will affect the results in the 3rd quarter of 2015. Withholding tax for dividends distribution which will be approved from 1/1/2014 and thereon is set at 10%.

The income tax revenue for the 1st semester of 2015 amounts to € 346 million and was mainly affected from the deferred tax relating to the amounts recognized for tax purposes of this period, as well as to the additional provisions for loan impairments recorded to the financial statements according to the International Financial Reporting Standards in relation to the respective amounts recognized for tax purposes.

The Bank has recognized deferred tax based on the best estimations of the Management, as regards the Bank's tax results in the foreseeable future, taking into account the approved restructuring plan.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2010 have been finalized.

For the fiscal years following 2010 the tax audit for the Bank and all Greek Societe Anonyme Companies is conducted by the same statutory auditor that issues the audit opinion on the statutory financial statements, who must issue a "Tax Compliance Report". This report is submitted to the Ministry of Finance, which has subsequently the right to implement tax audits to a sample of companies within a period of eighteen months, from the date when the "Tax Compliance Report" is submitted to the Ministry of Finance.

In accordance with the article 82 par.5 of Law 2238/94, the tax audit of the Bank, conducted by PricewaterhouseCoopers S.A. for the fiscal years of 2011 and 2012, has been completed and a non qualified Tax Compliance Report has been issued. For tax audit purposes the above mentioned fiscal years have been finalized.

The tax audit for the fiscal year 2013 has been completed and a relevant "Tax Compliance Report" has been issued and submitted to the Ministry of Finance. For the fiscal year 2013, Piraeus Bank has received a Tax Compliance report with an emphasis of matters on the applicable provisions of Greek Tax Law regarding the acquisition of assets and liabilities of Greek branches of credit institutions domiciled in other countries members of the European Union, according to which the above mentioned transactions are not subject to tax.

For the fiscal year 2014, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non qualified Tax Compliance Report has been issued.

The Extraordinary General Meeting of the Bank's Shareholders, on December 19th 2014, approved the Bank's opting into the special regime enacted by article 27A of the Law 4172/2013, regarding the voluntary conversion of deferred tax assets arising from temporary differences into final and settled claims against the Greek State and authorized the Board of Directors of the Bank in any case to proceed with all actions required for the implementation of the above mentioned Law provisions. The draft legislation, submitted to the Greek Parliament on October 30th 2015, sets the rules regarding the deferred tax assets of financial institutions, which fall under the clauses of article 27A of law 4172/2013 and can be converted into final and settled claims against the Greek State. Reference is made in note 26 of the consolidated interim financial information.

As at 30/06/2015, deferred tax assets of the Bank meeting the provisions of Law, rise up to € 3.8 billion, of which € 1.3 billion regards the remaining unamortized amount of debit difference from the participation on the Private Sector Involvement program PSI and € 2.5 billion regards on the differences on International Financial Reporting Standards accumulated provisions for loan impairments, and tax provisions respectively.

8 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the profit/ (loss) after tax attributable to ordinary shareholders for the period by the weighted average number of ordinary shares in issue during the period. There is no potential dilution on basic earnings/ (losses) per share.

Basic and diluted earnings/ (losses) per share	1/1-30/6/2015	1/1-30/6/2014	1/4-30/6/2015	1/4-30/6/2014
Profit/ (loss) attributable to ordinary shareholders	(932,454)	(271,782)	(955,859)	(62,758)
Weighted average number of ordinary shares in issue	6,101,979,715	5,590,572,246	6,101,979,715	5,946,071,304
Basic and diluted earnings/ (losses) per share (in €)	(0.1528)	(0.0486)	(0.1566)	(0.0106)

9 Analysis of other comprehensive income

1/1 - 30/6/2015	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve (note 22)	(105,893)	27,533	(78,360)
Amounts that can not be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	8,350	8,350
Other comprehensive income	(105,893)	35,883	(70,010)

1/1 - 30/6/2014	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(58,346)	15,170	(43,176)
Amounts that can not be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income	(58,346)	15,170	(43,176)

10 Financial assets at fair value through profit or loss

	30 June 2015	31 December 2014
Greek government bonds	57,314	110,151
Corporate entities bonds	-	23
Total financial assets at fair value through profit or loss	57,314	110,173

11 Loans and advances to customers

	30 June 2015	31 December 2014
Mortgages	16,392,655	16,493,547
Consumer/ personal and other loans	3,790,461	3,865,998
Credit cards	1,045,744	1,065,755
Loans to individuals	21,228,859	21,425,300
Loans to corporate entities and Public sector	37,255,476	39,310,855
Total loans and advances to customers (before allowances for losses)	58,484,334	60,736,155
Less: Allowance for impairment on loans and advances to customers	(7,742,082)	(6,749,087)
Total loans and advances to customers (net of provisions)	50,742,252	53,987,068

It is noted that the allowance for impairment of loans of the Group of former ATEbank, the Greek banking operations of Cypriot Banks in Greece (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank) Millennium Bank S.A., Geniki Bank S.A. and Panellinia Bank S.A., at their acquisition date by Piraeus Bank, has decreased the gross balance of loans in the table above, as under IFRS 3 it has been included in the adjustment of loans to fair value during the cost allocation process. However, for purposes of credit risk monitoring in accordance with IFRS 7, the aforementioned adjustment is part of the provision.

Movement in allowance (impairment) for loans and advances to customers

	Mortgages	Consumer/ personal and other retail loans	Credit Cards	Total Loans to individuals	Loans to corporate entities and Public sector	Total
Opening balance at 1/1/2014	277,721	624,842	242,219	1,144,782	3,373,376	4,518,158
Charge for the period	127,937	67,452	59,515	254,904	772,542	1,027,446
Loans written-off	(334)	(43,956)	(19,102)	(63,393)	(48,511)	(111,904)
Foreign exchange differences and other movements	(640)	513	(426)	(553)	(57,176)	(57,729)
Balance at 30/6/2014	404,684	648,850	282,206	1,335,741	4,040,231	5,375,972
Opening balance at 1/7/2014	404,684	648,850	282,206	1,335,741	4,040,231	5,375,972
Charge for the period	453,437	151,504	(36,859)	568,081	1,998,278	2,566,359
Loans written-off	(16,622)	(29,946)	(11,322)	(57,891)	(704,099)	(761,989)
Foreign exchange differences and other movements	(65,805)	(51,194)	(7,099)	(124,098)	(307,155)	(431,253)
Balance at 31/12/2014	775,693	719,215	226,925	1,721,833	5,027,255	6,749,087
Opening balance at 1/1/2015	775,693	719,215	226,925	1,721,833	5,027,255	6,749,087
Charge for the period	330,375	106,892	28,075	465,342	1,348,087	1,813,428
Loans written-off	(7,522)	(41,415)	(16,475)	(65,412)	(354,916)	(420,328)
Foreign exchange differences and other movements	(14,733)	(17,944)	(4,876)	(37,554)	(362,552)	(400,106)
Balance at 30/6/2015	1,083,813	766,748	233,648	2,084,209	5,657,873	7,742,081

During the 2nd quarter of 2015, there was deterioration in the macroeconomic environment due to considerable uncertainty regarding the financial conditions in the Greek market, which lead to significant variability. The peak of these developments was reached with the enforcement of capital controls on the 28th of June 2015 and the bank holiday that followed, which confirmed the recessionary prospects of the Greek economy. More specifically, the projections on the growth rate of the Greek economy were revised during the 2nd quarter of the year to a recession of 2.3% and 1.3% for 2015 and 2016 respectively, and a growth rate of 2.7% for 2017.

