PIRAEUS BANK

MID YEAR FINANCIAL REPORT

for the 1st half 2017

According to Law 3556/ 2007

August 2017

The attached Mid Year Financial Report has been approved by the Piraeus Bank S.A. Board of Directors on 30 August 2017 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

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.

INDEX

Certification of Chairman, Chief Executive Officer and a member of the Board of Directors pursuant to Article 5 of Law 3556/2007, as in force

We, the members of the Board of Directors of Piraeus Bank S.A. certify that to the best of our knowledge:

(1) The Interim Financial Report for the 6-month period ended 30 June 2017 has been prepared in accordance with the current accounting standards and present a true and fair view of the Statement of Financial Position, Income Statement, Statement of Total Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement of the Bank and of the companies included in the consolidation according to article 5 paragraph 3-5 of Law 3556/2007.

(2) Board of Directors' Interim Management Report for the 6-month period ended 30 June 2017 truly and fairly presents all information required by article 5 paragraph 6 of Law 3556/2007 and Law 4403/2016, as in force.

Athens, 30 August 2017

Chairman of the BoD	Managing Director	Authorised Executive Director
George Handjinicolaou	Christos Megalou	Ilias Milis

BOARD OF DIRECTORS' INTERIM MANAGEMENT REPORT
(According to Law 3556/2007 & Law 4403/2016)

International Environment and Economic Developments

The first half of 2017 was characterized by volatility in inflation, as in the first quarter this was boosted from energy prices and then declined as the impact eased. The growth rate for the world economy as a whole is expected to accelerate to 3.5% in 2017 compared to 3.2% in 2016, with similar trend expected in the developed economies from 1.7% to 2.0% and emerging economies from 4.3% to 4.6%.

In the US, the Federal Reserve (Fed) increased the base rate twice following its meetings in March and June of 2017. Another interest raise is widely expected to take place before the end of 2017. Inflation rose to 2.7% in the first quarter, but then declined to 1.6%. GDP growth stood at 1.2% in the first quarter and 2.6% in the second quarter, while the estimate for full year 2017 is at 2.1% from 1.5% in 2016.

In the Eurozone, the European Central Bank (ECB) continued to implement the quantitative easing (QE) programme by acquiring government bonds and other securities. Inflation rose to 2.0% in the first quarter of 2017, but then declined to 1.3%. Provided that there is no significant increase in the international energy prices, inflation is expected to continue to diverge well from the 2.0% target and the ECB will continue to implement its quantitative easing programme without any major changes at least until the end of 2017. The GDP growth rate was 1.9% in the first quarter and 2.1% in the second quarter, while for the full year 2017 the average annual growth rate is expected at 2.0% from 1.7% in 2016.

Developments in the Greek Economy and the Banking System

Since the beginning of the current year, significant developments in the Greek economy indicate stabilization to the side of fiscal adjustment, and recovery of confidence and trust from the market side, assisting the growth trajectory, although at a rate lower than initially expected.

Real GDP in the first quarter of 2017 increased by 0.4% both on a yearly and quarterly basis, after a zero percentage annual change in 2016 against a marginal decline of -0.3% in 2015. According to the 2016 figures, the negative carry-over effect for 2017 appears to be limited and in combination with the available data for the first half of the year, the anticipated growth prospects of the economy are expected to move with a GDP growth rate close to 1.2% in 2017. At the same time, the inflationary pressures from the beginning of the year sustained until June 2017 and inflation stood at 1.0% on a yearly basis against -0.7% in June 2016, giving a 1.3% inflation at the first half of 2017.

Moreover, the unemployment rate in the first quarter of 2017, based on non-seasonally adjusted data, stood at 23.3% compared to 24.9% in the first quarter of 2016. Over the past five years, it stands for the smallest unemployment rate of the corresponding period of the year. Already in May 2017, based on seasonally adjusted data, the unemployment rate has fallen further to 21.7%, a positive sign for improvement in the labor market.

In addition, according to a European Commission survey and seasonally adjusted data, in July 2017, the economic sentiment indicator improved significantly to 98.2 points (although in the first half of the year it was on average 93.9 points reflecting market uncertainty) approaching its highest levels since February 2015. This rise is linked to the improvement of the climate in all business sectors, as well as to the stimulation of the consumer confidence index.

Moreover, based on government budget execution data during the period January-June 2017, the result was improved compared to 2016. Specifically, the state budget deficit reached -€ 1.6 billion, compared to -€ 1.8 billion the same period last year, while the primary surplus expanded by approximately € 300 million, reaching € 1.9 billion. First half 2017 results are also exceeding the updated targets, based on the Mid Term Fiscal Program (MTFP) 2018-2021, for a deficit of € 3.1 billion and a primary surplus of € 431 million. In addition to the above, the fiscal adjustment measures which have been agreed within the framework of the second review (based on the MTFP 2018-2021) are due to be applied to 2019-2020 and therefore do not add additional burden for 2017 and 2018.

Following the commitments of Greece in the Eurogroup of 15 June 2017 for the attainment of high primary surpluses in the medium term (3.5% of GDP up to 2022 and equal to or higher than 2% for the period 2023-2060), as well as the estimates for the maintenance of the debt to GDP ratio in high levels, a long term high growth rate is required for the Greek economy in order to assure that the public debt will be maintaining a constantly downward course. It should be noted, though, that the application of the short term public debt relief measures since February 2017 is contributing to a noteable reduction of medium and long term financing needs and is improving respective debt profile.

On 10 July 2017, the ESM approved the disbursement of the first sub tranche amounting to € 7.7 billion (approval of the third installment of a total € 8.5 billion), following the signing of the supplementary MoU (SMoU) and the conclusion of all the prerequisite actions of the second review from the Greek authorities. At the same time, following the resolutions of Eurogroup on 15 June 2017, on 20 July 2017 the Executive Board of the IMF approved in principle a precautionary Stand By Agreement (SBA) for Greece of a value of around € 1.6 billion. However, the financing will be disbursed on the condition that the Fund receives specific and credible assurances from Greece's European partners to ensure debt sustainability, and provided that Greece's economic program remains on track. In such case, the Fund will participate in the program review together with ESM. Based on the new program, the first and second reviews are scheduled for February and August 2018 respectively.

The above developments have led to a reduction of Greek bond yields and a concurrent reduction of bond spreads to the corresponding German bonds. This dynamic is more prevalent in shorter and medium durations. For longer durations, uncertainty remains high mainly due to the issue of debt sustainability. On 24 July, the Hellenic Republic announced that it was accessing the markets through the exchange of notes due in 2019 bearing a coupon of 4.75% with 5-year notes due in 2022. The 5-year notes with a settlement date on 1 August 2017 were issued for a total amount of € 3.0 billion (€ 1.6 billion from the exchange and € 1.4 billion new issuance) bearing a coupon of 4.375%. The outstanding balance of these notes due in 2019 dropped from €4.0 billion to € 2.5 billion.

Consequently, the maintenance of fiscal stability, the gradual strengthening of confidence at an international level regarding the sustainability of the country's public finances, as well as the positive influence to economic activity from the improvement of sentiment at the domestic environment, which will be invigorated from an economic policy favoring growth friendly reforms, will safeguard a growth course for the Greek economy during 2017.

For the Greek banking system, it is worth noting that, since the beginning of the year and until June 2017, total dependence of domestic financial institutions on Eurosystem funding declined by €12.4 billion, from €66.6 billion to € 54.2 billion, of which € 37.9 billion ELA (-€ 5.8 billion from beginning of 2017) and € 16.3 billion ECB refinancing (-€ 6.7 billion respectively).

Deposits in the domestic private sector for the Greek market decreased by € 1.0 billion in the first half of the year and amounted to € 120.4 billion as at 30 June 2017. The decrease related to the delays with the completion of the second review was at -€ 2.4 billion until the end of Apri 2017, while in May and June of 2017 the trend reversed with € 1.4 billion of deposit inflow. The completion of the second review led to the gradual improvement of the climate in the market, thus contributing to deposits inflows in the Greek banking system.

With respect to loans of the domestic private sector for the Greek market, the annual adjusted reduction rate for financing in June 2017 reached -2.2% and balances stood at €195 billion. The loans to deposits ratio for the Greek banking market improved to 117.2% as at 30 June 2017 from 119.8% as at 31 December 2016.

On 23 January 2017, the governing bodies of the ESM and of the EFSF formally approved the implementation of short-term debt relief measures for Greece following decision taken by Eurogroup in May 2016. These measures include, among others, the exchange of existing EFSF & ESM floating rate notes provided to Greek banks for their recapitalization and to cover the financial gaps resulting from mergers & acquisitions, with other fixed rate bonds or cash.

Addressing the issue of non-performing loans is the most pressing challenge for the Greek banking system. To this end, as of September 2016 the Bank of Greece in cooperation with the Single Supervisory Mechanism (SSM) of the ECB have agreed with Greek banks specific targets that refer to the management of non-performing exposures for the period up to December 2019. In absolute amount, non-performing exposures stock decreased with a slow but steady pace for the third consecutive quarter in Q1.2017, amounting to € 105.1 billion as at 31 March 2017, compared to 31 March 2016, where NPE reached the highest level, there is a decrease of 3.3% or € 3.5 billion.

The reform of the legislative framework on insolvency, the settlement of tax treatment for loan write-offs and sales and the legal protection of executives dealing with loan restructuring are measures that are expected to further facilitate the effort to reduce NPEs by the end of 2019, according to the operational targets set. In addition, the activation of the out-of-court workouts (OCW) mechanism is expected to have a positive impact, as it offers several major advantages, such as a holistic approach of business debt settlement towards the private sector and the State; the promotion of voluntary negotiations between creditors and debtors; a compact time frame for reaching a workout solution; an electronic OCW platform, etc. Meanwhile, favorable results are expected from the development of a platform for the electronic auctions of real estate, together with the amendment to the institutional framework governing NPL management companies, with a view to facilitating market entry.

Finally, during the first half of 2017 the consolidation of the footprint of Greek banking groups continued, within the framework of their commitments arising from their approved from the European Commission restructuring plans. In this context, the sale of subsidiaries of Greek banks domestically and internationally further improved their liquidity and their capital adequacy.

Events that regard Piraeus Bank Group

On the business level, the most important corporate events for Piraeus Bank Group during H1.2017 and until the publication of the H1.2017 Interim Financial Report were the following:

- During January 2017, within the framework of ECB's QE program, Piraeus Bank sold bonds worth € 0.7 billion in nominal value. After 23 January 2017, Greek banks' participation in the program stopped, because of a binding letter of participation in the bond exchange program, within the framework of the short-term measures for the relief of Greek public debt.
- During February 2017, the exchange of floating rate EFSF and ESM notes held by Piraeus Bank with fixed rate ESM bonds initiated, within the framework of the short-term measures for the relief of Greek public debt. Up until 30 August 2017, notes with a nominal value of € 8.2 billion held by the Bank had been exchanged with new bonds.

- On 16 February 2017, within the framework of its Covered Bond program, Piraeus Bank issued € 1.0 billion through a new (3rd) series of Covered Bonds, with Greek residential mortgages as a cover. The Covered Bonds are floating rate, bearing a coupon of 3M Euribor + 150 bps. The issue was retained by the Bank to be used as a collateral for providing liquidity in the interbank repo market.
- On 22 February 2017, Piraeus Bank announced the resignation from its Board of Directors of Mr. Apostolos Tamvakakis, First Vice-Chairman, Independent Non-Executive Member, Mr. Stavros Lekkakos, Second Vice-Chairman, Non-Executive Member, and Ms. Charikleia Apalagaki, Authorized Executive Director, Executive Member. The BoD was reconstituted as a corporate body on 22 February 2017 electing Mr. Iakovos Georganas as First Vice Chairman of the Board, Non-Executive Member, and Mr. Karel De Boeck as a Second Vice-Chairman of the Board, Independent Non-Executive Member.
- Piraeus Bank announced that its Board of Directors on its meeting of 8 March, 2017, unanimously elected Mr. Christos Megalou as the new CEO of the Bank.
- On 24 May 2017, Piraeus Bank announced its strategic plan for 2020, entitled “Agenda 2020”, having the following key goals and objectives: a) reduce NPLs and NPEs to an internationally accepted level b) create a profitable and sustainable business model, with attractive returns for shareholders over the medium-term c) maintain a strong capital base d) re-establish wholesale market funding access. “Agenda 2020” comprises six specific strategy enablers:
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    - De-risk the balance sheet, which will be achieved through the separation of the Group in two operating pillars: the core banking activity - Piraeus Bank and the non-core assets - Piraeus Legacy Unit (PLU)
    - Resize and focus
    - Implement a profitable and sustainable business model, leveraging existing valued core client relationships
    - Optimize capital allocation through the implementation of a risk appetite framework that includes a portfolio-based approach
    - Strengthen risk monitoring and controls
    - Adopt superior governance standards

- On 28 June 2017, the new Board of Directors of Piraeus Bank, which was elected at the Annual General Meeting of Shareholders held on the same day, was constituted as a Body and designated its Executive and Non-Executive Members, as follows:

The composition of the Board of Directors on the approval date of Consolidated Interim Financial Information is as follows:

Georgios P. Handjinicolaou	Chairman (Non-Executive Member)
Karel G. De Boeck	Vice-Chairman of the Board of Directors (Independent Non-Executive Member)
Christos I. Megalou	Managing Director (Executive Member)
Ilias D. Milis	Authorized Executive Director (Executive Member)
Venetia G. Kontogouris	Independent Non Executive Member
Arne S. Berggren	Independent Non Executive Member
Enrico Tommaso C. Cucchiani	Independent Non Executive Member
David R. Hexter	Independent Non Executive Member
Solomon A. Berachas	Non-Executive Member
Alexander Z. Blades	Non-Executive Member
Aikaterini K. Beritsi	Representative of the Hellenic Financial Stability Fund pursuant to the provisions of L. 3864/2010 (Non-Executive Member)

- On 28 June 2017, Piraeus Bank's Annual General Meeting of Shareholders, resolved to increase the nominal value of each ordinary share of the Bank from € 0.30 to €6.00 and simultaneously reduce the total number of ordinary shares of the Bank from 8,733,183,280 to 436,659,164 (reverse split) at a rate of twenty (20) old common shares for one (1) new common share of the Bank. The Bank's share capital remained unchanged versus the pre reverse split status, thus at € 2,619,954,984. The reverse split process was concluded on 3 August 2017 with the commencement of trading of the new shares on the Athens Exchange.
- On 5 July 2017, with regards to the HFSF warrants exercise process, the Bank announced that no warrant on shares issued by the Bank and owned by the HFSF has been exercised. Consequently, the issued warrants outstanding on 5 July 2017, amounted to 843,637,022 and corresponded to 37,759,281 shares of the Bank owned by the HFSF.
- On 5 July 2017, Piraeus Bank announced that its subsidiary Piraeus Bank Belgrade (PBB) reached an agreement for the sale of a pool of non-performing business loans with an outstanding balance of € 42.6 million. Final closing of the transaction will occur upon the regulatory approval of the National Bank of Serbia.
- On 7 July 2017, Piraeus Bank announced that it has been exploring all available options as regards its direct and indirect participation of 32.5% in the share capital of "Nireus Aquaculture S.A." and 32.9% in the share capital of "Selonda Aquaculture S.A.". Within this framework, it has assigned to its financial and legal advisors the organization of a tender process, which could lead to a total or partial sale of its share participation in these two companies.
- On 11 August 2017, Attica Holdings S.A. (Attica Group) reached a preliminary agreement with Piraeus Bank and other minority shareholders for the acquisition of 39,039,833 shares in total of Hellenic Seaways Maritime S.A. (HSW), representing 50.3% of the share capital of HSW, out of which Piraeus Bank holds 40.4% of the share capital. Within the framework of this agreement, the total consideration for the transaction will amount to € 30.6 million in cash plus the issuance of 24,145,523 new common registered shares of Attica Group pursuant to a share capital increase. The acquisition of the 1,250,000 shares of the above majority equity stake of HSW has already been completed with the consideration paid in cash, while the remaining 37,789,833 shares will be acquired upon closing of the transaction, which is subject to the approval of the relevant regulatory and other authorities.

Evolution of Volumes and Results of Piraeus Bank Group during H1 2017

Regarding the financial position of Piraeus Group, total assets as at 30 June 2017 amounted to € 73.9 billion compared to € 81.5 billion as at 31 December 2016.

Deposits due to customers of Piraeus Group amounted to € 40.9 billion at 30 June 2017, decreased by € 1.4 billion compared to 31 December 2016 (-3.4%), mainly from outflows in Greece, following a similar trend as in the same period of 2016, while on an annual basis deposits due to customers increased by € 2.1 billion (it is noted that 30 June 2017 figures exclude Serbian business, which has been classified as discontinued operations, contributing € 0.2 billion deposits due to customers). In Greece, deposits due to customers amounted to € 38.2 billion as at 30 June 2017, decreased by € 1.1 billion from the beginning of 2017, but increased by € 0.1 billion during Q2.2017, positively affected by the conclusion of the second review of the Greek economic adjustment program. The declining trend in term deposits' cost continued throughout H1.2017, with new term deposits' cost at 0.61% in June 2017 versus 0.65% in December 2016 and 0.81% in June 2016. The Group's international operations deposits due to customers amounted to € 2.7 billion as at 30 June 2017.

Utilization of Eurosystem funding was reduced to € 15.8 billion as at 30 June 2017 from € 20.9 billion as at 31 December 2016. In particular, ELA funding declined to € 10.3 billion as at 30 June 2017 from € 11.9 billion as at 31 December 2016. Access to interbank funding with the use of collaterals reduced to € 5.2 billion as at 30 June 2017 against € 5.9 billion as at 31 December 2016, reflecting the lower ESM/EFSF holdings due to the ongoing exchange in the framework of the short-term measures for Greek public debt relief.

Loans and advances to customers (before allowance for impairment on loan losses and PPA adjustments) as at 30 June 2017 amounted to € 62.0 billion. Loans and advances to customers (before allowance for impairment on loan losses and PPA adjustments) in Greece amounted to € 58.9 billion and loans and advances to customers (before allowance for impairment on loan losses) from international operations to € 3.1 billion as at 30 June 2017. Per business line, Group's adjusted loans and advances to corporate entities and public sector (before allowance for loan losses and PPA adjustments) were € 40.4 billion, representing 65.1% of the total loans and advances to customers (before allowance for loan losses and PPA adjustments), while adjusted loans and advances to individuals (before allowance for loan losses and PPA adjustments) amounted to € 21.7 billion or 34.9% of the loans and advances to customers (before allowance for loan losses and PPA adjustments).

The Group's Adjusted NPL ratio was 37.1% as at 30 June 2017 (37.0% in Greece), while NPLs declined to € 23.0 billion as at 30 June 2017 from € 24.4 billion as at 31 December 2016 (the latter including the Serbian business that as of 30 June 2017 is considered as discontinued). The Adjusted NPL coverage ratio on a Group level reached 68.2% as at 30 June 2017 compared to 69.5% as at 31 December 2016. The high level of allowance for impairment on loans and advances to customers over loans and advances to customers (before allowance for impairment on loan losses and PPA adjustments) of the Group should be highlighted, which reached 25.3% as at 30 June 2017, as well as the fact that during the second quarter of 2017 Piraeus returned to negative NPL formation for both the Group and its domestic operations after the positive formation noted during Q1.2017 in line with market trend. Respectively, the adjusted non-performing exposures (NPEs) declined to € 34.9 billion as at 30 June 2017 from € 36.2 billion as at 31 December 2016, and the Adjusted NPEs ratio for the Group was at 52.3% as at 30 June 2017.

As part of the submission of operational targets for asset quality to both Bank of Greece and SSM/ECB, Piraeus Bank has committed to reduce its Adjusted NPEs between June 2016 and the end of 2019, by 41% and its Adjusted NPL respectively by 58% (at the parent level). It should be noted that the respective Piraeus Bank's target of 30 June 2017 for Adjusted NPEs has been achieved.

In terms of P&L trends, the Group's net interest income amounted to € 873.3 million for the period ended 30 June 2017 (-2.4% annually), mainly due to asset deleveraging and the ongoing NPE restructuring efforts, offsetting the improvement from the funding side. Net fee and commission income amounted to €162.5 million respectively (+6.9% annually), mainly driven by higher fees from cards acquiring, payments and money transfers. Total net income for the period ended 30 June 2017 were €1,200.0 million, increased by 2.5% compared to 30 June 2016.