The projections for employment were revised to 26.9% and 27.1% for 2015 and 2016 respectively and to 25.7% for 2017. Furthermore, during the 2nd quarter of the year, the declining trend in the real estate market for 2015 was confirmed and it is expected to reach 5.8% and 3.7% for housing and commercial property respectively. In 2016, a declining trend is expected at 2.4% and 0.3%, while recovery is expected in 2017 reaching 1.6% and 2.7% for housing and commercial property respectively.

The macroeconomic projections for GDP, for the employment and the real estate market constitute variables of the models for the calculation of the collective provisions of the Bank, thus affecting the amounts calculated. They also indirectly affect the amount of the individual provisions, given that the estimated future cash flows from servicing the loans are affected by these factors (for example, negative changes in GDP or the real estate market are considered when estimating the future operating cash flows of borrowers and the value of the respective real estate collaterals, resulting in the decrease of the estimated recoverable amount of the loan and the increase in the expected impairment loss).

The management of the Bank, after considering the above mentioned information and factors that emerged during the 2nd quarter of 2015, proceeded with the revision of certain estimates regarding the determination of the future cash flows of the Bank's loan portfolio, in order to better reflect current market conditions and the macroeconomic environment.

The changes in the mentioned estimates significantly affected the outcome of the models for the calculation of the individual and collective provisions of the Bank (increase in the impairment provisions for the 2nd quarter 2015 by approximately € 1.4 billion compared to the previous quarter).

12 Available for sale securities

	30 June 2015	31 December 2014
Greek Government bonds	221,347	310,799
Foreign Government bonds	18,918	5,792
Corporate entities bonds	521	782
Bank bonds	5,321	228
Greek Government treasury bills	1,800,362	1,457,146
Total bonds and other fixed income securities (A)	2,046,469	1,774,747
Listed shares	58,355	50,082
Unlisted shares	156,143	158,027
Mutual funds	72,241	46,838
Other variable income securities	15,543	30,223
Total shares and other variable income securities (B)	302,282	285,170
Total available for sale securities (A) + (B)	2,348,752	2,059,917

13 Debt securities - receivables

	30 June 2015	31 December 2014
Corporate entities debt securities - receivables	5,362	5,152
Bank debt securities - receivables	23,846	23,846
EFSF bonds debt securities - receivables	14,255,693	14,268,783
Total debt securities - receivables	14,284,901	14,297,780
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
Total debt securities - receivables (less allowances for losses)	14,261,056	14,273,935

14 Assets held for sale

During the 2nd quarter of 2015, Piraeus Bank Egypt S.A.E. has been transferred from the subsidiaries' portfolio to "Assets held for sale" as the classification criteria of IFRS 5 are met. On 21 May 2015, Piraeus Bank announced that it has entered into a definitive agreement with Al Ahli Bank of Kuwait K.S.C.P. to dispose its stake (98.5%) in Piraeus Bank Egypt S.A.E., its Egyptian subsidiary, for the amount of \$150 million. The finalization of the agreement is subject to the approval of the Egyptian Organization GAFI (General Authority For Investment) and is expected within November 2015.

15 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiary companies

s/n	Name of Company	Activity	% holding	Country
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.49%	Egypt
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus
8.	Piraeus Leases S.A.	Finance leases	100.00%	Greece
9.	Piraeus Leasing Romania S.R.L.	Finance leases	99.85%	Romania
10.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece
11.	Tirana Leasing S.A.	Finance leases	100.00%	Albania
12.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece
13.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom
14.	Piraeus Leasing Bulgaria EAD	Finance leases	94.83%	Bulgaria
15.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom
16.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece
17.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece
18.	Picar S.A.	City Link areas management	100.00%	Greece
19.	Bulfina S.A.	Property management	100.00%	Bulgaria
20.	General Construction and Development Co. S.A.	Property development/ holding company	66.66%	Greece
21.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece
22.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece
23.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
24.	ND Development S.A.	Property management	100.00%	Greece
25.	Property Horizon S.A.	Property management	100.00%	Greece
26.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece
27.	Piraeus Development S.A.	Property management	100.00%	Greece
28.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece
29.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom

s/n	Name of Company	Activity	% holding	Country
30.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.85%	Cyprus
31.	Lakkos Mikelli Real Estate LTD	Property management	40.00%	Cyprus
32.	Philoktimatiki Public LTD	Land and property development	6.39%	Cyprus
33.	IMITHEA S.A.	Organization, operation and management of hospital units	100.00%	Greece
34.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece
35.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia
36.	Vitria Investments S.A.	Investment company	100.00%	Panama
37.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
38.	Piraeus Insurance - Reinsurance Broker Romania S.R.L.	Insurance and reinsurance Brokerage	95.00%	Romania
39.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases - rent-a-car and long term rental of vehicles	94.00%	Greece
40.	Piraeus Rent Doo Beograd	Operating leases	100.00%	Serbia
41.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom
42.	Piraeus Leasing Doo Beograd	Financial leasing	51.00%	Serbia
43.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece
44.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	83.52%	Greece
45.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
46.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
47.	Piraeus Insurance Agency S.A.	Insurance agency	95.00%	Greece
48.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom
49.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
50.	Axia III APC LTD	SPE for securitization of corporate loans	-	United Kingdom
51.	Praxis II APC LTD	SPE for securitization of consumer loans	-	United Kingdom
52.	R.E. Anodus LTD	Consultancy services for real estate development and investments	100.00%	Cyprus
53.	Piraeus Equity Partners Ltd	Holding company	100.00%	Cyprus
54.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece
55.	Kosmopolis A' Shopping Centers S.A.	Shopping Center's Management	100.00%	Greece
56.	Pleiades Estate S.A.	Property management	15.98%	Greece
57.	Piraeus Real Estate Egypt LLC	Property management	99.90%	Egypt
58.	ATE Insurance S.A.	Insurance	100.00%	Greece
59.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	100.00%	Greece
60.	Piraeus Asset Management Europe S.A.	Mutual funds management	99.94%	Luxemburg
61.	R.E. Anodus Two Ltd	Holding and Investment Company	99.09%	Cyprus

s/n	Name of Company	Activity	% holding	Country
62.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece
63.	Kion Mortgage Finance Plc	SPE for securitization of mortgage loans	-	United Kingdom
64.	Kion Mortgage Finance No.3 Plc	SPE for securitization of mortgage loans	-	United Kingdom
65.	Kion CLO Finance No.1 Plc	SPE for securitization of mortgage loans	-	United Kingdom
66.	Tellurion Ltd	Holding company	100.00%	Cyprus
67.	Trastor Real Estate Investment Company	Real estate investment company	91.13%	Greece
68.	Special Business Services S.A. (former Geniki Special Business Services S.A.)	Advising, consultancy, organizational and training services	100.00%	Greece
69.	Geniki Financial & Consulting Services S.A.	Financial & Consulting Services	100.00%	Greece
70.	Special Financial Solutions S.A. (former Geniki Insurance Agency S.A.)	Advising, consultancy, organizational and training services	80.00%	Greece
71.	Geniki Information S.A.	Assessment and collection of commercial debts	100.00%	Greece
72.	Marathon 1 Greenvale Rd LLC	Real estate development	99.95%	U.S.A.
73.	Holding Spectacles S.A.	Holding company	100.00%	Greece
74.	Piraeus ACT Services S.A.	Accounting and tax consulting	100.00%	Greece
75.	Cyprus Leasing S.A.	Finance leases	100.00%	Greece

Companies numbered 29, 41, 45, 46, 48-51 and 63-65 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 31, 32 and 56 are included in the Bank's subsidiaries' portfolio due to the existence of control in Group level. In addition, the companies numbered 16, 35, 36, 64, 65 and 73 are under liquidation as at 30/6/2015. Companies numbered 5 and 58 have been classified in line "Assets held for sale" as the classification criteria IFRS 5 are met. The financial figures and results of the companies numbered 64, 65 and 75 are included in the Financial Statements of the Piraeus Bank.

B) Associate companies

s/n	Name of Company	Activity	% holding	Country
1.	Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece
2.	"Evros" Development Company S.A.	European community programs management	30.00%	Greece
3.	Project on Line S.A.	Information technology & software	40.00%	Greece
4.	APE Commercial Property Real Estate Tourist & Development S.A.	Holding Company	27.80%	Greece
5.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece
6.	Trieris Real Estate LTD	Property Management	22.94%	British Virgin Islands
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	28.65%	Greece
8.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece
9.	Sciens International Investments & Holding S.A.	Holding Company	28.10%	Greece

s/n	Name of Company	Activity	% holding	Country
10.	Euroterra S.A.	Property Management	39.22%	Greece
11.	Rebikat S.A.	Property Management	40.00%	Greece
12.	Abies S.A.	Property Management	40.00%	Greece
13.	Exodus S.A. (former Exus S.A.)	Information technology & software	49.90%	Greece
14.	Piraeus - TANEQ Capital Fund	Close end Venture capital fund	50.01%	Greece
15.	Teiresias S.A.	Interbanking company. Development, operation and management of information systems	23.53%	Greece
16.	Pyrrichos S.A.	Property management	50.77%	Greece
17.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	39.61%	Greece
18.	Euroak S.A. Real Estate	Real Estate Investment	32.81%	Greece
19.	Olganos Real Estate S.A.	Property management/Electricity Production from Hydropower Stations	32.27%	Greece
20.	Exus Software Ltd.	IT products Retailer	49.90%	United Kingdom
21.	Marfin Investment Group Holdings S.A.	Holding Company	28.50%	Greece
22.	Selonda Aquaculture S.A.	Fish farming	33.85%	Greece

The company numbered 14 is included in the associate companies' portfolio, due to the fact that Piraeus Bank exercises significant influence on the investment committee of the fund, which makes the investment decisions.

The company numbered 16 is included in the associate companies' portfolio since the Bank has significant influence and not control.

16 Due to credit institutions

"Due to credit institutions" as at 30/6/2015, includes refinancing operations through repo transactions within the euros system amounting to € 37.3 billion (31/12/2014: € 14.1 billion). The increase in the refinancing raised during the 1st semester of 2015, is mainly due to the reduction of domestic deposits due to economic uncertainty, the minimized access to international repo markets, as well as due to the liquidity raised from the emergency liquidity assistance (ELA) mechanism, following ECB's decision to suspend the acceptance of securities issued or guaranteed by the Greek government for main refinancing operations.

17 Due to customers

	30 June 2015	31 December 2014
Corporate		
Current and sight deposits	4,433,132	6,161,212
Term deposits	1,924,660	4,980,518
Blocked deposits, guarantee deposits and other accounts	169,845	101,221
Repurchase agreements	-	1,476
Total (A)	6,527,637	11,244,427
Retail		
Current and sight deposits	2,064,700	2,402,931
Savings account	12,234,534	12,897,426
Term deposits	15,046,769	23,599,427
Blocked deposits, guarantee deposits and other accounts	7,223	8,688
Total (B)	29,353,227	38,908,471
Cheques payable and remittances (C)	75,739	87,446
Total Due to Customers (A)+(B)+(C)	35,956,603	50,240,344

The decrease in “Due to customers” in the 1st semester of 2015 is due to the instability of the Greek market and the economy as well as the uncertainty created during this period, leading to a significant reduction of the Bank’s deposits in Greece, in alignment with the Greek market.

18 Debt securities in issue

	30 June 2015	31 December 2014
Euro Medium Term Note		
€ 60 million floating rate notes due 2015	60,000	60,000
€ 500 million fixed rate notes due 2017	364,215	447,805
Accrued interest and other expenses	5,268	17,928
Total (A)	429,483	525,733
Securitisation of mortgage loans		
€ 750 million floating rate notes due 2040	27,242	46,600
€ 1,250 million floating rate notes due 2054	57,829	59,916
€ 600 million floating rate notes due 2051	22,660	29,092
Total (B)	107,731	135,607
Total debt securities in issue (A)+(B)	537,215	661,341

It should be noted that, apart from the debt securities in the table above, as of 30/06/2015 liabilities arising from securitisations of loans are retained by Piraeus Bank. These issues are the first and third securitisation of corporate loans in the amount of € 1,750 million and € 2,352 million respectively as well as the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively.

As of 30/06/2015, a total of € 2,000 million Covered Bonds, issued by Piraeus Bank, are retained by Piraeus Bank. These covered bonds are € 1,250 million of Series 1, due February 2017, and € 750 million of Series 2, due December 2016, issued under Piraeus Bank's Global Covered Bond Programme. On 03/07/2015, Piraeus Bank proceeded to the partial cancellation of € 1,245 million from Series 1 and € 745 million from Series 2, and the total outstanding Covered Bonds are € 5 million per Series.

Issuance under the Euro Medium Term Note program is undertaken either directly through Piraeus Bank or through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank bearing the guarantee of Piraeus Bank.

In April 2015, Piraeus Bank issued a € 4,500 million senior bond and a € 1,750 million senior bond, both due July 2015, with the unconditional and irrevocable guarantee of the Hellenic Republic, under Art. 2 of Law 3723/2008, through Piraeus Bank's EMTN programme. In April, a senior bond of € 3,100 million, issued by Piraeus Bank in January 2015 with the unconditional and irrevocable guarantee of the Hellenic Republic (art. 2 of Law 3723/2008) and retained by Piraeus Bank, matured and was not renewed. In May, Piraeus Bank issued a € 3,100 million senior bond, due August 2015. All the bonds mentioned above pay a floating rate coupon of 3M Euribor plus 600 bps and are retained by Piraeus Bank.

As at 30/06/2015, face value of € 134.8 million of the € 500 million fixed coupon, senior unsecured notes due 2017 were retained by Piraeus Bank.

Piraeus Bank, during the period 01/04/2015 – 30/06/2015, proceeded to the buy back of bonds of securitised loans of total amount after amortization of € 9.2 million.

From the above mentioned securitisation of mortgage loans issues, Piraeus Bank possesses as at 30/6/2015 bonds of nominal value amounting € 113.7 million from the issuance of € 750 million, € 653.6 million from the issuance of € 1,250 million and € 48.3 million from the issuance of € 600 million.

On October 15, 2015, the Bank invited the holders of the € 500 million 5% Notes of Piraeus Group Finance PLC due March 2017 to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank (note 26).

19 Hybrid capital and other borrowed funds

	30 June 2015	31 December 2014
Hybrid Capital (Tier I)		
€ 200 million floating rate notes due 2034	16,249	16,373
	16,249	16,373
Subordinated debt (Tier II)		
€ 336 million floating rate notes due 2016	210,324	215,132
Accrued interest and other expenses	813	876
	211,137	216,008
Total hybrid capital and other borrowed funds	227,386	232,381

The Bank is not in default of any payments of principal and interest of the subordinated debt. In the 3rd quarter of 2012, it has been decided that the interest return on hybrid capital will not be paid, taking into account the special terms and conditions that rule out the related payments. Since October 2014 the margin increased to 2.25% from 1.25% (step up).

Piraeus Bank, during the period 01/04/2015 – 30/06/2015, proceeded to the buy back of hybrid securities and subordinated securities of total amount € 1.4 million.

The nominal value of € 400 million relating to the issuance of the subordinated debt (Tier II) has been reduced by € 63.8 million, concerning the nominal value of the debt repurchased and cancelled by the Bank during 2012, under the Proposal that was made to the owner of the aforementioned debt.

On October 15, 2015, the Bank invited the holders of hybrid capital and other borrowed funds to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank (note 26).