Pursuant to the decision no 2376/16.5.2017 issued by the Single Member Court of Appeal of Athens, the annual rent paid by the Group's subsidiary PICAR S.A. to the Hellenic Army Pension Fund for Citylink was reduced by 20% for the period from 1/1/2014 to 31/12/2015; moreover, according to the above mentioned Court decision, due to the Court settlement of the contract, the agreed gradual adjustment of the rent ceases to have effect for the future, i.e. since Picar's complaint was served to the Fund (13.12.2013). As a result of the above mentioned decision and in relative advice of independent Legal Consultant, in the 1st semester 2017 the Group's management changed the estimates and judgements used to measure the right of use and the obligation that derive from the leasing contract of the Group's subsidiary Picar S.A. with the Hellenic Army Pension Fund for Citylink. In the Income Statement the total net credit amounted to € 45.4 million (please see Note 10 of interim financial information for more details), reducing part of the cumulative losses of approximately € 170 million at a group level from the valuation of the Citylink in the period 2008-2016.

The Group's total operating expenses before provisions for the period ended 30 June 2017 amounted to € 581.8 million, decreased by 4.6% compared to the period ended 30 June 2016, driven by decreases in both administrative expenses (-6.0%) and staff cost of (3.9%) respectively.

As a result of the above, the Group profit before provisions, impairment and income tax for the period ended 30 June 2017 amounted to € 618.1 million 10.3% higher compared to corresponding period in 2016. The profit / (loss) for the period ended 30 June 2017 was burdened by total impairment losses amounting to € 616.7 million (out of which € 518.2 million relates to impairment losses on loans and advances to customers, +5.3% yoy), thus further safeguarding the Group's financial position and bringing the allowance for impairment on loans and advances to customers before PPA adjustment as at 30 June 2017 to € 15.7 billion. The sizeable level of allowance for impairment on loans and advances to customers enables the Bank to address effectively the problematic loans issue with long-term solutions, something that has already begun to be implemented through the Recovery Banking Unit (RBU).

For the period ended 30 June 2017, the Group's loss before income tax amounted to € 24.9 million versus a profit before income tax of €0.9 million for the period ended 30 June 2016, while the loss attributable to equity holders of the parent entity from continuing operations amounted to a marginal loss of € 70 thousand for the period ended 30 June 2017 compared to a loss of € 12.7 million for the period ended 30 June 2016. It should be noted that the respective performance of Q2.2017 was profitable by € 6.6 million.

As at 30 June 2017, the Group's total equity amounted to € 9.7 billion. The Group's Basel III total capital adequacy ratio stood at 16.9% as at 30 June 2017, as well as its Common Equity Tier 1 (CET1) ratio, after taking into account the risk weighted assets relief from the disposal of discontinued operations. The amount of deferred tax assets which is included in the Group's regulatory capital in accordance with the provisions of Laws 4172/2013, 4302/2014, 4340/2015, as of 30 June 2017 was € 4.0 billion. The Group's fully loaded CET1 stood at 16.5%, taking into account the adjustment for divestments of discontinued operations. Discontinued operations for the period ended 30 June 2017 incurred losses of € 74.7 million, mainly reflecting the impact from agreement for the disposal of Piraeus Bank Beograd and Olympic Enterprises (Avis Greece operating leasing company).

Piraeus Group branch network at the end of June 2017 totaled 869 units (-52 units since the beginning of the year), of which 639 operated in Greece and 230 in 6 other countries. The branch network in Greece was reduced during H1.2017 by 21 units as the results of the rationalization program. The decrease of branches abroad was due to Romania and Bulgaria, as well as classification of Serbia as discontinued operations. At the same time, the Group's headcount totaled 17,087 employees in its continuing operations, of which 13,928 were employed in Greece and 3,159 abroad as at 30 June 2017.

The Group's international continuing operations as at 30 June 2017 accounted for 6.7% of its total assets, 26.5% of its branch network and 18.5% of its headcount.

Going concern basis

The consolidated interim condensed financial information has been prepared on a going concern basis. Piraeus Bank's management, after taking into account the factors mentioned above, regarding the macroeconomic environment in Greece, the liquidity and the capital adequacy of the Group, and in spite of the uncertainties associated with the progress of the current economic adjustment program, is of the opinion that the financial statements of the Group have been appropriately prepared on a going concern basis.

Implementation of the Restructuring Plan

Piraeus Bank submitted in November 2015 a revised Restructuring Plan to the European Commission, which was approved by the Financial Stability Fund and on 29 November 2015 by the European Commission as well.

The commitments under the revised plan do not deviate from the basic commitments approved in the 2014 restructuring plan and are in line with the medium-term strategic and financial objectives of the Bank. Furthermore, under the revised restructuring plan, the Bank's targeting focuses on its domestic activities in Greece. The revised Restructuring Plan of the Bank was based on macroeconomic assumptions as provided by the European Commission as well as regulatory assumptions and comprises, among others, the following principal commitments:

- the reduction of the number of branches in Greece to a maximum of 650 branches by 31 December 2017;
- the further reduction of the number of the employees in Greece to a maximum of 13,200 by 31 December 2017, versus the initial commitment to a maximum of 15,350;
- the reduction of the total operating costs in Greece to a maximum of € 1.1 billion for the year ending 31 December 2017;
- the reduction of the Bank's cost of funding by 31 December 2018, through the decrease in the cost of deposits collected in Greece in order to restore the Bank's pre-provision profitability;
- the reduction of the net loan to deposit ratio for Piraeus' Greek banking activities to no higher than 115% by 31 December 2018;
- annual growth rate of gross loans that cannot be higher than the growth rate of the market as according to the estimates of the European Commission;
- the further reduction by 30 June 2018, of Piraeus Bank's portfolio of foreign assets;
- the sale of the unlisted securities portfolio by 31 December 2017, comprising investments greater than € 5 million (subject to certain exceptions);
- refraining from purchasing non-investment grade securities until 30 June 2017 (subject to certain exceptions);
- the implementation of a cap on the remuneration of the Bank's employees and managers;
- certain other commitments, including restrictions on: (a) payment of dividend on the Bank's common shares up until (i) 31 December 2017 or (ii) the repayment of the hybrid capital instruments that have been characterized as state aid namely the € 2.0 billion contingent convertible bonds held by HFSF (whichever occurs earlier) (b) the Bank's ability to make certain acquisitions, unless either exceptional approval is granted by the EU Directorate General for Competition or the acquisition price is lower than a preset limit.

It should be noted that the underlying macroeconomic assumptions, upon which the figures contained in Piraeus Bank's Restructuring Plan were consistent with the assumptions of the economic adjustment programme of Greece, at the time of the Restructuring Plan's preparation. Piraeus Bank's Restructuring Plan is broadly being implemented, to date, according to the commitments assumed and within the set time limits.

Related Party Transactions

With reference to the transactions of the Bank with related parties, such as members of the Board of Directors and Management of the Bank and its subsidiaries, these were not material in H1.2017, in any case these transactions are included in the Group's Interim Financial Information for H1.2017 (please see note 23 of interim financial information for further details).

Non-Financial Information H1.2017 (Law 4403/2016)

On 30 June 2017, the Group's human resources occupied in continuing operations numbered 17,087, of which 13,077 were employed in the Bank's operations in Greece.

During the first half of 2017, the Bank's business needs continued to be covered through reassignment of existing human resources. 98.7% of those positions were filled by internal transfers of employees, in line with 2016 (98.1%). Emphasis was placed on reinforcing the RBU sectors with 77 existing employees, following the placement of 250 persons in 2016. The Bank's branch network staffing needs continue to be pursued according to its new structure (63 hubs and 162 spokes have already been staffed). At the same time, the promotions' percentage amounted to 9.4% of the Bank's employees, while the percentage of voluntary exits reached 0.11%, remaining on the same level as last year.

The annual employee performance appraisals for 2016 commenced during the first six months of 2017 and were completed by 85.1% by early July. 360^0 feedback is provided to middle and senior management employees, aimed at reinforcing and developing their managerial skills. As regards employee training and development, 1,821 in-house and external training and development programmes were carried out in the first half of 2017, numbering 74,520 participations, increased by 14.0% compared to previous year's respective period. Furthermore, 27 man-hours of training per employee were recorded, remaining on the same levels of first half 2016.

In 2015, the majority of the Group's employees were assigned to the new revised e-learning course "Human Rights, Equal Opportunities and Diversity in the Workplace". During the first half of 2017, 795 bank employees were trained on these issues, increasing the total percentage of human resources training and the respective KPI to 84.0%. The equal opportunities principle transpires all human resources management policies, focusing on avoiding discrimination and at the same time acknowledging and respecting diversity. The Human Rights Policy and the Complaints Management Process are available to all employees through the internal communication channel HR Portal, while the principles of Human Rights policy are published on the Group's corporate website.

Furthermore, 378 employees of the Bank were trained in the first half of 2017 through an e-learning course regarding "Identification and Management of Risky Behaviors", increasing the total percentage of completion to 83.0% from 58.0% in 2016. This percentage is aligned with the annual target of the respective Risk Rate for the reduction of psychosocial risk deriving from the human factor.

With respect to the Bank's operational risk monitoring, the Group's Human Resources & Organizational Training Unit is regularly observing the Risk Rates regarding compliance with the legislative and regulative framework. This is achieved through training on money laundering prevention/Financing of Terrorism and on employees' psychosocial issue management, combined with the development of action plans to reduce such risks. To this end, the Bank's Operational Risk Unit monitors closely both the evolution of the rates, as well as the course of the action plans.

In order to ensure the integrity of all human resources during their employment at the Bank to the greatest degree possible, all employees are informed regarding the Bank's Code of Conduct and sign a solemn declaration of the Code's receipt and notification. The Framework of Employee Relations and the Code of Conduct are published on the internal website of the Bank, HR Portal.

With the aim to homogenize the Group's employee benefits, all Bank employees in Greece were included in a comprehensive Life, Permanent Disability and Healthcare Group Insurance Programme in March 2017. Acknowledging the value of collegiality and solidarity and in the effort to leverage the employees' volunteering participation, 45 volunteer actions took place during the first half of 2017, numbering an excess of 5,000 employee participations. Finally, in the 2nd quarter of 2017, an Employee Commitment Survey was conducted in Greece titled "Transforming the Employee Experience". Employee participation in this survey numbered 10,833 (81%% of the total human resources in Greece).

Piraeus Bank participates in global initiatives and indices that assess corporate sustainability. Since 2004, Piraeus Bank voluntarily participates in the UN Global Compact. The Bank also participates in the United Nations Environment Programme Finance Initiative

(UNEP FI) and is a signatory in its initiatives such as the Declaration of Intent on Energy Efficiency and the “Positive Impact Manifesto for the transition to an inclusive green economy”.

Piraeus Bank has developed and implements an Environmental Management System (EMS) in all its branches and administrative buildings, certified according to the Eco-Management and Audit Scheme (EMAS) regulation and the ISO standard 14001:2015. With 900 employees directly involved (6.5% of all employees in Greece) and more than 700 building infrastructure in the EMS, Piraeus Bank is one of the largest organizations in Europe –in employee number and buildings infrastructure- utilizing such a strict environmental certification.

Through the EMS, the Bank monitors and measures the environmental performance of each building infrastructure, it sets targets for improvement and implements environmental programs for attaining them. Compared to 2015, electric power consumption per employee (kWh/employee) and paper consumption per employee (kg/employee) were reduced by almost 3.0% and 2.0% respectively in 2016 while the total emissions of CO_2 per employee were down 2.0%. Overall, for the period beginning 2008 up until 2016, CO_2 emissions per employee have declined by 36.0% and 24.0% per square meter. While electricity consumption per square meter has fallen by 19%. The Environmental Management targets that have been for 2017 are 2.0% reduction in total electricity consumption per unit area and 2% reduction of greenhouse gas emissions per unit area. Apart from the environmental benefit, it is estimated that through the environmental programs implementation, around €5mn of operating cost savings materialize annually.

Piraeus Bank performs annually the calculation of the climatic exposure of its business borrowers related to sectors of economic activity that potentially might be financially affected by the climate change. The calculation is performed by the Climate Risk Management Application, which assesses on financial terms the climatic exposure of Greek businesses. The total climate exposure of business borrowers of the Bank was calculated for 2015 at € 674 million that is 1.6% of their total revenues and for 2016 at € 592 million, i.e 1.3% respectively. Only 6.7% over the total number of Bank’s business borrowers are considered to be operating in sectors that have high climatic exposure.

Since 2016, Piraeus Bank Group has developed and is implementing a System of Environmental and Social Management (ESMS). The ESMS consists of procedures and processes for monitoring, assessing and managing social and environmental risks arising from the Group's financing exposures.

The Bank implements the LIFE-Stymfalia programme (LIFE12 NAT / GR / 00275), relating to the protection of biodiversity in Lake Stymfalia, co-funded by 50% by the European Union. With LIFE-Stymfalia, the Bank introduces for the first time in Greece innovative solutions for the financing of protected areas.

Piraeus Bank participates in the initiative “EU Community of Practice Finance and Biodiversity - EU CoP F@B”, on the shaping of European policy for financing biodiversity. Piraeus Bank has cosigned the Declaration of Antwerp for ecosystem services and the principles of sustainability.

In June 2017, the International Conference "Biodiversity and Entrepreneurship in Natura 2000 Areas" was organized, where for the first time in Greece private and public sector stakeholders discussed the possibilities of developing a small scale business activity in Natura 2000 sites as alternative sources of funding of projects for the Protection of nature and biodiversity. The final deliverable of the conference was the LIFE-Stymfalia Declaration, through which stakeholders are invited to understand that Natura 2000 areas and provide opportunities for sustainable development that enhances the protection of biodiversity and ecosystems.

In 2016, at the European Business Awards for the Environment of the European Commission, the Bank received 1st place, on a national level, for the category “Management”, of the implemented EMS ("The Expandability of a Robust Certified EMS - the Case of Piraeus Bank"). The same candidacy competed also at European level, where the Bank stood at the 4 leading organizations[1].

Major Actions of Risk Management Framework and Description of Uncertainties for H2.2017

During 2017, major initiatives, aiming at upgrading the Group’s Risk Management Framework, are the following:

- Review and ratification of Risk and Capital Strategy 2017, including the Group’s Risk Appetite Framework.
- Implementation of planned projects aiming at the migration to the IRB approach for credit risk.
- Implementation of a Risk Based Pricing project aiming to apply the methodology for mortgage and SME loans.
- Design and implementation of a Risk Data Quality framework, in compliance with the Group’s Data Governance Framework and the data management principles of BCBS239 (continued).
- Creation of a monthly credit risk monitoring report for RBU and non-RBU portfolio.
- Harmonization of Unlikely to Pay indications in credit policy based on Regulation CRR 575/2013 (article 178).
- Development of a database of major ratios from RA platform.
- Development of 4 behavior models for IRB & IFRS 9 purposes, 2 for special financing portfolios (project finance, income producing real estate) and 2 for the agricultural portfolio.
- Further development of the framework for the Internal Liquidity Adequacy Assessment Project (ILAAP).
- Expansion of the ILAAP framework documentation based on regulatory directions for the independent evaluation of the framework from the Internal Control unit.
- Completion of the methodology and evolving implementation of the project for the full application of the regulatory framework and the calculation of the regulatory ratios of Liquidity Risk (CRD IV liquidity framework implementation) (continued).
- Completion of Gap Analysis and development of a framework for interest rate risk management in the banking book (IRRBB) and stress testing based on EBA requirements.
- Update of Piraeus Bank Group’s Operating Risk Management Policy.
- Expansion of both processes and infrastructure for the collection and management of operational risk incidents and losses (continued).
- Adjustment of the internal capital adequacy assessment process (ICAAP) to the current guidelines of EBA and SSM.
- Update of the internal capital adequacy assessment process framework (ICAAP) under Pillar II of Basel (strengthening of governance, procedures and supporting infrastructure). Development and submission of the report to regulatory authorities.
- Operation of new enhanced intra-group platform to support the calculation operations and reporting of capital requirements (Moody's Risk Authority) of the Bank, the Group and subsidiaries.

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[1] More information on the EMS and the environmental footprint of the Bank:
http://www.piraeusbankgroup.com/el/corporate-responsibility/environment/environmental-fields-of-action/environmental-management
Notes:
For more information on the Environmental Policy Principles of the Group (Environmental Policy, Environmental Management Policy, Climate Change Strategy, Sustainability Statement)
http://www.piraeusbankgroup.com/en/corporate-responsibility/environment/environmental-policy-principles
Information regarding the Bank’s EMS and its Environmental Footprint:
http://www.piraeusbankgroup.com/en/corporate-responsibility/environment/environmental-fields-of-action/environmental-management
In detail, Piraeus Bank's environmental objectives and environmental programs for 2017 (related to: Electricity Consumption, Total GHG Emissions, Diesel Consumption in Buildings and Business Travel, Water Consumption, Total Paper Consumption, Paper Consumption (recycled and FSC certified), Solid Waste - Paper, Solid Waste – Toner cartridges and toner, Solid waste - Electrical and electronic equipment): In detail, Piraeus Bank's environmental objectives and environmental programs for 2017 (relating to: Electricity Consumption, Total GHG Emissions, Diesel Consumption in Buildings and Business Travel, Water Consumption, Total Paper Consumption, Paper Consumption (recycled and FSC certified), Solid Waste - Paper, Solid Waste -
http://www.piraeusbankgroup.com/~/media/Com/2017/Files/corporate-responsibility/environment/environmental-objectives/Environmental-Objectives-2017-Gr.pdf

- Implementation of project for the automated production of reports for regulatory reporting requirements (COREP and FINREP) through a new platform.
- Development of a risk recognition policy/procedure (under approval).
- Conduct of independent assessments and regular monitoring of developments in the quality of post approval credit exposures as well as of review practices of the Group's business portfolio credit risk.

The economic and political situation in Greece remains the prime risk factor for the domestic banking sector in general and for Piraeus Bank in particular. Potential negative developments in this universe would bear a consequence on the Bank's liquidity, the quality of its loan portfolio, its financial results and its capital base.

Estimates for the Development of Piraeus Group's Operations in 2017

The first months of 2017 undoubtedly constituted an uncertain conjucture for the domestic economic and banking environment. The anticipated reforms from Greece's financial support program are projected to help accelerate growth prospects and the restructuring of the economy, with a positive GDP growth rate for 2017, which may well exceed 1%. The conclusion of the second review of Greece's financial support program is expected to have positive effects in the restoration of confidence in the Greek economy, as accessing the sovereign bond market in late July 2017 signalled.

Piraeus Bank, in the context of its business planning, is concentrating on all possibilities and opportunities for recovery. The main issues to manage for 2017 remain the following: a) asset quality improvement, with a constant implementation of active nonperforming loans management, as well as the utilization of new solutions that were legislated in 2016/2017 or whose application initiated in 2017, in order to abide to the commitments to the ECB, b) the improvement of liquidity through the gradual restoration of deposits and reduction of the funding through ELA, c) the return to sustainable profitability, through constant improvement of revenue sources, as well as operational efficiency. Moreover, the effort for further deleverage, mainly of foreign assets is expected to continue, in accordance to the commitments of the Restructuring Plan.

Finally, the appointment process of the Bank's new CEO at the beginning of March 2017, and the changes in the Board of Directors ratified at June's Annual General Meeting of shareholders, contributed to the formation of a strong Board of Directors. The new Board contains the know-how, the experience and the will to successfully confront current challenges and secure that the Bank can successfully address the operating challenges, in alignment with international best practices, as well as the recommendations of the ECB.

On behalf of the Board of Directors

George Handjinicolaou

Chairperson of the BoD

30 August 2017

ESMA´s ALTERNATIVE PERFORMANCE MEASURES (APM) AT GROUP LEVEL

#	Performance Measure	Definition
1	Adjusted loans and advances to customers	Loans and advances to customers before allowances for impairments on loan losses gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to € 8.1 billion.
2	Adjusted loans and advances to corporate entities and public sector	Loans and advances to corporate entities and public sector before allowances for impairments on loan losses gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to € 6.2 billion.
3	Adjusted loans and advances to individuals	Loans and advances to individuals before allowances for impairments on loan losses gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to € 1.9 billion.
4	Adjusted NPLs - Non Performing Loans	Adjusted loans and advances to customers in arrears over 90 days past due.
5	Adjusted NPEs - Non Performing Exposures	On and off balance sheet credit exposures before allowances for impairments on loan losses gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to € 8.1 billion that are: (a) past due over 90 days; (b) impaired or those which the debtor is deemed as unlikely to repay its obligations in full without liquidating collateral, regardless of the existence of any past due amount or the number of past due days; (c) forborne and still within the probation period under EBA rules; (d) subject to contagion from (a) under EBA rules.
6	Adjusted NPE ratio	Adjusted NPEs over loans and advances to customers before allowances for impairments on loan losses gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to € 8.1 billion.
7	Adjusted NPL ratio	Adjusted Non-performing loans over loans and advances to customers before allowances for impairment on loan losses gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to € 8.1 billion.