20 Contingent liabilities and commitments

A) Legal procedures

It is noted that the Bank as at 30/6/2015 has raised a provision for outstanding litigations of amount € 13 million against € 11.2 million at 31/12/2014. The legal proceedings outstanding against the Bank as at 30/6/2015, for which no provisions were recorded, are not expected to have any significant impact on the financial statements of the Bank.

B) Credit commitments

As at 30/6/2015 the Bank had the following capital commitments:

	30 June 2015	31 December 2014
Letters of guarantee	3,046,664	3,123,380
Letters of credit	43,298	30,861
Commitments to extent credit	1,322,647	1,443,145
	4,412,609	4,597,386

C) Assets pledged

	30 June 2015	31 December 2014
Cash and balances with Central Bank	1,324,406	1,028,484
Financial instruments at fair value through profit or loss	18,996	74,330
Investment securities	1,047,375	1,081,727
Loans and advances to customers	22,048,610	4,046,740
Debt securities - receivables	14,255,693	5,738,198
	38,695,081	11,969,479

The above mentioned assets pledged are mainly used for liquidity purposes. Apart from the aforementioned assets, the Bank also pledges debt securities of own issue amounting to € 17,134 million as at 30/6/2015 (31/12/2014: € 6,284 million) and are not included in the Bank's assets. The amount of € 17,134 million includes securities of amount € 9,460 million, that had been issued with the unconditional and irrecoverable guarantee of the Hellenic Republic, securities of amount € 5,673 million issued under the securitization of consumer, mortgage and corporate loans of the Bank and securities of amount € 2,001 million from the issuance of covered bonds of the Bank.

It is also noted that the "Loans and advances to customers" include loans of € 2,932 million (31/12/2014: € 2,998 million) which have been pledged under Law 3723 / 2008 for liquidity purposes and loans amounting to € 17,962 million, which have been pledged under financing from the E.L.A..

D) Operating lease commitments

The future minimum lease payments, under non-cancellable operating leases, are analysed as follows:

	30 June 2015	31 December 2014
Up to 1 year	57,540	65,673
From 1 to 5 years	234,730	267,155
More than 5 years	433,093	496,204
	725,363	829,032

21 Share capital

	Share Capital	Share premium	Total
Opening balance at 1 January 2014	2,271,770	10,008,734	12,280,505
Increase of share capital	308,824	1,384,581	1,693,404
Repurchase of preferred shares	(750,000)	-	(750,000)
Balance at 31 December 2014	1,830,594	11,393,315	13,223,910
Balance at 30 June 2015	1,830,594	11,393,315	13,223,910

Changes to the number of Bank's shares are analysed in the table below:

	Number of shares
Opening balance at 1 January 2014	6,416,802,751
Increase of share capital	1,029,411,764
Repurchase of preferred shares	(1,344,234,800)
Balance at 31 December 2014	6,101,979,715
Balance at 30 June 2015	6,101,979,715

Following the share capital increase and the redemption of preference shares that took place in 2014, the share capital of the Bank on 31/12/2014 and 30/6/2015 amounted to € 1,830,593,914.50 divided into 6,101,979,715 ordinary registered shares with a nominal value of € 0.30 each. The amendment to the articles of association of the Bank, related to the cancellation of the preference shares of the Hellenic Republic, has been resolved by the Bank's Extraordinary General Meeting of Shareholders dated 30/10/2014 and it is subject to the approval by the supervising authority.

On January 7, 2015, the Bank announced that, after the settlement of warrant exercise orders, 3,568 warrants in total were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF). Exercised warrants correspond to 15,969 ordinary shares, i.e. to 0.00026% of the outstanding number of ordinary shares, with the total amount paid by the warrant holders to the HFSF amounting to € 28,911.87. Following the abovementioned exercise of warrants (3rd in row), as well as the 4th exercise on 2 July 2015 in which no warrants were exercised, the HFSF percentage of Bank's total share capital stood at 66.93%.

The Annual Ordinary General Meeting of Shareholders, held on 29/6/2015, decided not to distribute dividend for the fiscal year 2014, according to the established provisions of article 10 of Law 3864/2010 combined with article 1 par. 3 of Law 3723/2008, as in force for the credit institutions participating in the Economy reinforcement plan.

According to article 28, Law 3756/2009 (Gov. Gazette A' 53/31.3.2009) the acquisition of treasury shares is not permitted for so long as the Bank participates in the reinforcement programmes, provided by the Law 3723/2008 (Gov. Gazette A' 250/9.12.2008). Furthermore, pursuant to par. 1, art. 16C of law 3864/2010 the acquisition of treasury shares by the Bank is not permitted for so long as the HFSF is a shareholder of the Bank.

22 Other reserves and retained earnings

	30 June 2015	31 December 2014
Legal reserve	69,442	69,442
Available for sale reserve	(123,136)	(44,777)
Reserve of defined benefit obligations	(23,764)	(32,114)
Total other reserves	(77,459)	(7,449)

The movement in the available for sale reserve for the period is as follows:

	30 June 2015	31 December 2014
Available for sale reserve movement		
Opening balance for the period	(44,777)	108,039
Opening balance of acquired banking activities	-	798
Gains/ (losses) from the valuation of bonds and Greek government treasury bills	(112,176)	(95,331)
Gains/ (losses) from the valuation of shares and mutual funds	7,382	(74,568)
Recycling to income statement of shares and mutual funds impairment	-	34,772
Recycling of the accumulated fair value adjustment of disposed securities	(1,099)	(72,179)
Deferred income taxes	27,533	53,692
Closing balance for the period	(123,136)	(44,777)

Retained earnings movement	30 June 2015	31 December 2014
Opening balance for the period	(5,829,593)	(4,195,148)
Profit/ (loss) after tax	(932,454)	(2,065,200)
Absorbion of company	-	430,755
Closing balance for the period	(6,762,047)	(5,829,593)

23 Related parties transactions

Related parties include: a) Members of the Bank Board of Directors and key management personnel of the Bank, b) Close family and financially dependants (husbands, wives, children etc) of the Board of Directors members and key management personnel, c) Companies having transactions with Piraeus Bank, if the total cumulative participating interest (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds cumulatively 20%, d) Bank's subsidiaries, e) Bank's associates and f) HFSF, which in accordance with IAS 24 is related party of Piraeus Bank, after the recapitalization in the context of the law 3864/2010. It is noted that related parties do not include companies with which HFSF is potentially considered as a related party.

The transactions with the above related parties are under the usual market terms. More specifically loans and letters of guarantee issued to related parties represent an insignificant part of total loans and letters of guarantee issued by the Bank, respectively. Loans and letters of guarantee have been issued to related parties in the normal course of business, within the approved credit policies and Bank procedures, adequately collateralized and the risk of their repayment is within the normal course of the market conditions.

Transactions with the Board of Directors members and the key management personnel, the close family and the financially dependants, the related with them companies and the HFSF are the following:

Board of Directors members and key management personnel	30 June 2015	31 December 2014
Loans	74,375	101,100
Deposits	11,048	23,720

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/6/2015 are € 3.5 million (31/12/2014: € 3.4 million). The total income that relates to members of the Board of Directors and the key management personnel for the period 1/1-30/6/2015 is € 1.1 million (1/1-30/6/2014: € 1.8 million). The total expense that relates to the prementioned related parties for the period 1/1-30/6/2015 is € 0.7 million (1/1-30/6/2014: € 0.2 million).

Members of the Board of Directors and key management personnel remuneration	1/1 - 30/6/2015	1/1 - 30/6/2014
Wages, salaries, employer's share of social contributions and charges	3,584	4,061
Provisions for compensation and retirement programs	543	472

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel amount to € 30.5 million, from € 29.7 million as at 31/12/2014. The full amount of the above provisions has been included in the retirement benefit obligations.