8	Adjusted NPL coverage ratio	Allowances for impairment gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) over Adjusted Non-Performing Loans.
9	New Adjusted NPL formation	Change of the stock of adjusted NPLs adding back write-downs or other adjustments i.e. loan sales or debt to equity transactions over loans and advances to customers before allowances for impairment on loan losses.
10	Adjusted Allowance for impairment on loans and advances to customers over loans and advances to customers (before allowance for loan losses and PPA adjustments)	Ratio of allowance for impairment on loans and advances to customers gross of PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to €8.1 billion over loans and advances to customers before allowance for impairment on loan losses and PPA adjustments relating to the acquisition of the seven banks (i.e. 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.) amounting to € 8.1 billion.
11	Ratio of operational needs coverage through internal allocation of human resources	The ratio of employment positions covered internally from employees over the total number of positions covered during the period under review.
12	Operational needs	Vacant employment positions, which are derived either from transfer/promotion of employees covering it, or from organizational changes/new needs of operating units.
13	Hours of training per employee	Hours spent by employees to participate in training activities.
14	Ratio of average number of hours of training per employee	Hours spent by employees to participate in training activities during the period under review.

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TRUE TRANSLATION

REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the Shareholders of “Piraeus Bank S.A.”

Introduction

We have reviewed the accompanying separate and consolidated interim statement of financial position of the Bank and the Group of “Piraeus Bank S.A.” (the “Group”) as of 30 June 2017, the related separate and consolidated interim statements of income, total comprehensive income, changes in equity and cash flows for the six month period then ended, as well as the selective explanatory notes, which together comprise the six month interim financial information and which represent an integral part of the six month interim financial report provided under Law 3556/2007. Management is responsible for the preparation and presentation of this six month interim financial information in accordance with International Financial Reporting Standards as endorsed by the European Union and applicable to Interim Financial Reporting (International Accounting Standard “IAS” 34). Our responsibility is to express a conclusion on this six month separate and consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

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

Deloitte.

Report on Other Legal and Regulatory Requirements

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

Athens, 30 August 2017

The Certified Public Accountant

Dimitris Koutsos- Koutsopoulos
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PIRAEUS BANK

PIRAEUS BANK GROUP

Consolidated Interim Financial Information

30 June 2017

Index to the Consolidated Interim Financial Information

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM INCOME STATEMENT	**Note**	**Period from 1 January to**		**Period from 1 April to**	
		30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
Interest and similar income		1,177,766	1,285,940	585,620	629,301
Interest expense and similar charges		(304,444)	(391,077)	(149,145)	(178,569)
NET INTEREST INCOME		**873,322**	**894,863**	**436,476**	**450,732**
Fee and commission income		193,403	172,066	102,143	89,543
Fee and commission expense		(30,921)	(20,050)	(20,215)	(10,714)
NET FEE AND COMMISSION INCOME		**162,482**	**152,016**	**81,928**	**78,829**
Dividend income		6,165	5,695	6,009	5,639
Net income from financial instruments designated at fair value through profit or loss		29,531	12,184	20,142	3,405
Results from investment securities	13	30,212	103,215	8,046	106,507
Other income/ (expenses)	6	98,222	2,366	100,140	(7,425)
TOTAL NET INCOME		**1,199,934**	**1,170,338**	**652,740**	**637,687**
Staff costs		(285,909)	(297,433)	(143,458)	(147,782)
Administrative expenses		(243,089)	(260,297)	(123,167)	(134,507)
Depreciation and amortisation		(51,769)	(52,702)	(25,361)	(26,424)
Gains/ (losses) from sale of owned assets		(1,050)	648	(81)	(132)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(581,818)**	**(609,785)**	**(292,067)**	**(308,845)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**618,116**	**560,553**	**360,673**	**328,842**
Impairment losses on loans and advances to customers	12	(518,234)	(492,240)	(259,039)	(235,052)
Impairment losses on other assets		(18,165)	(21,607)	(11,133)	(17,223)
Impairment losses on other debt securities - receivables		-	(5,113)	-	(5,113)
Impairment of property & equipment and intangible assets	6	(71,446)	(10,572)	(69,921)	(7,212)
Other provisions and impairment		(8,811)	(5,756)	(6,164)	(2,255)
Share of profit of associates and joint ventures		(26,405)	(24,363)	(19,280)	(24,065)
PROFIT/ (LOSS) BEFORE INCOME TAX		**(24,945)**	**902**	**(4,864)**	**37,922**
Income tax	7	23,317	(14,600)	10,391	(17,508)
PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**(1,627)**	**(13,698)**	**5,527**	**20,414**
Profit/ (loss) after income tax from discontinued operations	8	(74,674)	(26,766)	(74,017)	(16,741)
PROFIT/ (LOSS) FOR THE PERIOD		**(76,301)**	**(40,464)**	**(68,490)**	**3,673**
From continuing operations					
Profit/ (loss) attributable to equity holders of the parent entity		(70)	(12,657)	6,635	20,997
Non controlling interest		(1,557)	(1,041)	(1,109)	(583)
From discontinued operations					
Profit/ (loss) attributable to equity holders of the parent entity		(74,894)	(27,057)	(74,144)	(16,924)
Non controlling interest		220	290	128	183
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):					
From continuing operations					
- Basic and Diluted	9	(0.0002)	(0.0290)	0.0152	0.0481
From discontinued operations					
- Basic and Diluted	9	(0.1716)	(0.0620)	(0.1699)	(0.0388)

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to		Period from 1 April to	
		30 June 2017	30 June 2016	30 June 2017	30 June 2016
CONTINUING OPERATIONS					
Profit/ (loss) for the period (A)		**(1,627)**	**(13,698)**	**5,527**	**20,414**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	10	42,818	(61,694)	31,072	(46,024)
Change in currency translation reserve	10	(2,892)	(5,141)	(1,391)	5,892
Amounts that can not be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	10	(7)	(181)	-	(190)
Other comprehensive income, net of tax (B)	10	**39,918**	**(67,015)**	**29,681**	**(40,322)**
Total comprehensive income, net of tax (A+B)		**38,291**	**(80,713)**	**35,208**	**(19,908)**
- Attributable to equity holders of the parent entity		39,819	(79,712)	36,277	(19,317)
- Non controlling interest		(1,529)	(1,001)	(1,070)	(591)
DISCONTINUED OPERATIONS					
Profit/ (loss) for the period (C)		**(74,674)**	**(26,766)**	**(74,017)**	**(16,741)**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	10	56	206	25	2,158
Change in currency translation reserve	10	2,271	(1,386)	2,686	(337)
Amounts that can not be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	10	-	-	-	-
Other comprehensive income, net of tax (D)	10	**2,327**	**(1,180)**	**2,711**	**1,822**
Total comprehensive income, net of tax (C+D)		**(72,347)**	**(27,947)**	**(71,306)**	**(14,920)**
- Attributable to equity holders of the parent entity		(72,567)	(28,237)	(71,434)	(15,103)
- Non controlling interest		220	290	128	183

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	**Note**	**30 June 2017**	**31 December 2016**
ASSETS			
Cash and balances with Central Banks		3,041,717	3,071,788
Loans and advances to credit institutions		172,592	118,859
Financial assets at fair value through profit or loss	11	1,650,643	193,861
Derivative financial instruments - assets		492,379	449,482
Reverse repos with customers		46,343	30,005
Loans and advances to customers	12	46,363,421	49,707,608
Available for sale securities		2,876,070	2,740,246
Debt securities - receivables	13	7,068,832	13,246,257
Held to maturity		316	6,634
Assets held for sale		2,201	2,494
Investment property		1,095,662	1,208,647
Investments in associated undertakings and joint ventures		232,223	232,637
Property and equipment	15	990,045	1,498,411
Intangible assets		277,207	281,965
Deferred tax assets		5,329,145	5,318,348
Other assets		3,313,481	3,394,568
Assets from discontinued operations	8	965,916	2,562
TOTAL ASSETS		**73,918,193**	**81,504,371**
LIABILITIES			
Due to credit institutions	16	21,148,708	27,020,940
Due to customers	17	40,918,492	42,364,829
Financial liabilities at fair value through profit or loss		10,046	-
Derivative financial instruments - liabilities		469,552	657,127
Debt securities in issue	18	66,756	69,515
Current income tax liabilities		16,746	44,582
Deferred tax liabilities		38,417	47,061
Retirement benefit obligations		192,418	196,634
Other provisions		58,727	67,211
Other liabilities	19	798,518	1,211,252
Liabilities from discontinued operations	8	452,082	1,483
TOTAL LIABILITIES		**64,170,461**	**71,680,633**
EQUITY			
Share capital (ordinary shares)	21	2,619,955	2,619,955
Share premium	21	13,074,688	13,074,688
Contingent convertible securities	21	2,040,000	2,040,000
Less: Treasury shares	21	(1,456)	(842)
Other reserves	22	(25,685)	(65,845)
Retained earnings	22	(8,087,840)	(8,004,333)
Capital and reserves attributable to equity holders of the parent entity		**9,619,662**	**9,663,623**
Non controlling interest		128,070	160,115
TOTAL EQUITY		**9,747,732**	**9,823,738**
TOTAL LIABILITIES AND EQUITY		**73,918,193**	**81,504,371**

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Attributable to owners of the parent								
		Share Capital	Share Premium	Contingent Convertible securities	Treasury shares	Other reserves	Retained earnings	Attributable to owners of the parent	Non controlling interest	TOTAL
Opening balance as at 1 January 2016		**2,619,955**	**13,074,687**	**2,040,000**	**(460)**	**14,096**	**(7,840,635)**	**9,907,644**	**112,882**	**10,020,526**
Other comprehensive income, net of tax	10	-	-	-	-	(68,235)	-	(68,235)	40	(68,196)
Profit/ (loss) for the period 1/1/2016 - 30/6/2016	22	-	-	-	-	-	(39,713)	(39,713)	(750)	(40,464)
Total recognized income for the period 1/1/2016 - 30/6/2016		**0**	**0**	**0**	**0**	**(68,235)**	**(39,713)**	**(107,949)**	**(711)**	**(108,659)**
(Purchases)/ sales of treasury shares	21, 22	-	-	-	389	-	(32)	356	-	356
Transfer between other reserves and retained earnings	22	-	-	-	-	13,283	(13,283)	0	-	0
Disposals, liquidations and movement in participating interest	22	-	-	-	-	(355)	(4,387)	(4,742)	21,348	16,607
Balance as at 30 June 2016		**2,619,955**	**13,074,687**	**2,040,000**	**(72)**	**(41,211)**	**(7,898,050)**	**9,795,310**	**133,520**	**9,928,830**
Opening balance as at 1 July 2016		**2,619,955**	**13,074,687**	**2,040,000**	**(72)**	**(41,211)**	**(7,898,050)**	**9,795,310**	**133,520**	**9,928,830**
Other comprehensive income, net of tax		-	-	-	-	(18,293)	-	(18,293)	(4)	(18,297)
Profit/ (loss) for the period 1/7/2016-31/12/2016	22	-	-	-	-	-	4,726	4,726	(4,406)	321
Total recognized income for the period 1/7/2016-31/12/2016		**0**	**0**	**0**	**0**	**(18,293)**	**4,726**	**(13,567)**	**(4,410)**	**(17,977)**
Payment to the holders of contingent convertible securities (net of tax)	22	-	-	-	-	-	(117,803)	(117,803)	-	(117,803)
Prior year dividends of ordinary shares		-	-	-	-	-	-	0	(48)	(48)
(Purchases)/ sales of treasury shares	21, 22	-	-	-	(770)	-	(110)	(880)	-	(880)
Transfer between other reserves and retained earnings	22	-	-	-	-	(6,516)	6,516	0	-	0
Disposals, liquidations and movement in participating interest	22	-	-	-	-	175	387	563	31,053	31,616
Balance as at 31 December 2016		**2,619,955**	**13,074,687**	**2,040,000**	**(842)**	**(65,845)**	**(8,004,334)**	**9,663,623**	**160,116**	**9,823,738**
Opening balance as at 1 January 2017		**2,619,955**	**13,074,687**	**2,040,000**	**(842)**	**(65,845)**	**(8,004,334)**	**9,663,623**	**160,116**	**9,823,738**
Other comprehensive income, net of tax	10	-	-	-	-	42,217	-	42,217	28	42,245
Profit/ (loss) for the period 1/1/2017 - 30/6/2017	22	-	-	-	-	-	(74,965)	(74,965)	(1,337)	(76,301)
Total recognized income for the period 1/1/2017-30/6/2017		**0**	**0**	**0**	**0**	**42,217**	**(74,965)**	**(32,748)**	**(1,308)**	**(34,056)**
(Purchases)/ sales of treasury shares	21, 22	-	-	-	(615)	-	232	(382)	-	(382)
Transfer between other reserves and retained earnings	22	-	-	-	-	(2,057)	2,057	0	-	0
Movement in participating interest	22	-	-	-	-	-	(10,832)	(10,832)	(30,737)	(41,569)
Balance as at 30 June 2017		**2,619,955**	**13,074,687**	**2,040,000**	**(1,456)**	**(25,685)**	**(8,087,840)**	**9,619,662**	**128,071**	**9,747,732**

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM CASH FLOW STATEMENT	**Note**	**Period from 1 January to**	
		30 June 2017	**30 June 2016**
Cash flows from operating activities from continuing operations			
Profit/ (loss) before tax		(24,945)	902
Adjustments to profit/ loss before tax:			
Add: provisions and impairment		616,656	535,288
Add: depreciation and amortisation charge		51,769	52,702
Add: retirement benefits		4,482	7,137
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss		(21,851)	3,239
(Gains)/ losses from investing activities		211,284	(75,388)
Cash flows from operating activities before changes in operating assets and liabilities		837,395	523,880
Changes in operating assets and liabilities:			
Net (increase)/ decrease in cash and balances with Central Banks		267,696	205,913
Net (increase)/ decrease in financial instruments at fair value through profit or loss		38,602	(11,212)
Net (increase)/ decrease in debt securities - receivables		4,652,825	1,490,044
Net (increase)/ decrease in loans and advances to credit institutions		1,893	(177)
Net (increase)/ decrease in loans and advances to customers		2,509,821	1,208,399
Net (increase)/ decrease in reverse repos with customers		(16,338)	(22,257)
Net (increase)/ decrease in other assets		(116,890)	76,379
Net increase/ (decrease) in amounts due to credit institutions		(5,868,168)	(2,648,147)
Net increase/ (decrease) in liabilities at fair value through profit or loss		10,046	(2,514)
Net increase/ (decrease) in amounts due to customers		(1,181,485)	(530,074)
Net increase/ (decrease) in other liabilities		(564,401)	(88,309)
Net cash flow from operating activities before income tax payment		570,997	201,926
Income tax paid		(2)	(119)
Net cash inflow/ (outflow) from continuing operating activities		**570,995**	**201,807**
Cash flows from investing activities of continuing operations			
Purchases of property and equipment		(87,609)	(73,443)
Sales of property and equipment		2,650	14,459
Purchases of intangible assets		(16,096)	(12,590)
Purchases of assets held for sale		(1,783)	(2,403)
Sales of assets held for sale		-	19,505
Purchases of investment securities		(7,170,475)	(3,180,238)
Disposals/ maturity of investment securities		7,097,569	3,358,084
Acquisition of subsidiaries excluding cash & cash equivalents acquired		(2,400)	(1)
Sales of subsidiaries excluding cash & balances sold		-	14,452
Participation in share capital increases of associates	24	(321)	(1,650)
Sales of associates		-	10,991
Dividends received		5,690	5,610
Net cash inflow/ (outflow) from continuing investing activities		**(172,773)**	**152,775**
Cash flows from financing activities of continuing operations			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(11,685)	(16,678)
Purchases/ sales of treasury shares and preemption rights		(382)	356
Net cash inflow/ (outflow) from continuing financing activities		**(12,067)**	**(16,322)**
Effect of exchange rate changes on cash and cash equivalents		862	(2,695)
Net increase/ (decrease) in cash and cash equivalents from continuing activities (A)		**387,017**	**335,566**
Net cash flows from discontinued operating activities		11,167	204,950
Net cash flows from discontinued investing activities		(33,645)	(99,305)
Net cash flows from discontinued financing activities		-	-
Exchange difference of cash and cash equivalents		(177)	(7,587)
Net incease/ (decrease) in cash and cash equivalents from discontinued activities (B)		**(22,655)**	**98,058**
Cash and cash equivalents at the beginning of the period (C)		**1,814,951**	**2,276,758**
Cash and cash equivalents at the end of the period (A)+(B)+(C)		**2,179,314**	**2,710,382**

Amounts in thousand euros (Unless otherwise stated)

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 societés anonymes, Law 4261/2014 on credit institutions, and other relevant laws. According to its statute, the scope of the Bank is to execute any 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 (herein after "the Group") provide services in the Southeastern and Western Europe. The Group employs in total 18,985 people of which 1,897 people, refer to discontinued operations (ATE Insurance Romania S.A., Olympic Commercial & Tourist Enterprises S.A., IMITHEA S.A., Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd).

Apart from the ATHEX General Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (All World, Emerging Markets, Med 100, FTSE4Good Emerging), MSCI (Emerging Markets, EM EMEA, Greece), Stoxx (TMI, All Europe, Greece TM) and S&P (Global, Greece BMI).

The composition of the Board of Directors on the approval date of Consolidated Interim Financial Information is as follows:

Georgios P. Handjinicolaou	Chairman (Non-Executive Member)
Karel G. De Boeck	Vice-Chairman of the Board of Directors (Independent Non-Executive Member)
Christos I. Megalou	Managing Director (Executive Member)
Ilias D. Milis	Authorized Executive Director (Executive Member)
Venetia G. Kontogouris	Independent Non Executive Member
Arne S. Berggren	Independent Non Executive Member
Enrico Tommaso C. Cucchiani	Independent Non Executive Member
David R. Hexter	Independent Non Executive Member
Solomon A. Berachas	Non-Executive Member
Alexander Z. Blades	Non-Executive Member
Aikaterini K. Beritsi	Representative of the Hellenic Financial Stability Fund pursuant to the provisions of L. 3864/2010 (Non – Executive Member)

2 Basis of preparation of the consolidated interim financial information

The consolidated interim financial information for the six-month period ended 30 June 2017 (the "Interim Financial Information") has been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

The Interim Financial Information includes selected explanatory notes and does not include all the information required for full annual financial statements. Therefore, the Interim Financial Information should be read in conjunction with the annual consolidated financial statements of Piraeus Bank Group as at and for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The amounts are stated in euro, rounded to the nearest thousand (unless otherwise stated) for ease of presentation.

It is mentioned that where necessary, comparative figures have been adjusted to conform to changes in the current period's presentation. The adjustments made are considered that they do not have material impact in the presentation of financial information, as presented analytically in Note 26 of the Interim Financial Information.

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The Interim Financial Information has been prepared based on the going concern principle, applying the historical cost convention, as modified by the revaluation of the available for sale portfolio, financial assets and liabilities of the trading portfolio, derivative financial instruments, as well as investment property. The preparation of the Interim Financial Information in conformity with IFRS requires the use of estimates, accounting policies and assumptions which affect the reported assets and liabilities, the recognition of contingent liabilities, as well as the recognition of income and expenses in the consolidated financial statements.

Going concern basis

The Interim Financial Information has been prepared on a going concern basis. Piraeus Bank's Management, after taking into account the factors mentioned below, regarding the macroeconomic environment, the capital adequacy and the Group's liquidity, is of the opinion that the Consolidated Interim Financial Information of the Group have been appropriately prepared on a going concern basis.

Macroeconomic environment

Since the beginning of the year up to July 2017, significant developments in the Greek economy give the picture of stability to the side of fiscal adjustment, but also recovery of confidence and trust in the market side, assisting the growth trajectory, although at a rate lower than expected or even possible.

Real GDP in the Q1, 2017 increased by 0.4% on a yearly and quarterly basis, after a zero percentage annual change in 2016 against a marginal decline of -0.3% in 2015. At the same time, the inflationary pressures from the beginning of the year sustained in June 2017 and inflation stood at 1.0% on a yearly basis against -0.7% in June 2016, giving a 1.3% inflation at the H1 2017. Moreover, the unemployment rate in the Q1, 2017, based on non-seasonally adjusted data, stood at 23.3% compared to 24.9% in the Q1, 2016. Over the past five years, it stands for the smallest unemployment rate of the corresponding period of the year. Already in April 2017, based on seasonally adjusted data, the unemployment rate has fallen further to 21.7%, a positive sign for improvement in the labor market. In addition, according to a European Commission survey and seasonally adjusted data, in July 2017, the economic sentiment indicator improved significantly to 98.2 points (although in the first half of the year it was on average 93.9 points reflecting market uncertainty) approaching the highest levels of the indicator since February 2015. This rise is linked to the improvement of the climate in all business sectors as long as to the stimulation of the consumer confidence index.

In parallel, according to the data for the period January-June 2017, state budget execution showed a better result than in 2016. Specifically, the state budget deficit stood at € -1.6 billion, compared to € -1.85 billion in the same period of the previous year, while the primary surplus widened by almost € 300 million and amounted to € 1.94 billion. The six-month results also exceed the revised targets, in line with the 2018-2021 Medium Term Fiscal Strategy (MTFS), for a deficit of € -3.1 billion and a primary surplus of € 431 million. Finally, the fiscal consolidation measures adapted in the context of the second review (also under the MTFS 2018-2021) mainly refer to the 2019-2020 biennium and do not therefore entail additional burdens for 2017.

In the framework of the 3rd financial adjustment programme for Greece and during the 2nd review, in the Eurogroup held at December 2016 the implementation of short-term relief measures was decided. Following that, the step-up interest rate margin of 2% on the € 11.3 billion EFSF loan tranche was waived for the year 2017, while a smoothening of the repayment profile of the EFSF loan was applied.

On 10 July 2017, ESM approved the first disbursement of the third tranche that amounted to € 7.7 billion (total of the third tranche: € 8.5 billion) after the signing of the Supplementary Memorandum (SMoU) and the completion of all the pre-requisite actions of the 2nd review by the Greek Government. At the same time, following the decisions in the Eurogroup on the 15 June 2017, on 20 July 2017 the IMF Executive Board approved in principle (Approval in Principal) an about € 1.6 billion precautionary Stand-By Arrangement

(SBA) for Greece. However, funding will become effective only after IMF receives specific and credible assurances from Greece's European partners to ensure debt sustainability, and provided that Greece's economic program remains on track. Consequently, the IMF will participate in ESM evaluation procedures, while under the new program the first and second evaluations are scheduled to take place in February and August 2018 respectively.

The above developments led to a significant decline in Greek bond yields, with a fall in spreads compared to the corresponding German ones. On 24 July 2017 the Greek government announced its exit to the bond markets, exchanging older notes maturing in 2019 (with a coupon of 4.75%) and issuing a new 5-year bond with maturity in 2022. The 5-year bond has a settlement date on 1 August 2017 and amounts at € 3.0 billion (€ 1.57 billion bond-switch and € 1.43 billion new bonds) with a 4.375% coupon. The outstanding balance of the bond with maturity in 2019 stood at € 2.5 billion versus € 4.0 billion previously.

The maintenance of the fiscal stability, the gradually strengthening of the international confidence in the sustainability of the country's public finances, as well as the positive effects on economic activity from the boosted domestic credibility, that will be greatly reinforced by focusing economic policy to the necessary reforms for development, will ensure the economic growth for 2017.

The economic and political situation in Greece remains the prime risk factor for the domestic banking sector in general and for Piraeus Bank in particular. To this end, adverse developments regarding the implementation of the country's economic adjustment program would potentially have negative effect on the Bank's liquidity (i.e. stop attracting or loosing deposits, reducing repo interbank transactions with third parties, downgrading of securities and guarantees of the Greek State that are used for liquidity purposes from the Eurosystem, increasing funding through Emergency Liquidiity Assistance ''ELA'' mechanism) and on the Bank's capital adequacy (i.e. impact on the quality of its loan portfolio, possible negative assessment of the credit risk of the Greek State in which the Greek banks have significant direct and indirect exposure). Piraeus Bank's Management closely monitors the developments and assesses periodically the negative impact that might have in its operations.

Capital adequacy

The Comprehensive Assessment ("CA" i.e. Asset Quality Review and Stress Tests) which was carried out by ECB/ Single Supervisory Mechanism (SSM) in the second half of 2015 in order to quantify the capital shortfalls, after the legal framework was 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 31 October 2015.

The Bank completed its share capital increase of € 4.6 billion in December 2015, aiming at:

- the coverage of its capital needs, as determined by the Comprehensive Assessment conducted by the ECB,
- the significant strengthening of its capital base,
- the enhancement of the Bank's position, thus contributing towards the expected recovery for a part of outflow of deposits in Greece during the first half of 2015 and the reduction of the funding from Eurosystem and more specifically from the ELA.

Liquidity

During the 1st half of 2017, domestic market deposits (private and public sector,) decreased -1% and amounted € 130.8 billion. The exposure of all Greek banks in the Eurosystem was reduced from € 67 billion at the end of December 2016 to € 54 billion at the end of June 2017, of which about € 38 billion, was covered by the 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) and € 16 billion from ECB's main refinancing operations.

During the 1st half of 2017, Piraeus Bank's Group exposure to the Eurosystem reduced by € 5.1 billion to € 15.8 billion compared to € 20.9 billion as at 31 December 2016, mainly assisted by the further improvement of access to international repo markets, the further deleveraging of the loan portfolio, the Bank´s participation in the ECB´s program of Quantitative Easing ("QE") with the sale of EFSF bonds of notional amount € 0.7 billion during the period 1/1-30/6/2017 and its participation in ESM's bond exchange program with cash (€ 3.9 billion). Piraeus Bank's financing through the ELA was reduced by € 1.6 billion during the period 1/1-30/6/2017 and amounted to € 10.3 billion as at 30 June 2017 versus € 11.9 billion as at 31 December 2016. It is noted that during the 1st half of 2017, the deposits of Piraeus Bank Group in Greece decreased by € 1.1 billion or 2.9%.

On 28 April 2016 the last guarantees of the Hellenic Republic (Pillar II), used by Piraeus Bank for liquidity purposes under the framework of L.3723/2008 "The strengthening of the liquidity of the Economy for offsetting the impact of the international financial crisis," were redeemed and therefore Piraeus Bank is no longer subject to the restrictions of the support program.

On 22 June 2016 the Governing Council of the ECB decided to reinstate the waiver affecting the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic as collateral for the supply of liquidity, subject to special "haircuts". The reinstatement of the waiver excluded, already as of 2 March 2015 uncovered guaranteed bank bonds that have been issued by the counterparty itself or an entity closely linked to that counterparty, such as the government guaranteed bonds under the Second Pillar of the Greek Law 3723/2008, pursuant to the ECB Decisions ECB/2012/12 and ECB/2013/6.

On 23 January 2017 the governing bodies of the European Stability Mechanism (ESM) and European Financial Stability Facility (EFSF) approved the implementation of a set short term measures for the relief of Greek public debt that was agreed on 25 May 2016. Among the aforementioned set of measures, a bond exchange scheme was also included, where floating rate notes disbursed by ESM and EFSF to Greece for recapitalization of Greek banks and funding gaps stemming from acquisitions/mergers were exchanged for fixed coupon notes or cash. During the 1st half of 2017 a first set of exchange occurred with the notional amount totaling at € 5.4 billion that was held by Piraeus Bank, for cash and new notes (€ 3.9 billion and € 1.5 billion respectively).

Furthermore, Greek banks can participate in the ECB's Targeted Longer-Term Refinancing Operations ("TLTRO"), getting the benefit associated with the new TLTRO II programme announced on 10 March 2016 by the ECB, subject to sufficient eligible collateral. The duration of the new TLTRO is four years, with four windows of participation, beginning from June 2016 until March 2017. Piraeus Bank participated only in the first auction on 23 June 2016 with € 4.0 billion, shifting at the same time the € 2.7 billion of TLTRO I to TLTRO II.

3 General accounting policies, critical accounting estimates and judgements

a. General accounting policies

For the preparation of this Interim Financial Information the same accounting principles and calculation methods have been used as in the annual consolidated financial statements of the Group as of 31 December 2016 with the exception of the valuation of the right of use and obligation that derive from the leasing contract of the Group's subsidiary Picar S.A. with the Hellenic Army Pension Fund for Citylink (see Note 6).

There are no new accounting standards, amendments and improvements in IFRSs or interpretations effective from 1 January 2017, apart from those that have already been disclosed in the Annual Financial Statements, which have been issued by the IASB and have been endorsed by the European Union.

In relation to IFRS 9, the Group will fully implement the standard as of 1 January 2018. A detailed assessment is taking place in order to determine the impact from the IFRS 9 implementation and the Group has the intention to disclose the quantitative impact of the new standard when it becomes practically possible to produce reliable estimates. Relevant to the special project for the implementation of IFRS 9 is Note 2.1 of the Consolidated Financial Statements of the Annual Financial Report for the year ended 31 December 2016.

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

The preparation of Interim Financial Information 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 advances to customers

The Group examines, at every reporting period, whether trigger for impairment exists for its loans and advances to customers. If such triggers exist, the recoverable amount of the loan portfolio is calculated and the relevant impairment loss on loan and advances to customers is raised. The impairment loss on loan and advances to customers is recorded in the consolidated income statement. The estimates, methodology and assumptions used are reviewed regularly to reduce any differences between loss estimates and actual losses.

b.2. Impairment of available for sale portfolio, associate companies and joint ventures

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 consolidated 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.

Associate companies and joint ventures

The Group tests for impairment the investments in associate companies and joint ventures, 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 or the joint venture. The amount of the permanent impairment of the investment, which may arise from the assessment, is recorded to the consolidated income statement.

b.3. Estimation of property fair value and impaiment

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

Own-use property and equipment are tested for impairment, when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value-in-use.

Inventories are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price less any expenses necessary to conclude the sale.

On 31/12 of each financial year, fair value measurement 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, as described in Note 2.18 of the annual consolidated financial statements, 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.

In addition, the subsidiary companies of the Group apply the procedures of the Bank regarding the valuation of their real estate property, adjusted to the specific conditions of every company.

In case that, there is evidence for significant changes of the fair value of certain properties in the interim reporting periods, the Bank reassesses their fair value by applying the aforementioned processes (revaluation, extrapolation).

b.4. Provisions and contingent liabilities

Provisions are recognised when: a) the Group has a present legal or constructive obligation as a result of past events, b) it is more likely than not, that an outflow of resources will be required to settle the obligation, and c) the amount of the obligation can be reliably estimated. If these conditions are not met, no provision is recognised.

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. Also, the discount rate used does not take into account any taxes.

Amounts in thousand euros (Unless otherwise stated)

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 and its subsidiaries or even independent legal advisors where the amount under assessment is material.

b.5. Recoverability of Deferred Tax Assets

The Group evaluates the deferred tax asset recoverability in every reporting period, by considering the estimates of the management for the evolution of the Group's tax results in the foreseeable future and the current legislation in force.

Management's estimates for the future tax results of the Group and consequently the recoverability of the deferred tax asset, taking into account the revised Restructuring Plan approved as of 29 November 2015, by the European Commission, 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 over which deferred tax asset recognised, as well as the ability to recover this asset, in accordance with the tax regulations related to their offsetting with profits generated in future periods, 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.

Relative to the provisions of Law 4172/2013 for deferred tax assets is Note 7 of the Interim Financial Information.

b.6. 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 2.

As at 30 June 2017, the total carrying value of the Group's receivables from Greek Public Sector was as follows:

	30/6/2017	31/12/2016
Derivative financial instruments - assets	305,973	341,796
Bonds and treasury bills at fair value through profit or loss	9,022	8,428
Loans to corporate entities/ Public sector	202,415	2,061,031
Bonds, treasury bills and other variable income securities of investment portfolio	2,217,922	2,084,465
Other Assets	775,173	793,384
Total	**3,510,506**	**5,289,105**

Amounts in thousand euros (Unless otherwise stated)

4 Fair values of financial assets and liabilities

a) Financial assets and liabilities not measured at fair value

The following table summarises the fair values and the carrying amounts of those financial assets and liabilities not presented in the consolidated interim statement of financial position at fair value.

Assets	Carrying Value		Fair Value	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Loans and advances to credit institutions	172,592	118,859	172,592	118,859
Loans and advances to customers	46,363,421	49,707,608	45,007,035	48,668,273
Debt securities - receivables	7,068,832	13,246,257	7,199,713	13,471,242
Reverse repos with customers	46,343	30,005	46,343	30,005
Held to maturity securities	316	6,634	316	6,634

Liabilities	Carrying Value		Fair Value	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Due to credit institutions	21,148,708	27,020,940	21,148,708	27,020,940
Due to customers	40,918,492	42,364,829	40,918,492	42,364,829
Debt securities in issue	66,756	69,515	54,394	56,520
Obligations under finance leases	73,670	356,400	73,670	355,902

The fair values as at 30 June 2017 of loans and advances to credit institutions, reverse repos with customers, due to credit institutions, due to customers and obligations under finance leases which are measured at amortized cost, are not 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 held to maturity 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.

b) Financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date, under current market conditions.

IFRS 13 specifies a hierarchy of valuation techniques in 3 levels. 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.

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 which are observable and are not included in Level 1.

Level 3

The valuation of assets and liabilities is carried out by introducing variables that are not based on observable market data. Level 3 includes shares categorized in the available for sale portfolio, derivative financial instruments and specific shares and other variable income securities. Shares and derivative financial within Level 3 are not traded in an active market or there are no available observable prices in order to determine their fair value. Specifically:

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 Group 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.

Derivative financial instruments

The embedded derivatives of the convertible bonds are included in Level 3 of derivative financial assets.

The aforementioned derivatives are accounted at fair value. The fair value of the embedded derivatives are 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 fair value hierarchy levels mentioned above:

Amounts in thousand euros (Unless otherwise stated)

Assets & Liabilities measured at fair value as at 30/6/2017	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	482,497	9,881	**492,379**
Financial instruments at fair value through profit or loss				
- Bonds	15,919	162,934	-	**178,853**
- Shares & other variable income securities	14,997	-	-	**14,997**
- Other financial instruments at fair value through profit or loss	-	1,456,793	-	**1,456,793**
Available for Sale Securities				
- Bonds	453,924	303,516	-	**757,440**
- Treasury bills	1,773,189	47,195	-	**1,820,384**
- Shares & other variable income securities	109,056	3,424	185,766	**298,246**
Liabilities				
Derivative financial instruments - liabilities	-	461,816	7,736	**469,552**
Financial liabilities at fair value through profit or loss	10,046	-	-	**10,046**

Assets & Liabilities measured at fair value as at 31/12/2016	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	443,481	6,001	**449,482**
Financial instruments at fair value through profit or loss				
- Bonds	8,428	146,260	-	**154,688**
- Treasury bills	28,943	-	-	**28,943**
- Shares & other variable income securities	10,229	-	-	**10,229**
Available for Sale Securities				
- Bonds	459,995	260,494	-	**720,489**
- Treasury bills	1,684,750	37,303	-	**1,722,053**
- Shares & other variable income securities	108,779	3,096	185,829	**297,704**
Liabilities				
Derivative financial instruments - liabilities	-	657,127	-	**657,127**

The Group examines the classification of financial assets and liabilities measured at fair value in the above mentioned hierarchy levels at the end of each reporting period.

For the year 2016 and the period 1/1 - 30/6/2017 no transfers occurred from Level 1 to Level 2 and vice versa.

The following tables present the movement of derivative financial instruments - assets and shares of the available for sale portfolio within Level 3 in the 1st semester 2017 and in 2016:

Reconciliation of Level 3 items (for the period 1/1-30/6/2017)	Derivative financial instruments - liabilities	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening balance 1/1/2017	0	6,001	185,829
Profit/ (loss) for the period	7,736	3,880	-
Other comprehensive income	-	-	2,275
Disposals/ Settlements	-	-	(2,337)
Foreign exchange differences and other movements	-	-	(1)
Closing balance 30/6/2017	**7,736**	**9,881**	**185,766**

Reconciliation of Level 3 items (year 2016)	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening balance 1/1/2016	2,197	230,950
Profit/ (loss) for the year	3,804	-
Other comprehensive income	-	1,734
Purchases	-	23,142
Impairment	-	(2,900)
Disposals	-	(72,509)
Transfer into Level 3	-	9,263
Foreign exchange differences and other movements	-	(3,851)
Closing balance 31/12/2016	**6,001**	**185,829**

The following tables present the sensitivity analysis of Level 3 available for sale securities and derivative financial instruments - assets:

Sensitivity analysis of Level 3 hierarchy: (amounts in € million)	30/6/2017	
	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(26)
Derivative financial instruments - assets	4	-
Statement of Changes in Equity		
Available for sale shares & other variable income securities	30	(1)

Sensitivity analysis of Level 3 hierarchy: (amounts in € million)	31/12/2016	
	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(27)
Derivative financial instruments - assets	7	(5)
Statement of Changes in Equity		
Available for sale shares & other variable income securities	18	(3)

It is noted that the change in the fair value of derivatives financial instruments – liabilities, that are classified in Level 3 as of 30 June 2017, is of no importance for the favourable and unfavourable changes.

Considering changes in the underlying share price by +/- 5%, in the volatility of the share price by +/- 10%, in interest rates by +/- 10 basis points and in credit spreads by +/- 100 basis points, the change in the fair value of the embedded derivative as compared to its fair value as at 30/6/2017, will range between approximately +43% in the scenarios of favorable changes and -1% in the scenarios of unfavorable changes for derivatives financial instruments – assets and between approximately -2% in the scenarios of favorable changes and +2% in the scenarios of unfavorable changes for derivatives financial instruments – liabilities.

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 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 corporate 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 business segments – Other business 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:

Amounts in thousand euros (Unless otherwise stated)

1/1-30/6/2017	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	634,399	238,311	166	74,282	(73,836)	**873,322**
Net fee and commission income	134,357	18,672	2,792	4,617	2,044	**162,482**
Other income	3,345	526	2,236	59,304	98,718	**164,130**
Net Income	**772,101**	**257,510**	**5,194**	**138,203**	**26,926**	**1,199,934**
Depreciation and amortisation	(13,658)	(1,127)	(505)	(1,131)	(35,348)	**(51,769)**
Other operating expenses	(437,004)	(44,356)	(11,268)	(23,610)	(13,811)	**(530,049)**
Profit/ (loss) before provisions, impairment and income tax	**321,439**	**212,027**	**(6,578)**	**113,462**	**(22,233)**	**618,116**
Impairment losses on loans and advances to customers	(400,306)	(117,929)	-	-	-	**(518,234)**
Impairment losses on other assets	(797)	(334)	23	-	(17,057)	**(18,165)**
Impairment of property & equipment and intangible assets	(1,371)	(158)	-	-	(69,918)	**(71,446)**
Other provisions and impairment	(3,125)	(1,456)	-	80	(4,310)	**(8,811)**
Share of profit of associates and joint ventures	-	-	-	-	(26,405)	**(26,405)**
Profit/ (loss) before tax	**(84,159)**	**92,150**	**(6,555)**	**113,542**	**(139,923)**	**(24,945)**
Income tax						23,317
Profit/ (loss) for the period from continuing operations						**(1,627)**
Profit/ (loss) after income tax from discontinued operations						(74,674)
Profit/ (loss) for the period						**(76,301)**
As at 30 June 2017						
Total assets	39,189,425	10,398,133	70,658	12,622,071	11,637,906	**73,918,193**
Total liabilities	38,820,450	1,842,406	53,539	22,176,830	1,277,236	**64,170,461**
Capital expenditure	101,326	4,646	23	668	42,519	**149,181**

Amounts in thousand euros (Unless otherwise stated)

1/1-30/6/2016	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	709,572	266,565	185	26,789	(108,249)	**894,863**
Net fee and commission income	130,075	11,364	2,008	6,428	2,141	**152,016**
Other income	87,403	1,343	2,000	30,183	2,530	**123,460**
Net Income	**927,051**	**279,273**	**4,193**	**63,400**	**(103,578)**	**1,170,338**
Depreciation and amortisation	(15,358)	(1,303)	(164)	(1,318)	(34,560)	**(52,702)**
Other operating expenses	(450,950)	(47,570)	(6,506)	(29,766)	(22,291)	**(557,083)**
Profit/ (loss) before provisions, impairment and income tax	**460,743**	**230,400**	**(2,478)**	**32,317**	**(160,429)**	**560,553**
Impairment losses on loans and advances to customers	(354,881)	(137,359)	-	-	-	**(492,240)**
Impairment losses on other assets	(234)	(29)	-	-	(21,344)	**(21,607)**
Impairment losses on other debt securities-receivables	-	-	-	-	(5,113)	**(5,113)**
Impairment of property & equipment and intangible assets	(6,300)	(108)	-	-	(4,164)	**(10,572)**
Other provisions and impairment	(2,995)	(1,095)	-	-	(1,667)	**(5,756)**
Share of profit of associates	-	-	-	-	(24,363)	**(24,363)**
Profit/ (loss) before tax	**96,332**	**91,810**	**(2,478)**	**32,317**	**(217,079)**	**902**
Income tax						(14,600)
Profit/ (loss) for the period from continuing operations						**(13,698)**
Profit/ (loss) after income tax from discontinued operations						(26,766)
Profit/ (loss) for the period						**(40,464)**
As at 31 December 2016						
Total assets	40,586,877	12,749,635	53,094	16,771,169	11,343,596	**81,504,371**
Total liabilities	39,511,810	2,041,176	41,477	27,776,203	2,309,967	**71,680,633**
As at 30 June 2016						
Capital expenditure	90,650	3,111	69	1,306	56,323	**151,459**

Amounts in thousand euros (Unless otherwise stated)

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 income to assess the performance of each segment.