Bank's balances from transactions with subsidiaries, associates and the relevant results are as follows:

I. Subsidiaries

	30 June 2015	31 December 2014
Assets		
Cash and balances with Central Bank	19,388	16,844
Loans and advances to credit institutions	778,577	806,975
Loans and advances to customers	2,072,927	2,092,153
Other assets	323,392	316,671
Total	3,194,283	3,232,644
Liabilities		
Due to credit institutions	17,456	1,051,396
Due to customers	744,771	842,169
Debt securities in issue	590,558	731,367
Hybrid capital and other borrowed funds	227,386	232,381
Other liabilities	10,432	11,871
Total	1,590,602	2,869,184

	1/1 - 30/6/2015	1/1 - 30/6/2014
Revenues		
Interest and similar income	32,385	38,026
Fee and commission income	4,548	5,997
Other income	452	941
Total	37,385	44,964
Expenses		
Interest expense and similar charges	(34,890)	(56,253)
Fee and commission expense	(10,116)	(2,035)
Operating expenses	(21,700)	(17,867)
Total	(66,706)	(76,156)

Letters of guarantee and letters of credit to subsidiaries of the Group as at 30/6/2015 amount to € 160.4 million (31/12/2014: 181.9 million).

II. Associates

	30 June 2015	31 December 2014
Deposits and other liabilities	68,062	124,661
Loans and other receivables	1,022,659	908,522

The increase in the balance of loans and other receivables as at 30/6/2015 versus 31/12/2014 is mainly due to the classification of "Selonda Aquaculture S.A." in the portfolio of associate companies. The aggregate provisions on loans to associate companies amount to € 63.2 million, from € 47.1 million as at 31/12/2014.

	1/1 - 30/6/2015	1/1 - 30/6/2014
Total expense and capital expenditure	(5,467)	(5,579)
Total income	24,312	4,179

The increase in total revenues for the 1st semester of 2015 compared to the respective quarter last year, is mainly due to loan interest income of the Group of MIG, which has been classified in the portfolio of associates in December 2014.

Letters of guarantee to associates of the Group as at 30/6/2015 amount to € 15.2 million (31/12/2014: € 13.9 million).

24 Capital adequacy

Capital adequacy ratios are calculated based on the new regulatory framework CRD IV (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU and Regulation (EU) No. 575/2013.

	30 June 2015	31 December 2014
Common Equity Tier 1 Capital (CET1)	5,937,158	7,049,559
Tier 2 Capital (T2)	36,949	75,603
Total Capital (TC)	5,974,107	7,125,162
Total risk weighted assets (on and off-balance sheet items)	52,127,108	51,105,375
Common Equity Tier 1 ratio	11.4%	13.8%
Tier 1 ratio	11.4%	13.8%
Total Capital ratio	11.5%	13.9%

The determination of capital for 30/06/2015, as referred to in the above table, takes into account the voluntary conversion of deferred tax assets arising from temporary differences into directly enforceable claims against the Greek State, as provided by Article 27A of Greek Law 4172/2013.

25 Acquisition of assets and liabilities of former Panellinia Bank S.A.

On 17/4/2015, Piraeus Bank acquired the "healthy" segments of the assets and liabilities of former Panellinia Bank S.A. for a consideration of € 17.1 million. The fair values of the acquired assets and liabilities are provisional and as a result the initial accounting of the acquisition is incomplete (provisional accounting). Following the completion of the valuation, within the required period (measurement period) according to the requirements of IFRS 3, that is within one year from the acquisition date, the values of the acquired assets and liabilities will be adjusted retrospectively from the acquisition date, according to the requirements of IFRS 3.

The provisional fair values of the assets and liabilities acquired from former Panellinia Bank S.A., are as follows:

	Former Panellinia Bank S.A.
Assets	
Cash and balances with Central Banks	1,594
Loans and advances to credit institutions	1,697
Loans and advances to customers (net of provisions)	195,304
Available for sale securities	347
Property, plant and equipment	2,052
Other assets	34,135
Funding gap	360,610
Total Assets	595,739
Liabilities	
Due to credit institutions	89,306
Due to customers	504,288
Other liabilities	2,146
Total liabilities	595,739
Shareholders equity	-
Total liabilities and shareholders equity	595,739
Cost of acquisition	17,100
Percentage of net assets acquired	100%
Goodwill on acquisition	17,100

26 Events subsequent to the end of the interim period

- Due to the significant deposits outflows during the 1st half of 2015, as well as for the protection of the Greek banking system, the Greek government issued on June 28, 2015 a Legislative Act declaring the period from June 28, 2015 to July 6, 2015 as a bank holiday for all credit institutions operating in Greece, later extended until July 17, 2015. In addition, capital controls and restrictions on cash withdrawals were imposed during the bank holiday. Banks reopened on Monday, July 20th. The Hellenic Capital Market Commission (HCMC) decided the Athens Exchange to remain closed during the whole period of the bank holiday, a period extended to July 31st, 2015. On August 3, 2015, the BoD of the HCMC decided to reopen the Athens Exchange. At present, restrictions on cash withdrawals and the transfer of funds are still imposed according to the Legislative Act of July 18, 2015, as amended and supplemented from later issued Legislative Acts.

- Due to the uncertainty, deposit outflows from the Greek market during the 1st half of 2015 amounted to € 46.3 billion. (-24.8%). Following the imposition of capital controls, deposits outflows were reduced significantly and finally deposits balances exhibited stabilization and a trend of slight increase (July-September data, Bank of Greece). A similar trend was observed during the same period on Piraeus Bank deposits in Greece. It should also be noted that during the third quarter of 2015, a significant reduction of the deposit cost was observed, mainly coming from time deposits. In addition, during the period July – September 2015 Eurosystem funding of the Greek banking system decreased (-€5.2 bn), while during the same period the funding of Piraeus Bank from the Eurosystem was also slightly reduced, easing to €35.8 at the end of September (out of which €21.2 bn ELA) vs. €37.3bn at end-June 2015.
- On July 19, 2015, Piraeus Bank completed the integration of former Panellinia Bank's network systems into the Group's unified IT environment.
- On the 23rd of July 2015, the "Bank Recovery and Resolution Directive" (BRRD) of the European Union (2014/59/EU) was incorporated in the Greek Law (Law 4335/2015). This law was enacted in light of the negotiations for a new financial support program with the participation of the European Stability Mechanism. The BRRD constitutes part of the Single Rulebook applied in the market of financial services of the European Union and establishes a uniform framework for the recovery of financial institutions through bail-in. The articles of Law 4335/2015 regarding the bail-in exercise of depositors will become enforceable on the 1st of January 2016.
- The enactment of law 4335/2015 as at 23rd of July 2015, brought about changes in the operation of the Hellenic Deposit and Investment Guarantee Fund (HDIGF), the most important of which relate to the functioning of the Resolution Scheme as the national financing arrangement for the application of resolution tools to credit institutions, the involvement of the Deposit Cover Scheme (DCS) of HDIGF in the financing of resolution measures and the transfer of the Resolution Scheme assets and liabilities to a new Account (Account for the Settlement of Past Years' Resolution Measures).

Loans that have been granted for the financing of resolution measures for credit institutions are included in the aforementioned liabilities which are transferred to the new Account. The Bank estimates that credit institutions participating in the HDIGF will continue to recognize regular contributions regarding this account, the amount of which will be determined each time by the BoD of the HDIGF. The framework for determining these contributions, as well as the other conditions concerning the operation and settlement of the new Account will be determined in the coming period, with the integration of Directive 49 EU into Greek legislation.

It is noted that the specific provision of law 4335/2015 concerning the creation of the "Account for the Settlement of Past Years' Resolution Measures", is repealed by the legislation for the recapitalization of the Banks, that will be voted by the Greek Parliament.