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

Assets included in the business segments "Retail Banking" and "Corporate Banking" include the following loans and advances to customers, that are managed by the Bank's Recovery Banking Unit (RBU) that was established during 2014.

30/6/2017	Balance before allowances and PPA adjustments	Accumulated allowances and PPA adjustments	Balance net of allowances and PPA adjustments
Corporate entities and Public sector	21,315,759	(9,992,317)	11,323,442
Mortgages	4,695,600	(1,374,357)	3,321,243
Consumer/ personal/ other loans and credit cards	2,817,759	(1,832,343)	985,416
Total	**28,829,118**	**(13,199,018)**	**15,630,100**

31/12/2016	Balance before allowances and PPA adjustments	Accumulated allowances and PPA adjustments	Balance net of allowances and PPA adjustments
Corporate entities and Public sector	20,810,171	(10,261,519)	10,548,652
Mortgages	4,699,633	(1,435,289)	3,264,344
Consumer/ personal/ other loans and credit cards	3,040,319	(1,984,844)	1,055,475
Total	**28,550,123**	**(13,681,652)**	**14,868,471**

Total liabilities include deposits of customers of RBU of amount € 366,867 thousand (31/12/2016: € 379,024 thousand). Please refer to Note 12, regarding the nature of the PPA adjustment.

6 Other income/ (expenses)

Pursuant to the decision no 2376/16.5.2017 issued by the Single Member Court of Appeal of Athens, the annual rent paid by the Group's subsidiary Picar S.A. to the Hellenic Army Pension Fund for Citylink was reduced by 20% for the period from 1/1/2014 to 31/12/2015; moreover, according to the above mentioned Court decision, due to the Court settlement of the contract, the agreed gradual adjustment of the rent ceases to have effect for the future, i.e. since Picar's complaint was served to the Hellenic Army Pension Fund (13/12/2013).The Hellenic Army Pension Fund's petition for freezing injunction for the suspension of the execution of said decision before the Judge of the Supreme Court was rejected. An appeal against the above decision for its annulment and a petition for the suspension of its execution are still pending before the Supreme Court.

The Group's Management, based on the above mentioned decision and in relative advice of independent Legal Consultant, during the 2nd quarter 2017 changed the assumptions and judgements used to measure the right of use and the obligation, that derive from the leasing contract of the Group's subsidiary Picar S.A. with the Hellenic Army Pension Fund for Citylink.

Amounts in thousand euros (Unless otherwise stated)

This resulted in a reduction in the fair value of the investment property charged to “Other income/ (expense)” of € 182.6 million and an impairment charge for property and equipment of € 67.9 million, a gain from the reduction of finance lease obligation of € 295.9 million recorded in “Other income/ (expense)” and hence a net gain in the Group’s Consolidated Interim Income Statement of € 45.4 million.

7 Income tax

Continuing operations	1/1-30/6/2017	1/1-30/6/2016
Current tax	(5,804)	(7,171)
Deferred tax	28,529	(7,429)
Provisions for tax differences	593	-
Total	**23,317**	**(14,600)**

In accordance with the provisions of the enacted Greek Tax Law (Law 4172/2013), as amended by Law 4334/2015 (Gazette A΄80/16.7.2015) and being in effect today, the income tax rate for Greek legal entities is 29%. Subsequent to the enactment of Law 4389/2016 the tax rate on dividend income received from 1/1/2017 increased to 15% from 10% prior to 31/12/2016.

For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the years of 2016 and 2017 (Bulgaria: 10%, Romania: 16%, Egypt: 22.5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15% and United Kingdom: 20% from 1/4/2015 until 31/3/2017 and 19% from 1/4/2017).

The income tax for the period ended 30 June 2017 amounting to € 23.3 million, mainly refers to the additional recognition of deferred tax asset on impairment losses on loans and advances to customers recorded in the income statement of the semester, that will be recognized for tax purposes in a later period, and the offset of current tax profits against previous years tax losses.

The Group has recognized as at 30/6/2017 deferred tax assets amounting to € 5.3 billion, based on the appropriate estimates of the Management for the future evolution of the Group's tax results, taking into account the revised approved Restructuring Plan by the European Commission on 29 November 2015, and assessing the recoverability of other relevant factors as being presented in detailed in Note 3.b.5 of the Consolidated Interim Financial Information. The measures that have already been implemented, as well as those included in the existing Restructuring Plan of the Bank, are reliably expected to enforce the Group's future profitability and to allow the Group to overcome the effects of the extended Greek recession.

Under the provisions of Law 4172/2013, Article 27A, as amended by Law 4465/2017 and being in effect today, deferred tax assets of Greek financial institutions, as well as deferred tax assets of leasing and factoring companies, that have been recognized due to losses from the Private Sector Involvement (‘PSI’) and accumulated provisions due to credit risk in relation to existing loans and advances to customers as of 30 June 2015, as well as the accounting write offs and final losses due to permanently write offs or restructuring of debts under certain conditions will be converted from 2017 onwards into directly enforceable claims (tax credit) against the Greek State, provided that the “profit for the period” from the fiscal year 2016 onwards according to IFRS, is a loss.

This claim will be offset against the relevant amount of income tax of the legal person or companies of the same corporate group (associated companies) of the tax year, which the approved financial statements refer to. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State in favor of the above-mentioned companies. In this case, a special reserve equal to 100% of the above claim will be created exclusively for a share capital increase and the issuance of capital conversion rights (warrants) without consideration in favor of the Greek State. The above rights will be convertible into ordinary shares. Existing shareholders will have a call option right. The above-mentioned reserve will be capitalized and new ordinary shares will be issued in favor of the Greek State. Also, a gradual amortization over a 20-year period of the final tax losses arising from write-offs and disposals is provided, maintaining the DTC status during all this period, while it disconnects the accounting write-offs from final debt write-offs.

The Extraordinary General Meeting of the Bank's Shareholders, on 19 December 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 to proceed with all actions required for the implementation of the above mentioned Law provisions.

As at 30/6/2017, deferred tax assets of the Group meeting the provisions of the Law, amounts to € 4.0 billion, of which € 1.3 billion relates to the remaining unamortized amount of debit difference from the participation on the Private Sector Involvement program (PSI) and € 2.7 billion relates to the differences on IFRS allowance for impairment on loans and advances to customers, and tax provisions respectively.

According to article 82 of Law 4472/2017 credit institutions and other legal entities that fall under the provisions of article 27A of Law 4172/2013 are required to pay an annual commission of 1.5% on the excess amount guaranteed by the Greek State of deferred tax assets arising from the difference between the tax rate applicable under Law 4334/2015 (Gazette A' 80/16/7/2015) retrospectively from 1/1/2015 (29%), and the tax rate applicable on 30/6/2015 (26%). The total commission as at 30 June 2017 amounts to € 10.5 million of which € 7.0 million relates to the period ended 31 December 2016 and has been included in the consolidated income statement under "Other income/ (expenses)".

Additionally, article 14 of the aforementioned law provides a reduction in the tax rate, from 29% currently in force, to 26%, implied to profits from business activity acquired by legal entities keeping double-entry books for income earned in the tax year 2019 onwards. With explicit reference to the law, this reduction does not apply to credit institutions for which the tax rate remains 29%.

Unaudited tax years

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

For the fiscal years 2011 – 2016, the tax audit for the Bank and all Greek Societe Anonyme Companies, conducted by the statutory auditor that conducts the tax audit under Law 2190/1920 according to article 82 of Law 2238/1994 and article 65 of Law 4174/2013 as were in force.

It is noted that, from 2016 and thereon the issue of the "Annual Tax Certificate" is optional, however the Group's Greek companies will continue to obtain the tax certificate. The Tax Administration retains its right to proceed with a tax audit, within the applicable statute of limitations in accordance with article 36 of Law 4174/2013.

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. For the fiscal year 2013, Piraeus Bank has received a Tax Compliance report with an emphasis of matter 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 abovementioned transactions are not subject to tax.

For the fiscal years 2014 and 2015, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non-qualified “Tax Compliance Report” has been issued. For the fiscal year of 2016 the tax audit has been completed and a non qualified “Tax Compliance Report” is expected to be issued and submitted.

Namely, to the subsidiaries, associates and joint ventures 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 2015 has been completed and the relevant Tax Compliance Reports have been issued.

For the fiscal year of 2016, the tax audit is being performed by their statutory auditors.

The unaudited tax years of the Group's subsidiaries, associates and joint ventures, are included in Note 14 of the Consolidated Financial Information and therefore their tax liabilities for these years have not been finalized.

A provision is booked on a company by company basis to cover possible tax differences that may arise, for the unaudited tax years, upon the completion of the tax audit.

The Management does not expect that additional tax liabilities will arise, in excess of those already recorded and presented in the Consolidated Interim Financial Information, upon the completion of the tax audit.

8 Discontinued operations

A) Profit/ (loss)

Profit/ (loss) after income tax from discontinued operations for the period 1/1-30/6/2017 includes the results of ATE Insurance Romania S.A., IMITHEA S.A., Olympic Commercial & Tourist Enterprises S.A, Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd. Profit/ (loss) after income tax from discontinued operations for the period 1/1-30/6/2016 includes the results of the aformentioned companies, ATE Insurance S.A and Piraeus Bank Cyprus LTD group of companies.

Relevant reference for the disposal procedure, that is under process, for the companies Olympic Commercial & Tourist Enterprises S.A., IMITHEA S.A., Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd is provided in Note 14B.

Amounts in thousand euros (Unless otherwise stated)

	1/1-30/6/2017	1/1-30/6/2016
Net interest income	7,814	20,906
Net fee and commission income	943	4,479
Divident income	2	729
Net income from financial instruments designated at fair value through profit or loss	519	2,592
Other results	32,737	41,641
Total net income	**42,015**	**70,347**
Staff costs	(24,096)	(35,522)
Administrative expenses	(12,481)	(19,432)
Depreciation and amortization	(2,868)	(3,495)
Total operating expenses before provisions	**(39,444)**	**(58,448)**
Other provisions and impairment	(75,533)	(34,598)
Profit/ (loss) before income tax	**(72,962)**	**(22,698)**
Income tax	(1,712)	(4,068)
Profit/ (loss) after income tax from discontinued operations	**(74,674)**	**(26,766)**

According to the requirements of IFRS 5 concerning the measurement of the value of the assets classified in discontinued operations at the lower of its carrying amount and fair value less cost to sell, the Group proceeded during the 1st semester of 2017 with an impairment of the value of discontinued operations by € 74.1 million relating mainly to Piraeus Bank Beograd A.D. The aforementioned amount is included in line “Other provisions and impairment” in the above table.

B) Assets and liabilities

The following assets and liabilities as at 30/6/2017 relate to the companies ATE Insurance Romania S.A., IMITHEA S.A., Olympic Commercial & Tourist Enterprises S.A., Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd. Respectively, the following assets and liabilities as at 31/12/2016 relate to the company ATE Insurance Romania S.A.

	30 June 2017	31 December 2016
ASSETS		
Cash and balances with Central Banks	62,920	12
Loans and advances to credit institutions	1,987	1,981
Financial assets at fair value through profit or loss	34,351	-
Loans and advances to customers	329,333	-
Available for sale securities	14,591	-
Assets held for sale	2,065	-
Property and equipment	366,754	11
Intangible assets	2,589	72
Deferred tax assets	502	-
Other assets	150,822	486
Total Assets	**965,916**	**2,562**

	30 June 2017	31 December 2016
LIABILITIES		
Due to credit institutions	11,285	-
Due to customers	247,443	-
Deferred tax liabilities	6,287	17
Current income tax liabilities	36,368	-
Retirement benefit obligations	6,252	-
Other provisions	76,442	600
Other liabilities	68,005	866
Total Liabilities	**452,082**	**1,483**

Amounts in thousand euros (Unless otherwise stated)

9 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the profit/ (loss) after tax attributable to the 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	1/1-30/6/2017	1/1-30/6/2016	1/4-30/6/2017	1/4-30/6/2016
Profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(70)	(12,657)	6,635	20,997
Weighted average number of ordinary shares in issue	436,460,508	436,615,033	436,434,770	436,604,127
Basic and diluted earnings/ (losses) per share (in €) from continuing operations	(0.0002)	(0.0290)	0.0152	0.0481

Basic and diluted earnings/ (losses) per share from discontinued operations	1/1-30/6/2017	1/1-30/6/2016	1/4-30/6/2017	1/4-30/6/2016
Profit/ (loss) attributable to ordinary shareholders of the parent entity from discontinued activities	(74,894)	(27,057)	(74,144)	(16,924)
Weighted average number of ordinary shares in issue	436,460,508	436,615,033	436,434,770	436,604,127
Basic and diluted earnings/ (losses) per share (in €) from discontinued operations	(0.1716)	(0.0620)	(0.1699)	(0.0388)

According to the requirements of IAS 33, the weighted average number of shares for the 1st semester of 2017 and the comparative 1st semester of 2016 has been adjusted by a factor 1/20, in order to reflect the effect in earnings/ (losses) per share of the reverse split decided by the Annual Ordinary General Meeting of shareholders held on 28/6/2017.

10 Amounts that can be reclassified in the Income Statement

A. Continuing operations

1/1-30/6/2017	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	60,170	(17,353)	42,818
Change in currency translation reserve	(2,892)	-	(2,892)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	(7)	-	(7)
Other comprehensive income from continuing operations	**57,271**	**(17,353)**	**39,918**

1/1-30/6/2016	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(86,328)	24,635	(61,694)
Change in currency translation reserve	(5,141)	-	(5,141)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	(181)	-	(181)
Other comprehensive income from continuing operations	**(91,650)**	**24,635**	**(67,015)**

Amounts in thousand euros (Unless otherwise stated)

B. Discontinued operations

1/1-30/6/2017	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	56	-	56
Change in currency translation reserve	2,271	-	2,271
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income from discontinued operations	**2,327**	**0**	**2,327**

1/1-30/6/2016	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	206	-	206
Change in currency translation reserve	(1,386)	-	(1,386)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income from discontinued operations	**(1,180)**	**0**	**(1,180)**

11 Financial assets at fair value through profit or loss

The balance as of 30/6/2017 includes EFSF bonds of nominal value € 1,525.0 million received in exchange from the sale of EFSF bonds of equal value, in the framework of the Bank's participation in the bond exchange program with EFSF as part of the short term measures for the relief of the Greek public debt.

12 Loans and advances to customers

	30 June 2017	31 December 2016
Mortgages	15,254,240	15,720,176
Consumer/ personal and other loans	3,613,427	3,872,001
Credit cards	838,135	889,588
Loans to individuals	**19,705,801**	**20,481,766**
Loans to corporate entities and Public sector	**34,221,460**	**38,045,998**
Total loans and advances to customers (before allowance for impairment on loans and advances to customers)	**53,927,262**	**58,527,764**
Less: Allowance for impairment on loans and advances to customers	(7,563,841)	(8,820,157)
Loans and advances to customers	**46,363,421**	**49,707,608**

Please note that the amounts of loans and advances to customers before allowances for impairment of loans and advances to customers have been reduced by the fair value adjustment, in the context of the purchase price allocation exercise of the operations acquired. Specifically, the allowance for impairment of loans and advances to customers of the Group amounting to € 8.1 billion 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 Group, has decreased the gross balance of loans and advances to customers and the provision for the impairment of loans and advances to customers respectively in the table above, as under IFRS 3 it has been included in the adjustment of loans and advances to customers to fair value during the cost allocation process. However, for purposes of credit risk monitoring in accordance with IFRS 7, as well as for the presentation of Business Segments (Note 5) in accordance with IFRS 8, the aforementioned adjustment is part of the allowance for impairment on loans and advances to customers.

Amounts in thousand euros (Unless otherwise stated)

Movement in allowance for 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 1/1/2016	**1,262,251**	**915,680**	**239,342**	**2,417,273**	**6,941,849**	**9,359,122**
Charge for the period	126,049	63,900	(14,266)	175,683	318,831	**494,514**
- From continuing operations	125,393	63,756	(14,278)	174,871	317,368	**492,240**
- From discontinued operations	656	145	12	812	1,462	**2,275**
Loans written-off	(7,183)	(61,457)	(14,060)	(82,699)	(445,793)	**(528,492)**
- From continuing operations	(7,183)	(61,450)	(14,052)	(82,685)	(444,043)	**(526,729)**
- From discontinued operations	-	(7)	(7)	(14)	(1,750)	**(1,763)**
Unwinding	(36,393)	(32,893)	(4,083)	(73,369)	(102,450)	**(175,819)**
Foreign exchange differences and other movements	(358)	8,229	(19)	7,852	35,432	**43,284**
- From continuing operations	(336)	8,287	6	7,957	35,772	**43,730**
- From discontinued operations	(22)	(58)	(25)	(105)	(340)	**(445)**
Balance at 30/6/2016	**1,344,366**	**893,460**	**206,915**	**2,444,741**	**6,747,869**	**9,192,610**
Opening balance at 1/7/2016	**1,344,366**	**893,460**	**206,915**	**2,444,741**	**6,747,869**	**9,192,610**
Charge for the period	84,508	28,135	22,470	135,113	384,992	**520,105**
- From continuing operations	85,810	28,499	22,534	136,843	382,505	**519,348**
- From discontinued operations	(1,302)	(364)	(64)	(1,730)	2,486	**756**
Loans written-off	(8,712)	(105,703)	(65,785)	(180,200)	(518,794)	**(698,995)**
- From continuing operations	(7,963)	(94,678)	(64,929)	(167,570)	(514,329)	**(681,900)**
- From discontinued operations	(749)	(11,024)	(857)	(12,630)	(4,465)	**(17,095)**
Provision of derecognised loans	(2,906)	(2,200)	(48)	(5,154)	(39,280)	**(44,434)**
Unwinding	(36,133)	(33,445)	(4,532)	(74,110)	(100,228)	**(174,338)**
Provision of disposed companies	-	(1,282)	-	(1,282)	(21,839)	**(23,120)**
Foreign exchange differences and other movements	3,828	(31,330)	270	(27,233)	75,562	**48,329**
- From continuing operations	3,753	(31,619)	264	(27,602)	74,110	**46,508**
- From discontinued operations	75	289	5	369	1,452	**1,821**
Balance at 31/12/2016	**1,384,950**	**747,636**	**159,290**	**2,291,876**	**6,528,281**	**8,820,157**
Opening balance at 1/1/2017	**1,384,950**	**747,636**	**159,290**	**2,291,876**	**6,528,281**	**8,820,157**
Opening balance of discontinued operations	(3,772)	(4,768)	(1,341)	(9,882)	(71,973)	**(81,855)**
Charge for the period	40,773	65,167	15,267	121,207	397,028	**518,234**
Loans written-off	(56,551)	(181,155)	(66,598)	(304,305)	(1,129,208)	**(1,433,513)**
Provision of derecognised loans	-	-	-	0	(974)	**(974)**
Unwinding	(35,118)	(29,169)	(3,207)	(67,494)	(116,334)	**(183,828)**
Foreign exchange differences and other movements	3,496	7,023	105	10,625	(85,005)	**(74,380)**
Balance at 30/6/2017	**1,333,777**	**604,733**	**103,516**	**2,042,027**	**5,521,814**	**7,563,841**

The write-offs of loans and advances to customers before provisions for the period 1/1 - 30/6/2017 amount to € 1,433,621 thousand (30/6/2016: € 528,640 thousand).

Amounts in thousand euros (Unless otherwise stated)

13 Debt securities - receivables

	30 June 2017	31 December 2016
Corporate entities debt securities - receivables	28,119	27,816
Bank debt securities - receivables	5,210	5,012
EFSF bonds - receivables	5,957,453	10,507,342
ESM bonds - receivables	1,083,120	2,711,576
Total debt securities - receivables	**7,073,902**	**13,251,746**
Less: Allowance for impairment on debt securities - receivables	(5,070)	(5,489)
Total debt securities - receivables (less allowances for losses)	**7,068,832**	**13,246,257**

The balance of the EFSF and ESM bonds decreased due to the sale of EFSF bonds (nominal value € 3,771.5 million) and of ESM bonds (nominal value € 1,625.0 million) resulting from the Bank's participation in the bond exchange program of EFSF and ESM bonds as part of the short-term debt relief measures of the Hellenic Republic. Relevant reference is provided in Note 2. The above mentioned transactions had no impact in the consolidated interim income statement.

The balance of the EFSF bonds decreased further due to the sale of EFSF bonds of nominal value € 748.0 million under the Bank's participation in the ECB's quantitative easing program (Note 2). The profit on the sale amounted € 20.6 million is included in line “Results from investment securities” and has mainly contributed to this line for H1 2017.

Amounts in thousand euros (Unless otherwise stated)

14 Investments in consolidated companies

The investments of Piraeus Bank Group in consolidated companies 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)
1.	Piraeus Leases S.A.	Finance leases	100.00%	Greece	2013-2016
2.	Cyprus Leasing S.A.	Finance leases	100.00%	Greece	2013-2016
3.	Geniki Financial & Consulting Services S.A.	Financial & consulting services	100.00%	Greece	2012-2016
4.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2010,2013-2016
5.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2010,2013-2016
6.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece	2010,2013-2016
7.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	100.00%	Greece	2013-2016
8.	Hellenic Fund for Sustainable Development	Close End Venture Capital Fund	65.00%	Greece	-
9.	ETVA Fund Management S.A.	Management of venture capital mutual funds	65.00%	Greece	2014-2016
10.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece	2010,2013-2016
11.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010,2013-2016
12.	Piraeus Insurance Agency S.A.	Insurance - agency	100.00%	Greece	2010,2013-2016
13.	Geniki Information S.A.	Assessment and collection of commercial debts	100.00%	Greece	2010-2016
14.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010,2013-2016
15.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	65.00%	Greece	2014-2016
16.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece	2010,2013-2016
17.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2013-2016
18.	Abies S.A.	Property management	61.65%	Greece	2010-2016
19.	Achaia Clauss Estate S.A.	Property management	75.27%	Greece	2010,2013-2016
20.	Euroterra S.A.	Property management	62.90%	Greece	2010-2016
21.	Kosmopolis A' Shopping Centers S.A.	Shopping center's management	100.00%	Greece	2010,2013-2016
22.	Linklife Food & Entertainment Hall S.A.	Operation of food and entertainment Halls	100.00%	Greece	2014-2016
23.	ND Development S.A.	Property management	100.00%	Greece	2010,2013-2016
24.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece	2008-2010, 2013-2016
25.	Picar S.A.	City Link areas management	100.00%	Greece	2010,2013-2016
26.	Property Horizon S.A.	Property management	100.00%	Greece	2010,2013-2016
27.	Rebikat S.A.	Property management	61.92%	Greece	2010-2016

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years [1]
28.	General Construction and Development Co. S.A.	Property development/ holding company	66.66%	Greece	2010,2013-2016
29.	Entropia Ktimatiki S.A.	Property management	66.70%	Greece	2010-2016
30.	Euroak S.A. Real Estate	Real estate investment	53.60%	Greece	2010-2016
31.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece	2010,2013-2016
32.	Piraeus Buildings S.A.	Property development	100.00%	Greece	2010-2016
33.	Piraeus Development S.A.	Property management	100.00%	Greece	2010,2013-2016
34.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2013-2016
35.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010,2013-2016
36.	A.C.T. B.A.S. S.A.	Counseling services for payroll and labour affairs	100.00%	Greece	2011-2016
37.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	80.00%	Greece	2013-2016
38.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece	2010,2013-2016
39.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2016
40.	Piraeus Direct Solutions S.A. (former Special Business Services S.A.)	Financial - telecommunication & IT services	100.00%	Greece	2010,2013-2016
41.	Special Financial Solutions S.A.	Advising, consultancy, organizational and training services	100.00%	Greece	2010-2016
42.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	2015-2016
43.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	100.00%	Greece	2010,2013-2016
44.	Piraeus ACT Services S.A.	Accounting and tax consulting	100.00%	Greece	2013-2016
45.	Pireaus Direct Services S.A.	Support and e-commerce services, trade of time renewal cards	100.00%	Greece	2010,2013-2016
46.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	-
47.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania	2014-2016
48.	Tirana Leasing Sh.A.	Finance leases	100.00%	Albania	2016
49.	Cielo Concultancy Sh.P.K.	Holding and investment company	99.09%	Albania	2014-2016
50.	Edificio Enterprise Sh.P.K.	Holding and investment company	99.09%	Albania	2014-2016
51.	Tierra Projects Sh.P.K.	Holding and investment company	99.09%	Albania	2014-2016
52.	Piraeus Real Estate Tirana Sh.P.K.	Real estate development	100.00%	Albania	2014-2016
53.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010-2016
54.	Piraeus Insurance Brokerage EOOD	Insurance brokerage	99.98%	Bulgaria	2007-2016
55.	Beta Asset Management EOOD	Rent and management of real estate	99.98%	Bulgaria	2013-2016
56.	Bulfina E.A.D.	Property management	100.00%	Bulgaria	2008-2016
57.	Bulfinace E.A.D.	Property Management	100.00%	Bulgaria	2008-2016
58.	Delta Asset Management EOOD	Real Estate Development	99.98%	Bulgaria	2015-2016

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years [1]
59.	Gama Asset Management EOOD	Real Estate Development	99.98%	Bulgaria	-
60.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2016
61.	Varna Asset Management EOOD	Real estate development	99.98%	Bulgaria	2014-2016
62.	Asset Management Bulgaria EOOD	Travel - rental services and property management	99.98%	Bulgaria	2012-2016
63.	Besticar Bulgaria EOOD	Collects receivables	99.98%	Bulgaria	2012-2016
64.	Besticar EOOD	Collects receivables from problematic clients	99.98%	Bulgaria	2012-2016
65.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2011-2016
66.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	100.00%	Cyprus	2012-2016
67.	Besticar Limited	Holding Company	99.98%	Cyprus	-
68.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	90.85%	Cyprus	2006-2016
69.	Piraeus Clean Energy Holdings Ltd	Holding Company	100.00%	Cyprus	2011-2016
70.	Piraeus Equity Partners Ltd	Holding company	100.00%	Cyprus	2011-2016
71.	Piraeus Renewable Investments Limited	Holding company	100.00%	Cyprus	2016
72.	PRI WIND I Limited	Holding company	100.00%	Cyprus	2016
73.	PRI WIND II Limited	Holding company	100.00%	Cyprus	2016
74.	PRI WIND III Limited	Holding company	100.00%	Cyprus	2016
75.	R.E. Anodus Two Ltd	Holding and investment company	99.09%	Cyprus	2013-2016
76.	Tellurion Ltd	Holding company	100.00%	Cyprus	2013-2016
77.	Tellurion Two Ltd	Holding company	99.09%	Cyprus	2013-2016
78.	Trieris Two Real Estate Ltd	Holding, Investment and Real Estate Portfolio Management	100.00%	Cyprus	2007-2016
79.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011-2016
80.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2011-2016
81.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	100.00%	Cyprus	2009-2016
82.	Lakkos Mikelli Real Estate Ltd	Property management	50.66%	Cyprus	2009-2016
83.	Philoktimatiki Public Ltd	Land and property development	53.29%	Cyprus	2015-2016
84.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2016
85.	Piraeus Equity Advisors Ltd	Investment advice	100.00%	Cyprus	2009-2016
86.	Sunholdings Properties Company Ltd	Land and property development	26.65%	Cyprus	2008-2016
87.	Philoktimatiki Ergoliptiki Ltd	Construction company	53.29%	Cyprus	2015-2016
88.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	2015-2016
89.	Akinita Ukraine LLC	Real estate development	99.09%	Ukraine	2014-2016
90.	Sinitem LLC	Sale and purchase of real estate	99.94%	Ukraine	2013-2016

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years [(1)]
91.	Solum Enterprise LLC	Property management	99.94%	Ukraine	2012-2016
92.	Solum Limited Liability Company	Property management	99.94%	Ukraine	2009-2016
93.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2016
94.	Piraeus Leasing Romania IFN S.A.	Finance leases	100.00%	Romania	2003-2016
95.	Alecsandri Estates SRL	Real Estate Development	74.32%	Romania	2009-2016
96.	Daphne Real Estate Consultancy SRL	Real estate development	99.09%	Romania	2014-2016
97.	Priam Business Consultancy SRL	Real estate development	99.18%	Romania	2014-2016
98.	Proiect Season Residence SRL	Real estate development	100.00%	Romania	2012-2016
99.	R.E. Anodus SRL	Real Estate development	99.09%	Romania	2013-2016
100.	Rhesus Development Projects SRL	Real estate development	99.09%	Romania	2014-2016
101.	General Business Management Investitii SRL	Development of building projects	100.00%	Romania	2013-2016
102.	Piraeus Real Estate Consultants SRL	Construction company	100.00%	Romania	2007-2016
103.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia	2007-2016
104.	Piraeus Real Estate Egypt LLC	Property management	100.00%	Egypt	2007-2016
105.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
106.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
107.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
108.	Marathon 1 Greenvale Rd LLC	Real estate development	99.95%	U.S.A.	2014-2016
109.	Piraeus Group Capital Ltd	Debt securities issue	100.00%	United Kingdom	2016
110.	Piraeus Group Finance PLC	Debt securities issue	100.00%	United Kingdom	2016
111.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2016
112.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
113.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
114.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
115.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
116.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
117.	Kion Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
118.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
119.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
120.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
121.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years [1]
122.	Piraeus Asset Management Europe S.A.	Mutual funds management	100.00%	Luxemburg	-
123.	Vitria Investments S.A.	Investment company	100.00%	Panama	-

Note (1): In accordance with Circular 1034/2016 and the cancelation of the 18 months date, in order to define the fiscal years 2011, 2012 & 2013 as tax audited, a tax audit may occur in some of the companies mentioned above, if they meet the selective audit criteria that the Ministry of Finance sets, under the provision of Law 3842/2010, Article 80.

Companies numbered 112 - 120 are special purpose vehicles for securitization of loans and advances to customers and issuance of debt securities. Company numbered 86 although presenting less than 50% holding percentage, is included in the Group's subsidiaries' portfolio due to majority presence in the Board of Directors of the company.

Furthermore, as at 30/6/2017 the companies numbered 32, 39, 48, 67, 111, 121 and 123 were under liquidation.

The subsidiaries that are excluded from the consolidation are as follows: a) “Hellenic Information Systems HIS S.A.”, b) "The Museum Ltd", c) “Piraeus Bank Group Cultural Foundation”, d) “Procas Holding Ltd”, e) “Phoebe Investments SRL”, f) “Core Investments Project SRL”, g) “Amaryllis Investments Consultancy SRL”, h) “Torborg Maritime Inc.”, i) “Isham Marine Corp.”, j) “Cybele Management Company”, k) “Alegre Shipping Ltd”, l) “Maximus Chartering Co.”, m) “Lantana Navigation Corp.”, n) “Pallas Shipping S.A.”, o) “Zephyros Marine INC”, p) “Bayamo Shipping Co.”, q) “Sybil Navigation Co.”, r) “Axia III Holdings Ltd”, s) “Praxis II Holdings Ltd” and t) “Kion Holdings Ltd”. The lack of consolidation of the above mentioned companies does not have significant effect on the financial position and results of the Group.

B) Subsidiaries from discontinued operations

Piraeus Bank Group subsidiary companies Olympic Commercial & Tourist Enterprises S.A., IMITHEA S.A, ATE Insurance Romania S.A., Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd, that are included in discontinued operations, are analysed below:

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years [1]
1.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases- Rent-a-Car and long term rental of vehicles	100.00%	Greece	2010,2013-2016
2.	IMITHEA S.A.	Organization, operation and management of hospital units	100.00%	Greece	2010,2013-2016
3.	ATE Insurance Romania S.A.	Insurance	99.54%	Romania	2007-2016
4.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2013-2016
5.	Piraeus Leasing Doo Beograd	Finance leases	100.00%	Serbia	2007-2016

Note [1]: In accordance with Circular 1034/2016 and the cancelation of the 18 months date, in order to define the fiscal years 2011, 2012 & 2013 as tax audited, a tax audit may occur in some of the companies mentioned above, if they meet the selective audit criteria that the Ministry of Finance sets, under the provision of Law 3842/2010, Article 80.

Amounts in thousand euros (Unless otherwise stated)

During 1st semester 2017, the companies Olympic Commercial & Tourist Enterprises S.A., IMITHEA S.A., Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd Group subsidiaries, were transferred to discontinued operations. For the above mentioned subsidiaries there is sale process in progress, which is expected to be completed within one year.

There are no other subsidiaries, apart from the list of subsidiaries presented in the above table, that meet the classification requirements as discontinued operations in accordance with the relevant provisions of IFRS 5.

C) Associate companies and Joint ventures (equity accounting method) from continuing operations

1. Associate companies

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years (1)
1.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece	-
2.	PJ Tech Catalyst Fund	Close end Venture capital fund	30.00%	Greece	-
3.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	27.80%	Greece	2010,2013-2016
4.	Marfin Investment Group Holdings S.A.	Holding company	31.52%	Greece	2013-2016
5.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2010,2013-2016
6.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010,2013-2016
7.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010,2013-2016
8.	Olganos Real Estate S.A.	Property management/electricity production from hydropower stations	32.27%	Greece	2014-2016
9.	Pyrrichos S.A.	Property management	50.77%	Greece	2012-2016
10.	Exodus S.A.	Information technology & software	49.90%	Greece	2010,2013-2016
11.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	40.44%	Greece	2013-2016
12.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010-2016
13.	Evros' Development Company S.A.	European community programs management	30.00%	Greece	2010-2016
14.	Gaia S.A.	Software services	26.00%	Greece	2015-2016
15.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece	2010-2016
16.	Selonda Aquaculture S.A.	Fish farming	32.92%	Greece	2008-2016
17.	Nireus Aquaculture S.A.	Fish farming	32.51%	Greece	2013-2016
18.	Teiresias S.A.	Interbanking company of development, operation and management of information systems	23.53%	Greece	2010,2013-2016
19.	Trastor Real Estate Investment Company	Real estate investment property	39.39%	Greece	2010,2013-2016
20.	Unisoft S.A.	Software manufacturer	25.43%	Greece	2009-2016
21.	Litus Advisory S.A.	Consulting in the fields of European Programmes, Communication Strategy and International Affairs	50.00%	Belgium	2015-2016
22.	Trieris Real Estate Ltd	Property management	32.37%	British Virgin Islands	-
23.	Exus Software Ltd	IT products retailer	49.90%	United Kingdom	2016

Note (1): In accordance with Circular 1034/2016 and the cancelation of the 18 months date, in order to define the fiscal years 2011, 2012 & 2013 as tax audited, a tax audit may occur in some of the companies mentioned above, if they meet the selective audit criteria that the Ministry of Finance sets, under the provision of Law 3842/2010, Article 80.

Amounts in thousand euros (Unless otherwise stated)

The aforementioned companies were assessed in the context of IFRS 10 by Piraeus Bank Group. Based on the relevant assessment, Piraeus Bank Group does not control these companies and as a result they are not subsidiaries of Piraeus Bank Group. According to the provisions of IAS 28, the criteria for classifying these companies as associates are met.

In accordance with the provisions of IFRS 12, concerning the companies in which the Group's voting rights exceed 50% but are not controlled by the Group, the following shall be noted:

• The company numbered 1 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 9 and 21 are included in the associate companies portfolio as Piraeus Bank Group exercises significant influence and not control.

Furthermore, as at 30/6/2017 the companies numbered 12 and 21 were under liquidation.

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 lack of consolidation of this company does not have significant effect to the financial position and results of the Group.

The changes in the portfolio of consolidated companies are presented in Note 24.

2. Joint ventures

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years [1]
1.	AEP ELAIONA S.A.	Property management	50.00%	Greece	2012-2016

Note [1]: In accordance with Circular 1034/2016 and the cancelation of the 18 months date, in order to define the fiscal years 2011, 2012 & 2013 as tax audited, a tax audit may occur, if they meet the selective audit criteria that the Ministry of Finance sets, under the provision of Law 3842/2010, Article 80.

15 Property and equipment

Property and equipment decreased from € 1,498.4 million as at 31/12/2016 to € 990.0 million as at 30/6/2017, mainly due to a) the decrease of property and equipment relating to discontinued operations (Note 8) as a result of the companies being transferred to discontinued operations during the 1st semester 2017 (Note 14B) and b) the decrease of the book value of own-use property Citylink (Note 6).

16 Due to credit institutions

Due to credit institutions as at 30/6/2017, includes refinancing operations through repo transactions within the eurosystem amounting to € 15,801.1 million (31/12/2016: € 20,900.8 million).The decrease in the refinancing raised from the eurosystem is mainly due to a) the further improvement of access to international repo markets, b) the further deleveraging of the loan portfolio, c) the Bank´s participation in the ECB´s program of Quantitative Easing (QE) and d) the Bank's participation in the bond exchange program of EFSF/ESM bond. Further information with regard to points (c) and (d) is provided in Note 13.

Amounts in thousand euros (Unless otherwise stated)

17 Due to customers

	30 June 2017	31 December 2016
Corporate		
Current and sight deposits [1]	7,411,563	7,976,520
Term deposits	2,413,950	2,471,052
Blocked deposits, guarantee deposits and other accounts	260,362	234,042
Total (A)	**10,085,876**	**10,681,614**
Retail		
Current and sight deposits [1]	3,049,844	2,867,832
Savings account	14,379,172	14,995,287
Term deposits	13,265,098	13,708,008
Blocked deposits, guarantee deposits and other accounts	37,823	39,020
Total (B)	**30,731,937**	**31,610,147**
Cheques payable and remittances (C)	**100,679**	**73,067**
Total Due to Customers (A)+(B)+(C)	**40,918,492**	**42,364,829**

Note [1] : The line “Current and sight deposits” as at 31/12/2016 was reclassified for comparison purposes by an amount of € 221.5 million respectively.

18 Debt securities in issue

A) Securitisation of mortgage loans

	30 June 2017	31 December 2016
Issuance € 750 million floating rate notes due 2040	11,797	12,720
Issuance € 1,250 million floating rate notes due 2054	38,105	39,071
Issuance € 600 million floating rate notes due 2051	16,854	17,724
Total debt securities in issue	**66,756**	**69,515**

From the above mentioned securitisation of mortgage loans issues, the Bank possesses as at 30/6/2017 bonds of nominal value amounting € 97.5 million from the issuance of € 750.0 million, € 589.4 million from the issuance of € 1,250.0 million and € 31.9 million from the issuance of € 600.0 million.

Piraeus Bank, during the period 1/1 - 30/6/2017, proceeded with the buy back of bonds of securitised loans of total amount after amortization of € 0.4 million.

B) Debt securities' issuances retained by Piraeus Bank

It should be noted that, apart from the debt securities in the table above, as of 30/6/2017 liabilities arising from securitisations of loans are retained by the Bank. These issues are the first and third securitisation of corporate loans in the amount of € 1,750.0 million and € 2,352.2 million respectively as well as the first and second consumer loan backed securitisation of € 725.0 million and € 558.0 million respectively.

As at 30/6/2017, a total amount of € 1,000.0 million covered bonds, issued by the Bank, are retained by the Bank. These covered bonds were issued under the Bank's global covered bond programme in February 2017 with an original amount of € 1,000.0 million, due February 2018 (Series 3). These covered bonds came from a separate issue of € 1,250.0 million (Series 1), issued in February 2011. On 3 July 2015, the Bank had proceeded with the partial cancellation of € 1,245.0 million and the remaining outstanding amount of Series 1 amounted to € 5.0 million. The remaining amount of € 5.0 million covered bonds which were issued and retained by the Bank, matured in February 2017.

Amounts in thousand euros (Unless otherwise stated)

C) Euro Medium Term Note

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

The Bank has not issued any bonds under its EMTN Programme during the period 1/1 - 30/6/2017. The last outstanding issue, a € 1,750.0 million senior bond, matured in April 2016. This bond was issued in July 2015, through the Bank's EMTN programme, bearing the unconditional and irrevocable guarantee of the Hellenic Republic, pursuant to Article 2 of Law 3723/2008.

19 Other liabilities

Other liabilities decreased from € 1,211.3 million as at 31/12/2016 to € 798.5 million as at 30/6/2017, mainly due to a) the adjustment of leasing obligation of the subsidiary company Picar S.A. to the Hellenic Army Pension Fund for Citylink (Note 6) and b) the increase of other liabilities from discontinued operations (Note 8) as a result of the companies transferred to discontinued operations during the 1st semester 2017 (Note 14B).

20 Contingent liabilities and commitments

A) Outstanding Litigations

The Group's provision for outstanding litigations as at 30/6/2017 amounts to € 33.5 million from continuing operations against € 27.2 million respectively as at 31/12/2016, while there are no provisions for outstanding litigations from discontinued operations as at 30/6/2017 and 31/12/2016. The legal proceedings outstanding against the Group as at 30/6/2017 for which no provisions have been recorded, concern legal cases for which the Management of the Bank a) assumes that the legal outcome would be in favor of the Bank or b) cannot assess the possible loss of their final court ruling. The Management, under advisory of the Legal Department, assumes that the amount of the formed provisions is sufficient.