- On September 30, 2015, the Bank returned Pillar III special bonds (L.3273/2008) to the Greek State of a total nominal value of € 2.24 billion maturing on April 22, 2016. These special bonds were given to the Bank against the concession to the State of credit claims as a collateral, under a lending agreement between the two counterparties. As a result, the pledge of loans with nominal value of approximately € 3 billion was lifted, thus becoming available collaterals for raising liquidity through the ELA mechanism.
- On October 15, 2015, the Bank invited the holders of the outstanding € 200 million Series A Floating Rate Non-cumulative Guaranteed Non-voting Preferred Securities of Piraeus Group Capital Limited, the € 400 million Subordinated Callable Step-up Floating Rate Notes of Piraeus Group Finance PLC due 2016 and the € 500 million 5% Notes of Piraeus Group Finance PLC due March 2017 to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank. The offers were made to strengthen the Bank's capital base, which has been impacted by the impaired macro-economic conditions recently experienced in the Hellenic Republic that are affecting all Greek financial institutions. In addition, the exchange offers in relation to the 2016 securities and the perpetual securities reflect the fact that, if State aid is required to meet any part of the additional capital requirements imposed as a result of the Comprehensive Assessment conducted by the Single Supervisory Mechanism (SSM) or otherwise, burden-sharing will need to be achieved to the maximum extent possible through contributions by holders of equity, hybrid capital and subordinated debt of the Bank. The process is expected to be finalized on or about November 4, 2015 (announcement: <http://www.piraeusbankgroup.com/en/press-office/press-release/2015/10/announcement>).
- Piraeus Bank took notice of the announcement of European Central Bank on October 31, 2015 regarding the results of the Comprehensive Assessment exercise conducted for the four Greek systemic banks. The exercise was carried out on provisional balance sheet figures as of June 30, 2015 and consisted of (i) an Asset Quality Review ("AQR"), constituting a review of the carrying values of the Bank's Greek loan portfolios, and (ii) a stress test under a "baseline" and an "adverse" scenario. The results imply, on a consolidated basis, a capital shortfall for the Bank (before any mitigating actions) of the maximum of:
 - I. € 2,213 million under the "baseline" scenario, after considering the results of the AQR and the stress test.
 - II. € 4,933 million under the "adverse" scenario, after considering the results of the AQR and the stress test.

	bps of CET1%	EUR mn
(a) AQR (9.5% threshold)	402	2,188
(b) Stress test "baseline" scenario (9.5% threshold)	432	2,213
(c) Stress test "adverse" scenario (8.0% threshold)	1,035	4,933
Aggregate shortfall [max of (a),(b),(c)]	1,035	4,933

The above capital shortfall does not take into account any mitigating actions that will be included in the Capital Plan of the Bank, to be formally submitted to the ECB by 6 November 2015. The Bank is in constructive dialogue with the ECB in relation to the aforementioned actions and its Capital Plan describing in detail the measures it will undertake. Piraeus Bank is capable to proceed with all steps required to cover the arising capital needs.

- On October 30th 2015 the draft legislation setting the rules for recapitalization of the financial institutions in Greece and updating or introducing new regulations regarding the role of the Financial Stability Fund was submitted to the Greek Parliament.

Other clauses of the same legislation regulate issues regarding the deferred tax assets of financial institutions, which fall under the clauses of article 27A of law 4172/2013 and can be converted into final and settled claims against the Greek State. These clauses refer to the following:

- The restriction of the amount of deferred tax assets to the amount that relates to provisions for bad debts, which have been reported in the financial statements of the credit institution until 30 June 2015.
- The deferral by one year of the application of the clause for the conversion of deferred tax assets and as such, the activation of the relevant clauses for accounting losses that will occur from 1.1.2016 and onwards.

The discussion of the draft legislation in the Parliament and its subsequent voting is in process.

Athens, October 31st, 2015

CHAIRMAN
OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR
& C.E.O.

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OFFICER

DEPUTY
CHIEF FINANCIAL OFFICER

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GEORGE I. POULOPOULOS

KONSTANTINOS S. PASCHALIS



PIRAEUS BANK S.A.

General commercial registry number 225501000 (Former Companies registration number 6065/06/B/86/04) Head Office: 4, Amerikis st., 105 64, Athens, Greece

FINANCIAL STATEMENTS INFORMATION FOR THE PERIOD from 1st January 2015 to 30th June 2015 (according to the Rule 4/507/28.04.2009 of the Capital Market Commission)

The figures presented below, derive from the interim condensed financial information and aim to a general information about the financial position and results of Piraeus Bank S.A. and Piraeus Bank Group. We therefore recommend the reader, prior to making any investment decision or other transaction concerning the Bank, to visit the Bank's web site, where the set of interim condensed financial information is posted, as well as the auditor's report when necessary.

COMPANY'S PROFILE

Company's web site: www.piraeusbankgroup.com
Date of approval by the Board of Directors of the interim condensed financial information for the period ended as at June 30th, 2015: October 31st, 2015
The certified auditor: Dimitrios A. Sourbis
Auditing company: Pricewaterhousecoopers S.A.
Type of review report: Non qualified-Emphasis of matter
Emphasis of matter: Without modifying our conclusion we draw attention to the disclosures made in note 3 to the consolidated interim condensed financial information, which refer to, the current economic conditions in Greece, the effects of the increased provisions for credit risk on the Group's regulatory capital, the planned actions to restore the capital adequacy of the Group, as well as the material uncertainties regarding the macroeconomic environment, the developments in fiscal aggregates and the framework and process with respect to the recapitalization of the Greek banks. These material uncertainties may cast significant doubt on the Group's ability to continue as a going concern.

Notes:

- 1) The accounting policies, adopted by the Group according to the International Financial Reporting Standards (IFRS), have been applied in consistency with those in the annual financial statements of the year 2014. Relevant disclosures is note 2 of the Stand alone and the Consolidated Interim Condensed Financial Information.
2) Property, plant and equipment are free of material liens or encumbrances.
3) Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2010 have been finalized. The unaudited tax years of Group subsidiaries are included in note 15 of the Consolidated Interim Condensed Financial Information. In accordance with the article 82 par. 5 of Law 2238/94, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. for the fiscal years of 2011 and 2012 has been completed and a non qualified Tax Compliance Report has been issued. The tax audit for the fiscal year 2013 has been completed and a relevant 'Tax Compliance Report' has been issued and submitted to the Ministry of Finance, with an emphasis of matters though. For the fiscal year of 2014, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non qualified Tax Compliance Report has been issued. Further information is provided in notes 7 and 8 of the Bank's and the Consolidated Interim Condensed Financial Information respectively.
4) The Bank's provisions for outstanding litigations amount to € 13.0 million, whereas the Group's provision amounts to € 15.6 million from continuing operations and € 5.9 million from discontinued operations. The provision raised for the tax differences that may arise during the finalization of the tax audit, which is included in the current tax liabilities, amounts for the Bank to € 0.1 million and for the Group to € 3.4 million from continuing operations and € 2.9 million from discontinued operations. Other provisions amount for the Bank to € 16.0 million and for the Group to € 30.9 million for the continuing operations and € 464.2 million for the discontinued operations, relating mostly to insurance provisions.
5) The companies which have been consolidated as at 30/6/2015, apart from the parent company Piraeus Bank S.A., are included in note 15 of the Consolidated Interim Condensed Financial Information. Note 15 includes information about the country of incorporation, the percentage of holding by the Group, as well as the applied consolidation method. The direct shareholding percentages by the Bank are included in note 15 of the Bank's Interim Condensed Financial Information.
6) The following companies that are consolidated under the full method of consolidation as at 30/6/2015, had not been included in the consolidation as at 30/6/2014: a) 'Prism Business Consultancy SRL', b) 'Marathon 1 Greenvale Rd LLC', c) 'Celo Consultancy Sh.p.k.', d) 'Edificio Enterprise Sh.p.k.', e) 'Terra Projects Sh.p.k.', f) 'Holding Spectacles S.A.', g) 'ETVA Fund Management S.A.', h) 'ETVA Development S.A.', i) 'Cyprus Leasing S.A.', j) 'Piraeus ACT Services S.A.', k) 'A.C.S. B.A.S. S.A. (former 'P-Payroll S.A.)', l) 'Trastor Real Estate Investment Company', m) 'Rembo S.A.' and n) 'Alessandri Estates SRL'. From these companies, the companies numbered (a)-(m) were consolidated under the full method of consolidation as at 31/3/2015, as well. The company numbered (n) was established on 30/6/2014 and started operating during the 3rd quarter of 2014. The company numbered (b) started operating during the 4th quarter of 2014. The companies numbered (c)-(e) were established in October 2014, whereas the company numbered (f) was acquired in November 2014. The companies numbered (g)-(h) were established in December 2014 and started operating during the 1st quarter of 2015. The company numbered (i) was fully acquired in February 2015 and as a result, it was included in the subsidiaries' portfolio. The financial figures and results of the company are included in the Financial Statements of the Bank. The company numbered (j) was transferred during the 1st quarter of 2015 from the associates' portfolio due to acquisition of control. Consequently, its 100% subsidiary company numbered (k) has become a subsidiary of the Group. The company numbered (l) was transferred in March 2015 from the associates' portfolio due to acquisition of control. Consequently, its 100% subsidiary company numbered (m) has become a subsidiary of the Group. The company numbered (n) was acquired in June 2015. The companies: a) Piraeus Real Estate Consultants Doo, b) Piraeus Insurance Brokerage Egypt, c) Geniki Bank S.A., d) Piraeus Egypt for Securities Brokerage Co., e) Topuni Investments Ltd, f) Abalade Company Ltd, g) Almorira Enterprises Ltd, h) Exus Software Ltd, i) Integrated Services Systems Co., j) Piraeus Bank (Cyprus) Nominees Ltd and k) Parking Kosmopolis S.A. that were fully consolidated as at 30/6/2015, are not included in the consolidation as at 30/6/2015. The company numbered (g) has been liquidated and removed from the relevant Register in October 2014. In October 2014, 97% of the share capital of the company numbered (b) was disposed and as a result, the company was transferred to the Available for sale portfolio. The company numbered (c) was merged through absorption with Piraeus Bank S.A. in November 2014, whereas the companies numbered (d)-(g) were liquidated and removed from the relevant Register in December 2014. The company numbered (h) was transferred in December 2014 to the associates' portfolio due to loss of control. In April 2015, 98% of the share capital of the company numbered (i) was disposed and as a result, the company was transferred to the Available for sale portfolio. The company numbered (j) has been liquidated and removed from the relevant Register in April 2015, whereas the company numbered (k) was merged through absorption with Kosmopolis A' Shopping Centers S.A. in June 2015. The companies 'Estia Mortgage Finance PLC', 'Estia Mortgage Finance II PLC', 'Axia Finance PLC', 'Axia Finance III PLC', 'Axia III APC Limited', 'Phaxis I Finance PLC', 'Phaxis II Finance PLC', 'Phaxis II APC Limited', 'Kon Mortgage Finance PLC', 'Kon Mortgage Finance No.3 PLC' and 'Kon CLO Finance No.1 PLC' are consolidated as special purpose entities. Note 25 of the Consolidated Interim Condensed Financial Information includes information about the changes in the subsidiaries' portfolio of the Group. The companies 'ATE Insurance S.A.' and 'ATE Insurance Romania S.A.' have been classified in the Assets held for sale, as the classification criteria of IFRS 5 are met. In addition, within the 2nd quarter of 2015, 'Piraeus Bank Egypt S.A.E.' was transferred from the subsidiaries' portfolio to the Assets held for sale, as the classification criteria of IFRS 5 are met. Therefore, the financial figures and results of 'ATE Insurance S.A.', 'ATE Insurance Romania S.A.', 'Piraeus Bank Egypt', its subsidiaries and associate companies are presented as 'Discontinued operations'. Relevant are the notes 7, 15 and 27 of the Consolidated Interim Condensed Financial Information. The subsidiaries that are excluded from the consolidation are as follows: a) 'Asbestos Mines S.A.', b) 'Hellenic Industry of Aluminum S.A.', c) 'ELSYF S.A.', d) 'Blue Wings Ltd', e) 'Piraeus Bank's Congress Centre' and its subsidiary 'The Museum Ltd', f) 'Piraeus Bank Group Cultural Foundation', g) 'Torborg Maritime Inc.', h) 'Isham Marine Corp.', i) 'Cybex Management Company', j) 'Aegean Shipping Ltd', k) 'Maximus Chartering Co.', l) 'Lantana Navigation Corp.', m) 'Pallas Shipping S.A.', n) 'Zephyros Marine Inc.', o) 'Bayamo Shipping Co.', p) 'Sybil Navigation Co.', q) 'Proccs Holding Ltd', r) 'Phoebe Investments SRL', s) 'Core Investments Project SRL', t) 'Amryllis Investments Consultancy SRL', u) 'Axia III Holdings Ltd', v) 'Praxis II Holdings Ltd', w) 'Praxis III Holdings Ltd' and x) 'Kons Holdings Ltd'. The companies numbered (a)-(c) are fully depreciated, under liquidation status. The company numbered (d) is under idle status. The companies numbered (g)-(h) have been inactivated and they will be set under dissolution. The companies numbered (i)-(p) have been dissolved and set under liquidation. The companies numbered (q)-(t) have not started operating yet. The figures of the companies numbered (u)-(w) have been consolidated through the companies in which they participate. The consolidation of the above mentioned companies does not affect the financial position and result of the Group.
7) The following companies that are consolidated under the equity method of accounting as at 30/6/2015, as well as at 31/3/2015, had not been included in the consolidation as at 30/6/2014: a) 'Exus Software Ltd', b) 'Marlin Investment Group Holdings S.A.', c) 'Litus Advisory S.A.' and d) 'Selonia Aquaculture S.A.'. The company numbered (a) was transferred in December 2014 from the subsidiaries' portfolio as a result of loss of control. During December 2014, the Bank confirmed its ability to acquire further ownership percentage in the company numbered (b), through the pledged shares. This ability confirms the Bank's influence on MIG Group and as a result, according to the IFRSs, this investment was transferred to the associate companies' portfolio and it was consolidated with the equity method. The company numbered (c) was established in January 2015, whereas the company numbered (d) was acquired in March 2015. The following companies that were consolidated under the equity method of accounting as at 30/6/2015, have not been included in the consolidation as at 30/6/2015: a) 'Good Works Energy Photovoltaics S.A.', b) 'Piraeus ACT Services S.A.', c) 'Trastor Real Estate Investment Company' and d) 'AIK BAWKA'. The company numbered (a), which has not been included in the consolidation as at 31/3/2015 as well since on 4/12/2014 the proceeds from the liquidation of the company were distributed to its shareholders, was removed from the Tax Office of Commercial Companies' Registry in June 2015. The companies numbered (b) and (c) were transferred during the 1st quarter of 2015 to the subsidiaries' portfolio due to acquisition of control. The company numbered (d) was disposed in March 2015. The associate company 'Evrytania S.A. Agricultural Development Company' has been excluded from the consolidation under the equity method of accounting since it is under idle status. Note 25 of the Consolidated Interim Condensed Financial Information includes information about the changes in the associates' portfolio of the Group.
8) The Group's balances with related parties are as follows: assets € 1,123.3 million, liabilities € 83.0 million, letters of guarantee € 18.7 million, income € 29.9 million and expense € 62.5 million. The Bank's balances with related parties (subsidiaries included) are as follows: assets € 4,291.3 million, liabilities € 1,669.7 million, letters of guarantee € 179.1 million, income € 12.8 million and expense € 72.9 million. The balances of assets and liabilities of the Group with members of the Board of Directors and key management personnel amount to € 74.4 million and € 12.4 million respectively. The respective amounts for the Bank amount to € 74.4 million and € 11.0 million. The Bank's and Group's allowance for impairment on loans and advances to associate companies amounts to € 63.2 million. The transactions and remuneration of the Bank and its Group with the members of the Board of Directors and key management personnel amount to € 4.1 million.
9) As at 30/6/2015, subsidiary company of Piraeus Group owned a total number of 3,499,011 treasury shares of the parent company Piraeus Bank S.A., at a value of € 1.42 million. The Bank did not hold any treasury shares as at 30/6/2015. Relevant information is provided in note 21 of the Consolidated Interim Condensed Financial Information.
10) At the Statement of Total Comprehensive Income of the Consolidated and Stand alone Interim Condensed Financial Information, 'Other comprehensive income, net of tax' includes as amounts that are included in the Income Statement, the change in currency translation reserve of € - 11.04 million from continuing operations and € 6.61 million from discontinued operations for the Group and the change in available for sale reserve of € - 78.96 million from continuing operations and € 2.88 million from discontinued operations for the Group and € - 78.36 million for the Bank. In addition, 'Other comprehensive income, net of tax' includes as amounts that can not be reclassified in the Income Statement, the change in reserve of defined benefit obligations of € 8.36 million from continuing operations and € 0.43 million from discontinued operations for the Group and € 8.35 million for the Bank.
11) Following the 3rd exercise of warrants on 2 January 2015 when 3,568 warrants in total were exercised on shares issued by the Bank and owned by HFSF, as well as the 4th exercise on 2 July 2015 when no warrants were exercised, the HFSF percentage of Bank's total share capital stood at 66.93%. Further information is provided in note 21 of the Stand alone and Consolidated Interim Condensed Financial Information.
12) On April 17, 2015, Piraeus Bank announced the acquisition of the 'good' part of Panellinia Bank S.A. ('Panellinia'), following a tender offer launched by the Bank of Greece ('BoG') for a consideration of € 17.1 million. The fair values of the acquired assets and liabilities are provisional and as a result, the initial accounting of the acquisition is incomplete. Relevant information is provided in notes 25 and 24 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
13) On May 15, 2015, Piraeus Bank announced the approval, by the Hellenic Capital Market Commission dated May 14, 2015, of the International Offering Memorandum of Mandatory Tender Offer that Piraeus Bank had sent on October 9, 2014, to shareholders of the company 'TRASTOR REAL ESTATE INVESTMENT COMPANY SA'. The acceptance period of the Tender Offer commenced on May 19, 2015 and ended on June 16, 2015, while the offer price paid by the Bank for the purchase of each share amounted to € 1.40. During the period of acceptance of the Tender Offer and until 26/6/2015, Piraeus Bank acquired by shareholders who accepted the Tender Offer as well as through the stock exchange an additional 20.25% of the share capital of Trastor REIC. As a result, Piraeus Bank owned 91.13% of the company as at 30/6/2015.
14) On May 21, 2015, Piraeus Bank announced that it has entered into a definitive agreement with Al Ahli Bank of Kuwait K.S.C.P. to dispose its stake (98.5%) in Piraeus Bank Egypt S.A.E., its Egyptian subsidiary, to a consideration of \$ 150 million. The finalization of the agreement is subject to the approval of the Egyptian Organization GAFI (General Authority for Investment) and is expected within November 2015.
15) The Annual Ordinary General Meeting of Shareholders, held on 29/6/2015, decided not to distribute dividend for the fiscal year 2014. Further information is provided in note 21 of the Stand alone and Consolidated Interim Condensed Financial Information.
16) Due to the significant deposits outflows during the 1st half of 2015, as well as for the protection of the Greek banking system, the Greek government issued on June 28, 2015 a Legislative Act declaring the period from June 28, 2015 to July 6, 2015 as a bank holiday. Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
17) Due to the uncertainty, deposit outflows from the Greek market during the 1st half of 2015 amounted to € 46.3 billion (-24.8%). Following the imposition of capital controls, deposits outflows were reduced significantly and finally deposits balances exhibited stabilization and a trend of slight increase. Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
18) On the 23rd of July 2015, the 'Bank Recovery and Resolution Directive' (BRRD) of the European Union (2014/59/EU) was incorporated in the Greek Law (Law 4335/2015). Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
19) The enactment of Law 4335/2015 as at 23rd of July 2015, brought about changes in the operation of the Hellenic Deposit and Investment Guarantee Fund (HDIGF). Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
20) On September 30, 2015, the Bank returned Pillar III special bonds (L3273/2008) to the Greek State of a total nominal value of € 2.24 billion maturing on April 22, 2016. Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
21) On October 15, 2015, the Bank invited the holders of securities of Piraeus Group Capital Limited and Piraeus Group Finance PLC to offer to exchange any or all of such existing securities for non-transferable receipts issued by the Bank. Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
22) Piraeus Bank took notice of the announcement of European Central Bank on October 31, 2015 regarding the results of the Comprehensive Assessment exercise conducted for the four Greek systemic banks. Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
23) On October 30th 2015 the draft legislation setting the rules for recapitalization of the financial institutions in Greece and updating or introducing new regulators regarding the role of the Financial Stability Fund was submitted to the Greek Parliament. Further information is provided in notes 26 and 28 of the Stand alone and Consolidated Interim Condensed Financial Information respectively.
24) On June 30th 2015, the number of staff employed by the Bank was 14,445 people and by the Group 21,917 people out of which 1,102 people refer to discontinued operations (ATE Insurance S.A., ATE Insurance Romania S.A., Piraeus Bank Egypt S.A.E., Piraeus Egypt Leasing Co. and Piraeus Bank Egypt Investment Company). The number of staff employed by the Bank as at 30 June 2014 was 14,099 people and by the Group 22,551 people out of which 209 people referred to discontinued operations (ATE Insurance S.A., ATE Insurance Romania S.A.).

STATEMENT OF FINANCIAL POSITION

Amounts in thousand euros

Table with columns: GROUP, BANK, 30 June 2015, 31 December 2014. Rows include ASSETS, LIABILITIES, and EQUITY.

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euros

Table with columns: GROUP, BANK, 1 Jan - 30 Jun 2015, 1 Jul - 31 Dec 2014, 1 Jan - 30 Jun 2014, 1 Jan - 30 Jun 2015, 1 Jul - 31 Dec 2014, 1 Jan - 30 Jun 2014. Rows include Opening balance, Total comprehensive income, Increase of share capital, etc.

CASH FLOW STATEMENT

Amounts in thousand euros

Table with columns: GROUP, BANK, 1 Jan - 30 Jun 2015, 1 Jan - 30 Jun 2014, 1 Jan - 30 Jun 2015, 1 Jan - 30 Jun 2014. Rows include Net cash inflow/outflow from continuing operating activities, Net cash inflow/outflow from discontinued operating activities, etc.

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in thousand euros

Table with columns: GROUP, BANK, 1 Jan - 30 Jun 2015, 1 Jan - 30 Jun 2014, 1 Apr - 30 Jun 2015, 1 Apr - 30 Jun 2014, 1 Jan - 30 Jun 2015, 1 Jan - 30 Jun 2014, 1 Apr - 30 Jun 2015, 1 Apr - 30 Jun 2014. Rows include Interest and similar income, Fee and commission income, Dividend income, etc.

Athens, October 31st 2015

CHAIRMAN OF THE BOARD OF DIRECTORS

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