A number of individual lawsuits and a class action lawsuit have been filed against the Bank concerning the validity of specific terms of the loan contracts granted by the Bank in Swiss Francs (CHF). At first instance, judgments have been issued only for individual lawsuits, the majority of which are in favor of the Bank, whereas for the class action no judgment has been issued yet. The Management of the Bank, under advisory of the Legal Department, is monitoring the development of the cases mentioned above to determine the accounting implications, in accordance with the relevant requirements of IAS 37.

B) Credit commitments

As at 30/6/2017 the Group had undertaken the following commitments:

	30 June 2017	31 December 2016
Letters of guarantee	2,688,964	2,823,918
Letters of credit	39,198	43,086
Undrawn commited credit facilities	380,427	342,554
	3,108,588	**3,209,558**

Amounts in thousand euros (Unless otherwise stated)

C) Assets pledged

	30 June 2017	31 December 2016
Cash and balances with Central Banks	831,674	1,072,264
Financial instruments at fair value through profit or loss	1,541,340	14,063
Investment securities	1,239,902	1,285,581
Loans and advances to customers	22,499,046	27,831,368
Debt securities - receivables	2,472,291	7,242,929
Loans and advances to credit institutions	1,147	1,149
	28,585,401	**37,447,354**

The above mentioned assets pledged are used for liquidity purposes through Eurosystem. Apart from the aforementioned assets, the Bank also pledges debt securities of own issue of nominal value € 5,662.1 million as at 30/06/2017 (31/12/2016: nominal value € 4,993.7 million) that are not included in the Bank's assets. The amount of € 5,662.1 million includes securities of nominal value € 4,962.1 million, that have been issued under the securitization of consumer, mortgage and corporate loans of the Bank and securities of nominal value € 700.0 million from the issuance of covered bonds of the Bank.

Additionally, under interbank repurchase agreement (repo) transactions, EFSF debt securities of nominal value € 4,330.0 million (31/12/2016: € 5,929.1 million), Greek government bonds of nominal value € 365.0 million and debt securities of own issue of nominal value € 601.1 million (31/12/2016: € 219.0 million) are also used for liquidity purposes.

It is also noted that the "Loans and advances to customers", that are presented in the above table, have been pledged under financing from the ELA.

D) Operating lease commitments

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

	30 June 2017	31 December 2016
Up to 1 year	48,269	50,612
From 1 to 5 years	171,765	183,142
More than 5 years	292,362	285,910
	512,397	**519,664**

21 Share capital and contingent convertible securities

	Share Capital	Share Premium	Contingent convertible securities	Treasury Shares	Total
Opening balance at 1 January 2016	**2,619,955**	**13,074,687**	**2,040,000**	**(460)**	**17,734,183**
Purchases/ sales of treasury shares	-	-	-	(381)	(381)
Balance at 31 December 2016	**2,619,955**	**13,074,687**	**2,040,000**	**(842)**	**17,733,801**
Opening balance at 1 January 2017	**2,619,955**	**13,074,687**	**2,040,000**	**(842)**	**17,733,801**
Purchases/ sales of treasury shares	-	-	-	(615)	(615)
Balance at 30 June 2017	**2,619,955**	**13,074,687**	**2,040,000**	**(1,456)**	**17,733,187**

Amounts in thousand euros (Unless otherwise stated)

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 2016	**8,733,183,280**	**(1,678,630)**	**8,731,504,650**
Purchases of treasury shares	-	(36,312,237)	(36,312,237)
Sales of treasury shares	-	33,906,014	33,906,014
Balance at 31 December 2016	**8,733,183,280**	**(4,084,853)**	**8,729,098,427**
Opening balance at 1 January 2017	**8,733,183,280**	**(4,084,853)**	**8,729,098,427**
Purchases of treasury shares	-	(34,036,207)	(34,036,207)
Sales of treasury shares	-	31,783,164	31,783,164
Balance at 30 June 2017	**8,733,183,280**	**(6,337,896)**	**8,726,845,384**

On 31/12/2016 and 30/6/2017 the Bank’s share capital amounts to € 2,619,954,984.00, divided into 8,733,183,280 ordinary voting registered shares, each with a nominal value of € 0.30.

The Annual Ordinary General Meeting of Shareholders which held on 28/6/2017, resolved the increase in the nominal value of each ordinary voting share from € 0.30 to € 6.00 with simultaneous reduction in the aggregate number of the Bank’s old ordinary registered voting shares from 8,733,183,280 down to 436,659,164 new ordinary registered voting shares, each with a nominal value of € 6.00, by means of a reverse split at a rate of twenty (20) old ordinary shares of the Bank to one (1) new ordinary share of the Bank.

In addition, the contingent convertible securities of the Bank that were issued in the context of the share capital increase completed in December 2015 and were covered exclusively by the Hellenic Financial Stability Fund (HFSF) with bonds issued by ESM, on 31/12/2016 and 30/6/2017 correspond to the amount of € 2,040.0 million.

It is noted that within the frame of the Single Supervisory Mechanism (SSM) and according to the Regulation (EU) No1024/2013, credit institutions are subject to the provisions of the ECB Recommendation (ECB/2016/44) on dividend distribution policies during the year 2017 for the fiscal year 2016 and the respective provisions of the Executive Committee Act No 117/12.4.2017 of the Bank of Greece on dividend distribution policies during the year 2017 for the fiscal year 2016 in the context of the aim of strengthening the safety and soundness of the euro – area banking system, as well as to the respective provisions of the Regulation (EU) No 575/2013 and those of the Directive 2013/36/EU, transposed in the national legislation order by the Law 4261/2014.

Additional restrictions are provided for by Law 3864/2010, as in force, for the Banks that participate in the capital support programs and the Cabinet Act 36/2015. Given the above and the fact that until the earlier of i) 31/12/2017 or (ii) the repayment of the contingent convertible securities issued by the Bank, which were covered from HFSF in the context of capital enhancement, the Bank is not allowed to distribute any dividends, the Annual Ordinary General Meeting of Shareholders, held on 28/6/2017, decided not to distribute dividend.

Finally, pursuant to par. 1, art. 16C of Law 3864/2010, the acquisition of treasury shares by the Bank is not permitted, without the approval of HFSF, for as long as the HFSF is a shareholder of the Bank. The purchases and sales of treasury shares during 2016 and H1, 2017, as well as the treasury shares owned as at 30/6/2017 and 31/12/2016, are related to transactions that are carried out by the Group’s subsidiary Piraeus Securities S.A. through its activities which are derived from its role as a market maker.

Amounts in thousand euros (Unless otherwise stated)

22 Other reserves and retained earnings

	30 June 2017	31 December 2016
Legal reserve	110,456	110,354
Extraodinary reserve	13,883	13,883
Available for sale reserve	35,000	(7,877)
Currency translation reserve	(205,027)	(204,373)
Other reserves	44,816	46,975
Reserve of defined benefit obligations	(24,813)	(24,806)
Total other reserves	**(25,685)**	**(65,845)**

Other reserves movement	30 June 2017	31 December 2016
Opening balance for the period	(65,845)	14,096
Movement of available for sale reserve	42,878	(51,657)
Transfer from other reserves to retained earnings	(2,057)	6,767
Acquisitions, disposals and movement in participating interest	-	(179)
Change in reserve of defined benefit obligations	(7)	(18,384)
Foreign exchange differences and other adjustments	(653)	(16,488)
Closing balance for the period	**(25,685)**	**(65,845)**

Available for sale reserve movement	30 June 2017	31 December 2016
Opening balance for the period	(7,877)	43,780
Opening balance of discontinued operations	103	-
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	55,877	17,988
Gains/ (losses) from the valuation of shares and mutual funds	13,648	(1,477)
Recycling to income statement of shares and mutual funds impairment	-	14,803
Recycling of the accumulated fair value adjustment of disposed securities	(9,767)	(70,936)
Deferred income taxes	(16,983)	10,308
Foreign exchange differences and adjustments	-	(480)
Available for sale reserve from disposed companies	-	(21,863)
Closing balance for the period	**35,001**	**(7,877)**

Retained earnings movement	30 June 2017	31 December 2016
Opening balance for the period	(8,004,333)	(7,840,634)
Profit/ (loss) after tax attributable to the owners of the parent entity	(74,965)	(34,987)
Profit/ (loss) from sales of treasury shares	232	(142)
Payment to the holders of contingent convertible securities (net of tax)	-	(117,803)
Transfer between other reserves and retained earnings	2,057	(6,767)
Disposals, liquidations and movements in participating interest	(10,832)	(4,000)
Closing balance for the period	**(8,087,840)**	**(8,004,333)**

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, f) Bank’s joint ventures and g) HFSF which helds ordinary shares in the share capital of the Bank benefits from the special rights stated in article 10 of Law 3864/2010, as amended and in force.

Amounts in thousand euros (Unless otherwise stated)

The transactions with the above related parties are under the usual market terms. Loans and letters of guarantee issued to related parties represent an insignificant part of total loans and letters of guarantee issued by the Group, respectively. Loans and letters of guarantee have been issued to related parties in the normal course of business, within the approved credit policies and Group 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 and the Other related parties, that include related parties mentioned in points (b) and (c) above, are presented in the table below. It is noted that there were no significant transactions with the HFSF during the period 1/1-30/6/2017 and the year 2016.

	30/6/2017		31/12/2016	
	Board of Directors' members and key management personnel	Other related parties	Board of Directors' members and key management personnel	Other related parties
Loans and advances to customers	11,161	6,473	13,422	21,968
Due to customers	1,390	2,007	2,162	3,164
Letters of guarantee and letters of credit	-	2,964	-	2,964

	1/1-30/6/2017		1/1-30/6/2016	
	Board of Directors' members and key management personnel	Other related parties	Board of Directors' members and key management personnel	Other related parties
Income	60	197	112	579
Expense	2	114	5	284

Members of the Board of Directors and key management personnel benefits	1/1-30/6/2017	1/1-30/6/2016
Short term benefits	3,372	3,373
Post employment benefits	252	(199)

Short term benefits for the members of the Board of Directors and the key management personnel include wages, salaries, employers' share of social contributions and other charges. Line "Post employment benefits" includes the cost of programs for the post employment benefits.

The aggregate provisions for post employment benefits to Members of the Board of Directors and key management personnel amount to € 8.4 million compared to € 9.0 million as at 31/12/2016. The full amount of the above post ermployment benefits has been included in the retirement benefit obligations.

The transactions with associate companies are analysed as follows:

	Associates	
	30 June 2017	31 December 2016
Due to customers and other liabilities	58,676	72,993
Loans and advances to customers and other receivables	1,059,544	1,077,491
Derivatives financial assets	3,884	3,283
Derivatives financial liabilities	7,736	-

Amounts in thousand euros (Unless otherwise stated)

The allowance for impairment on loans and advances to associate companies as at 30/6/2017 amounts to € 62.3 million compared to € 56.2 million as at 31/12/2016.

	Associates	
	1/1-30/6/2017	1/1-30/6/2016
Total expense & capital expenditure	(6,510)	(8,108)
Total income	31,018	40,386

Letters of guarantee to associates of the Group as at 30/6/2017 amount to € 10.9 million (31/12/2016: € 10.5 million). The liabilities from property operating leasing of the Group's associate companies as at 30/6/2017 amount to € 29.5 million.

The transactions with joint ventures are analysed as follows:

	Joint ventures	
	30 June 2017	31 December 2016
Loans and advances to customers and other receivables	50,901	50,495

The allowance for impairment on loans and advances to joint ventures as at 30/6/2017 amounts to € 0.5 million (31/12/2016: € 0.2 million).

	Joint ventures	
	1/1-30/6/2017	1/1-30/6/2016
Total income	370	-

24 Changes in the portfolio of consolidated companies

During the period 1/1 - 30/6/2017, Piraeus Bank and its subsidiaries paid for the acquisition and participation in share capital increases of subsidiary companies a total amount of € 2.5 million. In addition, they paid for the acquisition and participation in share capital increases of associate companies, a total amount of € 0.3 million. The analysis of changes of the consolidated companies' portfolio is presented below:

a) Gain of control or significant influence:

On 30/6/2017, the share capital increase of Unisoft S.A. by € 210 thousand was concluded, through bond conversion, owned by Piraeus Bank, into shares. As a result, Piraeus Bank became shareholder of the aforementioned company with percentage of 25.43%, thus incorporating the said participation in the portfolio of associate companies.

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

On 23/1/2017, due to share capital increase of Trastor REIC, 57.91% subsidiary company of Piraeus Bank, without the participation of the latter, its participation percentage decreased to 39.39% and the company was classified in the associates' portfolio of the Group. As a result, its subsidiary company, Rembo S.A. is no longer a subsidiary company of the Group.

On 25/1/2017, Piraeus Bank paid to its associate participation, Piraeus - TANEO Capital Fund, the amount of € 48 thousand, without altering its shareholding percentage in the company.

On 27/1/2017, Piraeus Bank acquired an additional 0.49% of the share capital of its associate company Selonda Aquaculture S.A., increasing its shareholding percentage to 32.92%.

On 22/2/2017, Piraeus Bank acquired an additional 20% of the share capital of Group's 100% subsidiary company, Special Financial Solutions S.A. for the amount of € 56 thousand. As a result, Piraeus Bank owns 100% of the company.

On 27/3/2017, Piraeus Bank acquired an additional 16.48% and 84.02% of Group's 100% subsidiary companies, New Up Dating Development Real Estate and Tourism S.A. and Pleiades Estate S.A. for the amount of € 1 thousand each. As result, Piraeus Bank owns 100% of the above mentioned companies.

During Q1 2017, PJ Tech Catalyst Fund, 30% associate participation of the Group, increased its assets by € 239 thousand. As a result, Piraeus Equity Partners LTD, 100% subsidiary company of Piraeus Bank, covered its ratio by paying in total € 72 thousand, without altering its shareholding percentage in the company.

On 14/6/2017, Piraeus - TANEO Capital Fund, 50.01% associate participation of Piraeus Bank S.A., increased its assets by € 239 thousand. As a result, Piraeus Bank S.A. covered its ratio by paying in total € 120 thousand, without altering its shareholding percentage in the company.

During Q2 2017, PJ Tech Catalyst Fund, 30% associate participation of the Group, increased its assets by € 274 thousand. As a result, Piraeus Equity Partners LTD, 100% subsidiary company of Piraeus Bank S.A., covered its ratio by paying in total € 82 thousand, without altering its shareholding percentage in the company.

On 30/6/2017, Piraeus Bank S.A. acquired an additional 6% of its subsidiary company Olympic Commercial & Tourist Enterprises S.A. As a result, Piraeus Bank S.A. owns the 100% of the company.

c) Liquidation and disposal:

During Q1, 2017 the entities Kion CLO Finance No.1 PLC and Kion Mortgage Finance No.3 PLC. were dissolved.

On 23/6/2017, Litus Advisory S.A., 50% associate company of the Group, was set under liquidation.

d) Further changes – Transfers:

On 4/5/2017, Special Business Services S.A., 100% subsidiary company of the Group, increased its share capital by € 3.8 million as a result of spin-off and contribution sector procedure from Piraeus Direct Services S.A., 100% subsidiary company of Piraeus Bank S.A. The participation percentage of the Group in the company Special Business Services S.A. did not alter. On the same date, Special Business Services S.A was renamed to Piraeus Direct Solutions S.A.

In the context of the liquidation process of Piraeus Clean Energy LP, 100% subsidiary company of the Group, Piraeus FI Holding, 100% subsidiary company of the Group, acquired the 100% of the share capital of Piraeus Clean Energy Holdings Ltd.

25 Capital adequacy

From January 2014 and onwards, Piraeus Bank Group complies with the 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 (CRR). For the transposition of Directive 2013/36/EU, Greece adopted Law 4261/2014.

The aforementioned regulatory framework requires financial institutions to maintain on a consolidated level a minimum level of regulatory capital related to the undertaken risks. The minimum thresholds for the capital adequacy ratios, as per article 92 of the CRR, are as follows:

- Common Equity Tier 1 Ratio (CET1): 4.5%
- Tier 1 Ratio (T1): 6%
- Total Capital Ratio (TC): 8%.

Following the activation of the Single Supervisory Mechanism on 4 November 2014, Piraeus Bank Group came under the direct supervision of the European Central Bank.

Further to the conclusion of the SREP (Supervisory Review and Evaluation Process) for year 2016, the ECB informed Piraeus Group of its total capital requirement, valid from January 2017.

According to the decision, Piraeus Bank has to maintain, on a consolidated basis, an overall capital requirement ratio of 13.0%, which includes: (a) the minimum Pillar I total capital requirements as per article 92(1) of Regulation 575/2013/EU, (b) the additional Pillar II capital requirement as per article 16(2) of Regulation 1024/2013/EU, and (c) the transitional capital conservation buffer of Regulation 575/2013/EU, which for 2017 is set at 1.25%.

Amounts in thousand euros (Unless otherwise stated)

The main objectives of Piraeus Bank Group with respect to capital adequacy management are the following:

– To comply with the capital requirements regulation against risks undertaken, according to the regulatory framework,
– To preserve the Group's ability to continue unhindered its operations, thus to continue providing returns and benefits to its shareholders and ensure the confidence of its customers,
– To retain a sound and stable capital base in order to support the Group's management business plans, and
– To maintain and enhance existing infrastructures, policies, procedures and methodologies for the adequate coverage of supervisory needs, in Greece and abroad.

Presented below, are the capital adequacy ratios as at 30/6/2017 and 31/12/2016 for Piraeus Bank Group as calculated under the existing regulatory framework, taking into account all relevant transitional period provisions applicable under Regulation (EU) No. 575/2013.

	30 June 2017	31 December 2016
Common Equity Tier 1 Capital	8,828,890	9,031,142
Tier 1 Capital	8,828,890	9,031,142
Total regulatory capital	8,828,890	9,031,142
Total risk weighted assets (on and off-balance sheet items)	52,758,941	53,266,104
CET1 Capital ratio	16.7%	17.0%
T1 Capital ratio	16.7%	17.0%
Total capital ratio	16.7%	17.0%

As of 30 June 2017, the abovementioned ratios are far exceeding minimum regulatory requirements, confirming the strong capital base of Piraeus Bank Group.

26 Restatements/ reclassifications of comparative periods

The restatements/ reclassifications that took place in the consolidated interim income statement and the consolidated interim statement of total comprehensive income for the comparative periods 1/1-30/6/2016 and 1/4-30/6/2016, as well as in the consolidated interim cash flow statement of the comparative period 1/1-30/6/2016, are presented below. The restatements took place due to the transfer of IMITHEA S.A., Olympic Commercial & Tourist Enterprises S.A., Piraeus Bank Beograd AD and Piraeus Leasing Doo Beograd to the discontinued operations. Furthermore, the comparative amounts of the Consolidated Income Statement for the 1st semester of 2017, relating to interest income and cost of risk have been equally reduced by € 60.2 million, following calibration in the interest income recognition model of impaired loans.

Amounts in thousand euros (Unless otherwise stated)

Consolidated interim income statement	From 1 January to 30 June 2016		
	Published amounts	Restatements	Restated amounts
Interest and similar income	1,355,913	(69,973)	1,285,940
Interest expense and similar charges	(393,528)	2,451	(391,077)
Net interest income	**962,384**	**(67,521)**	**894,863**
Fee and commission income	173,467	(1,401)	172,066
Fee and commission expense	(20,673)	623	(20,050)
Net fee and commission income	**152,793**	**(777)**	**152,016**
Dividend income	5,697	(2)	5,695
Net income from financial instruments designated at fair value through profit or loss	13,298	(1,114)	12,184
Results from investment securities	103,215	-	103,215
Other income/ (expenses)	32,889	(30,523)	2,366
Total net income	**1,270,276**	**(99,938)**	**1,170,338**
Staff costs	(319,603)	22,170	(297,433)
Administrative expenses	(271,342)	11,045	(260,297)
Depreciation and amortization	(55,230)	2,528	(52,702)
Gains/ (losses) from sale of owned assets	632	16	648
Total operating expenses before provisions	**(645,544)**	**35,758**	**(609,785)**
Profit before provisions, impairment and income tax	**624,732**	**(64,179)**	**560,553**
Impairment losses on loans and advances to customers	(554,714)	62,474	(492,240)
Impairment losses on other assets	(23,556)	1,949	(21,607)
Impairment losses on other debt securities - receivables	(5,113)	-	(5,113)
Impairment of property & equipment and intangible assets	(10,572)	-	(10,572)
Other provisions and impairment	(5,669)	(88)	(5,756)
Share of profit of associates	(24,363)	-	(24,363)
Profit/ (loss) before income tax	**746**	**157**	**902**
Income tax	(18,107)	3,507	(14,600)
Profit/ (loss) for the period from continuing operations	**(17,362)**	**3,664**	**(13,698)**
Profit/ (loss) after income tax from discontinued operations	(23,102)	(3,664)	(26,766)
Profit/ (loss) for the period	**(40,464)**	**0**	**(40,464)**
From continuing operations			
Profit/ (loss) attributable to equity holders of the parent entity	(16,613)	3,956	(12,657)
Non controlling interest	(749)	(292)	(1,041)
From discontinued operations			
Profit/ (loss) attributable to equity holders of the parent entity	(23,101)	(3,956)	(27,057)
Non controlling interest	(1)	292	290
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):			
From continuing operations			
- Basic and Diluted	(0.0019)	(0.0271)	(0.0290)
From discontinued operations			
- Basic and Diluted	(0.0026)	(0.0593)	(0.0620)

Amounts in thousand euros (Unless otherwise stated)

Consolidated interim income statement	From 1 April to 30 June 2016		
	Published amounts	Restatements	Restated amounts
Interest and similar income	664,124	(34,823)	629,301
Interest expense and similar charges	(179,690)	1,121	(178,569)
Net interest income	**484,434**	**(33,702)**	**450,732**
Fee and commission income	90,253	(710)	89,543
Fee and commission expense	(11,062)	348	(10,714)
Net fee and commission income	**79,191**	**(362)**	**78,829**
Dividend income	5,640	(1)	5,639
Net income from financial instruments designated at fair value through profit or loss	4,207	(802)	3,405
Results from investment securities	106,507	-	106,507
Other income/ (expenses)	9,322	(16,747)	(7,425)
Total net income	**689,300**	**(51,614)**	**637,687**
Staff costs	(159,579)	11,798	(147,782)
Administrative expenses	(139,936)	5,430	(134,507)
Depreciation and amortization	(27,717)	1,293	(26,424)
Gains/ (losses) from sale of owned assets	(166)	34	(132)
Total operating expenses before provisions	**(327,399)**	**18,554**	**(308,845)**
Profit before provisions, impairment and income tax	**361,902**	**(33,060)**	**328,842**
Impairment losses on loans and advances to customers	(265,363)	30,311	(235,052)
Impairment losses on other assets	(18,172)	949	(17,223)
Impairment losses on other debt securities - receivables	(5,113)	-	(5,113)
Impairment of property & equipment and intangible assets	(7,212)	-	(7,212)
Other provisions and impairment	(2,273)	18	(2,255)
Share of profit of associates	(24,065)	-	(24,065)
Profit/ (loss) before income tax	**39,703**	**(1,781)**	**37,922**
Income tax	(19,936)	2,428	(17,508)
Profit/ (loss) for the period from continuing operations	**19,767**	**647**	**20,414**
Profit/ (loss) after income tax from discontinued operations	(16,094)	(647)	(16,741)
Profit/ (loss) for the period	**3,673**	**0**	**3,673**
From continuing operations			
Profit/ (loss) attributable to equity holders of the parent entity	20,166	831	20,997
Non controlling interest	(399)	(184)	(583)
From discontinued operations			
Profit/ (loss) attributable to equity holders of the parent entity	(16,093)	(831)	(16,924)
Non controlling interest	(1)	184	183
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):			
From continuing operations			
- Basic and Diluted	0.0023	0.0458	0.0481
From discontinued operations			
- Basic and Diluted	(0.0018)	(0.0369)	(0.0388)

Amounts in thousand euros (Unless otherwise stated)

Consolidated interim statement of total comprehensive income	From 1 January to 30 June 2016		
	Published amounts	Restatements	Restated amounts
CONTINUING OPERATIONS			
Profit/ (loss) for the period (A)	**(17,362)**	**3,664**	**(13,698)**
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(61,665)	(29)	(61,694)
Change in currency translation reserve	(6,533)	1,392	(5,141)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	(181)	-	(181)
Other comprehensive income, net of tax (B)	**(68,379)**	**1,363**	**(67,015)**
Total comprehensive income, net of tax (A+B)	**(85,741)**	**5,028**	**(80,713)**
- Attributable to equity holders of the parent entity	(85,031)	5,319	(79,712)
- Non controlling interest	(709)	(292)	(1,001)
DISCONTINUED OPERATIONS			
Profit/ (loss) for the period (C)	**(23,102)**	**(3,664)**	**(26,766)**
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	177	29	206
Change in currency translation reserve	6	(1,392)	(1,386)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income, net of tax (D)	**183**	**(1,363)**	**(1,180)**
Total comprehensive income, net of tax (C+D)	**(22,919)**	**(5,028)**	**(27,947)**
- Attributable to equity holders of the parent entity	(22,917)	(5,319)	(28,237)
- Non controlling interest	(1)	292	290

Amounts in thousand euros (Unless otherwise stated)

Consolidated interim statement of total comprehensive income	From 1 April to 30 June 2016		
	Published amounts	Restatements	Restated amounts
CONTINUING OPERATIONS			
Profit/ (loss) for the period (A)	**19,767**	**647**	**20,414**
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(45,995)	(29)	(46,024)
Change in currency translation reserve	5,575	317	5,892
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	(190)	-	(190)
Other comprehensive income, net of tax (B)	**(40,610)**	**288**	**(40,322)**
Total comprehensive income, net of tax (A+B)	**(20,843)**	**935**	**(19,908)**
- Attributable to equity holders of the parent entity	(20,435)	1,119	(19,317)
- Non controlling interest	(407)	(184)	(591)
DISCONTINUED OPERATIONS			
Profit/ (loss) for the period (C)	**(16,094)**	**(647)**	**(16,741)**
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	2,130	29	2,158
Change in currency translation reserve	(19)	(318)	(337)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income, net of tax (D)	**2,111**	**(289)**	**1,822**
Total comprehensive income, net of tax (C+D)	**(13,983)**	**(937)**	**(14,920)**
- Attributable to equity holders of the parent entity	(13,982)	(1,121)	(15,103)
- Non controlling interest	(1)	184	183

Consolidated interim cash flow statement	From 1 January to 30 June 2016		
	Published amounts	Restatements	Restated amounts
Net cash inflow/ (outflow) from operating activities	257,821	(56,014)	201,807
Net cash inflow/ (outflow) from investing activities	85,088	67,687	152,775
Net cash inflow/ (outflow) from financing activities	(16,322)	-	(16,322)
Total cash inflows/ (outflows) for the period	**326,587**	**11,673**	**338,261**
Effect of exchange rate fluctuations on cash and cash equivalents	(10,288)	7,593	(2,695)
Net increase/ (decrease) in cash and cash equivalents of the period from continuing operations (A)	**316,300**	**19,266**	**335,566**
Net increase/ (decrease) in cash and cash equivalents of the period from discontinued operations (B)	**117,324**	**(19,266)**	**98,058**
Cash and cash equivalents at the beginning of the period (C)	**2,276,758**	**0**	**2,276,758**
Cash and cash equivalents at the end of the period (A)+(B)+(C)	**2,710,382**	**0**	**2,710,382**

Amounts in thousand euros (Unless otherwise stated)

During the 1st semester of 2017, the Group as well as the Bank, in view of better presentation of the derivative financial instruments in the Statement of Financial Position, amended the presentation of derivative financial instruments. More specifically, in the previous period part of the derivatives' valuation was presented in line "other liabilities", whereas in the current period it is presented in the respective accounts of derivative financial instruments. Consequently, the derivative financial instruments are recorded at fair value in lines "Derivative financial instruments – assets" and "Derivative financial instruments – liabilities". As a result, the Group's and Bank's Statement of Financial Position as of 31 December 2016 was restated as follows:

Consolidated interim statement of financial position	As at 31/12/2016		
	Published amounts	Restatements	Restated amounts
Derivative financial instruments - assets	445,645	3,837	449,482
TOTAL ASSETS	**81,500,534**	**3,837**	**81,504,371**
Derivative financial instruments - liabilities	461,676	195,451	657,127
Other liabilities	1,402,867	(191,614)	1,211,252
TOTAL LIABILITIES	**71,676,796**	**3,837**	**71,680,633**

27 Events subsequent to the end of the interim period

- On 5 July, 2017, with regards to the HFSF warrants exercise process, the Bank announced that no warrant on shares issued by the Bank and owned by the HFSF has been exercised. Consequently, the issued warrants outstanding on 5 July 2017, amounted to 843,637,022 and corresponded to 37,759,281 shares of the Bank owned by the HFSF.

- On 5 July 2017, Piraeus Bank announced that its subsidiary Piraeus Bank Beograd A.D. (PBBeo) reached an agreement for the sale of a pool of non-performing business loans with an outstanding balance of € 42.6 million. Final closing of the transaction will occur upon the regulatory approval of the National Bank of Serbia. This sale will have a significant positive impact on PBBeo NPL ratio (down by 8.2 percentage points to 16.6%), as well as a reversal of provisions of € 1.8 million.

- On 7 July 2017, Piraeus Bank announced that it has been exploring all available options as regards its direct and indirect participation of 32.5% in the share capital of "Nireus Aquaculture S.A." and 32.9% in the share capital of "Selonda Aquaculture S.A.". Within this framework it has assigned to financial and legal advisors the organization of a tender process which could lead to a total or partial sale of its share participation in these two companies.

- On 26 July 2017, Piraeus Bank announced that its Annual General Meeting of Shareholders convened on 28 June 2017, resolved to increase the nominal value of each ordinary share of the Bank from € 0.30 to € 6.00 and simultaneously reduce the total number of ordinary shares of the Bank from 8,733,183,280 to 436,659,164 (reverse split) at a rate of twenty (20) old common shares for one (1) new common share of the Bank. The Bank's share capital remained unchanged versus the pre reverse split status, thus at € 2,619,954,984. The last day of trading of the old shares was 28 July 2017. The reverse split process was concluded on 3 August 2017 with the commencement of trading of the new shares.

Amounts in thousand euros (Unless otherwise stated)

- On 11 August 2017, Attica Holdings S.A. ("Attica Group"), announced it has reached a preliminary agreement with Piraeus Bank and other minority shareholders for the acquisition of 39,039,833 shares in total of Hellenic Seaways Maritime S.A. ("HSW"), representing 50.3% of the share capital of HSW, out of which Piraeus Bank holds 40.4% of the share capital. Within the framework of this agreement, the total consideration for the transaction will amount to € 30.6 million in cash plus the issuance of 24,145,523 new common registered shares of Attica Group pursuant to a share capital increase. The acquisition of the 1,250,000 shares of the above majority equity stake of HSW has already been completed with the consideration paid in cash, while the remaining 37,789,833 shares will be acquired upon closing of the transaction, which is subject to the approval of the relevant regulatory and other authorities.

Athens, 30 August 2017

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
GEORGE P. HANDJINICOLAOU	CHRISTOS I. MEGALOU	KONSTANTINOS S. PASCHALIS	GEORGE TH. MARINOPOULOS

PIRAEUS BANK

PIRAEUS BANK S.A.

Interim Financial Information

30 June 2017

Index to the Interim Financial Information

Amounts in thousand euros (Unless otherwise stated)

INTERIM INCOME STATEMENT	**Note**	**Period from 1 January to**		**Period from 1 April to**	
		30 June 2017	**30 June 2016**	**30 June 2017**	**30 June 2016**
Interest and similar income		1,120,354	1,215,736	559,325	596,405
Interest expense and similar charges		(303,963)	(378,031)	(149,425)	(173,196)
NET INTEREST INCOME		**816,391**	**837,706**	**409,900**	**423,209**
Fee and commission income		150,133	130,136	79,858	68,823
Fee and commission expense		(31,976)	(21,976)	(20,538)	(12,200)
NET FEE AND COMMISSION INCOME		**118,158**	**108,161**	**59,319**	**56,623**
Dividend income		12,962	7,445	5,418	7,391
Net income from financial instruments designated at fair value through profit or loss		29,716	8,925	21,914	4,624
Results from investment securities	12	28,527	86,810	8,037	90,103
Other income/ (expense)		(20,396)	(337)	(22,327)	(10,095)
TOTAL NET INCOME		**985,358**	**1,048,710**	**482,261**	**571,855**
Staff costs		(246,659)	(261,345)	(123,594)	(129,767)
Administrative expenses		(210,466)	(227,955)	(105,345)	(116,696)
Depreciation and amortisation		(44,186)	(42,237)	(21,998)	(21,167)
Gains/ (Losses) from sale of owned assets		(1,065)	564	(54)	(191)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(502,377)**	**(530,973)**	**(250,990)**	**(267,820)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**482,981**	**517,737**	**231,270**	**304,035**
Impairment losses on loans and advances to customers	11	(516,728)	(467,796)	(261,699)	(225,266)
Impairment losses on other assets		(17,168)	(28,244)	(10,410)	(24,653)
Impairment losses on other debt securities - receivables		-	(5,113)	-	(5,113)
Impairment on participations and investment securities	13	(42,289)	(1,040)	(13,189)	(1,040)
Other provisions and impairment	6	30,013	(41,116)	32,618	(35,056)
PROFIT/ (LOSS) BEFORE INCOME TAX		**(63,191)**	**(25,571)**	**(21,409)**	**12,907**
Income tax	7	28,573	369	12,182	(12,807)
PROFIT/ (LOSS) FOR THE PERIOD		**(34,618)**	**(25,202)**	**(9,228)**	**100**
Earnings/ (losses) per share (in €):					
- Basic and Diluted	8	(0.0793)	(0.0577)	(0.0211)	0.0002

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to		Period from 1 April to	
		30 June 2017	30 June 2016	30 June 2017	30 June 2016
Profit/ (loss) for the period (A)		**(34,618)**	**(25,202)**	**(9,228)**	**100**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	9, 20	42,324	(59,722)	30,224	(43,567)
Other comprehensive income, net of tax (B)		**42,324**	**(59,722)**	**30,224**	**(43,567)**
Total comprehensive income, net of tax (A)+(B)		**7,707**	**(84,924)**	**20,997**	**(43,467)**

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION	Note	30 June 2017	31 December 2016
ASSETS			
Cash and balances with Central Bank		2,219,201	2,152,115
Loans and advances to credit institutions		543,720	521,459
Financial assets at fair value through profit or loss	10	1,472,712	8,428
Derivative financial instruments - assets		491,232	448,907
Reverse repos with customers		45,013	29,076
Loans and advances to customers	11	45,617,489	48,720,105
Available for sale securities		2,509,482	2,368,408
Debt securities - receivables	12	7,068,832	13,246,257
Assets held for sale	13	139,226	73,000
Investment property		371,828	362,851
Investments in subsidiaries		910,877	1,051,392
Investments in associated undertakings and joint ventures		245,823	201,961
Property and equipment		869,292	852,450
Intangible assets		254,014	259,592
Deferred tax assets		5,275,795	5,264,510
Other assets		3,109,218	2,977,058
TOTAL ASSETS		**71,143,752**	**78,537,571**
LIABILITIES			
Due to credit institutions	15	21,447,924	27,392,700
Due to customers	16	38,617,762	39,765,301
Financial liabilities at fair value through profit or loss		10,046	-
Derivative financial instruments - liabilities		468,996	656,655
Debt securities in issue	17	66,756	69,515
Retirement benefit obligations		186,389	184,619
Other provisions		112,374	163,356
Other liabilities		769,019	848,643
TOTAL LIABILITIES		**61,679,265**	**69,080,790**
EQUITY			
Share capital (ordinary shares)	19	2,619,955	2,619,955
Share premium	19	13,074,688	13,074,688
Contingent convertible securities	19	2,040,000	2,040,000
Other reserves	20	117,488	75,164
Retained earnings	20	(8,387,643)	(8,353,025)
TOTAL EQUITY		**9,464,488**	**9,456,781**
TOTAL LIABILITIES AND EQUITY		**71,143,752**	**78,537,571**

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Share Capital	Share Premium	Contingent Convertible securities	Other reserves	Retained earnings	TOTAL
Opening balance as at 1 January 2016		**2,619,955**	**13,074,688**	**2,040,000**	**119,116**	**(8,245,744)**	**9,608,016**
Other comprehensive income, net of tax	9	-	-	-	(59,722)	-	(59,722)
Profit/ (loss) for the period 1/1/2016 - 30/6/2016	20	-	-	-	-	(25,202)	(25,202)
Total recognized income for the period 1/1/2016 - 30/6/2016		**0**	**0**	**0**	**(59,722)**	**(25,202)**	**(84,924)**
Balance as at 30 June 2016		**2,619,955**	**13,074,688**	**2,040,000**	**59,394**	**(8,270,946)**	**9,523,092**
Opening balance as at 1 July 2016		**2,619,955**	**13,074,688**	**2,040,000**	**59,394**	**(8,270,946)**	**9,523,092**
Other comprehensive income, net of tax		-	-	-	15,769	-	15,769
Profit/ (loss) for the period 1/7/2016 - 31/12/2016	20	-	-	-	-	35,724	35,724
Total recognized income for the period 1/7/2016 - 31/12/2016		**0**	**0**	**0**	**15,769**	**35,724**	**51,493**
Payment to the holders of contingent convertible securities (net of tax)	20	-	-	-	-	**(117,803)**	(117,803)
Balance as at 31 December 2016		**2,619,955**	**13,074,688**	**2,040,000**	**75,163**	**(8,353,025)**	**9,456,781**
Opening balance as at 1 January 2017		**2,619,955**	**13,074,688**	**2,040,000**	**75,163**	**(8,353,025)**	**9,456,781**
Other comprehensive income, net of tax	9, 20	-	-	-	42,324	-	42,324
Profit/ (loss) for the period 1/1/2017 - 30/6/2017	20	-	-	-	-	(34,618)	(34,618)
Total recognized income for the period 1/1/2017 - 30/6/2017		**0**	**0**	**0**	**42,324**	**(34,618)**	**7,707**
Balance as at 30 June 2017		**2,619,955**	**13,074,688**	**2,040,000**	**117,488**	**(8,387,643)**	**9,464,488**

Amounts in thousand euros (Unless otherwise stated)

INTERIM CASH FLOW STATEMENT	**Period from 1 January to**	
	30 June 2017	**30 June 2016**
Cash flows from operating activities		
Profit / (loss) before tax	(63,191)	(25,571)
Adjustments to profit/ loss before tax:		
Add: provisions and impairment	546,172	543,308
Add: depreciation and amortisation charge	44,186	42,237
Add: retirement benefits	3,666	7,302
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss	(17,557)	4,057
(Gains)/ losses from investing activities	(4,562)	(84,780)
Cash flows from operating activities before changes in operating assets and liabilities	508,714	486,553
Changes in operating assets and liabilities:		
Net (increase)/ decrease in cash and balances with Central Bank	241,077	255
Net (increase)/ decrease in financial instruments at fair value through profit or loss	(8,212)	32,459
Net (increase)/ decrease in loans and advances to credit Institutions	10,832	30,203
Net (increase)/ decrease in loans and advances to customers	2,434,940	1,097,039
Net (increase)/ decrease in debt securities - receivables	4,652,825	1,490,044
Net (increase)/ decrease in reverse repos with customers	(15,937)	(22,284)
Net (increase)/ decrease in other assets	30,065	173,678
Net increase/ (decrease) in amounts due to credit institutions	(5,944,777)	(2,566,598)
Net increase/ (decrease) in liabilities at fair value through profit or loss	10,046	(2,514)
Net increase/ (decrease) in amounts due to customers	(1,147,540)	(546,412)
Net increase/ (decrease) in other liabilities	(281,050)	(128,903)
Net cash flow from operating activities before income tax payment	490,983	43,521
Income tax paid	-	-
Net cash inflow/ (outflow) from operating activities	**490,983**	**43,521**
Cash flows from investing activities		
Purchases of property and equipment	(62,497)	(45,474)
Sales of property and equipment	2,273	9,598
Purchases of intangible assets	(13,336)	(10,815)
Purchases of assets held for sale	(2,400)	-
Purchases of investment securities	(7,052,587)	(3,052,431)
Disposals/ maturity of investment securities	6,979,051	3,244,041
Acquisition of subsidiaries and participation in share capital increases	(58)	(1)
Acquisition of associates and participation in share capital increases	(167)	(1,282)
Sales of subsidiaries	-	14,452
Sales of associates	-	10,991
Dividends received from subsidiaries	7,400	-
Dividends receipts from available for sale securities	5,302	5,445
Net cash inflow/ (outflow) from investing activities	**(137,020)**	**174,525**
Cash flows from financing activities		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(11,685)	(16,678)
Net cash inflow/ (outflow) from financing activities	**(11,685)**	**(16,678)**
Effect of exchange rate changes on cash and cash equivalents	(1,022)	(2,668)
Net increase/ (decrease) in cash and cash equivalents of the period (A)	**341,256**	**198,701**
Cash and cash equivalents at the beginning of the period (B)	**1,082,942**	**1,264,024**
Cash and cash equivalents at the end of the period (A)+(B)	**1,424,197**	**1,462,725**

Amounts in thousand euros (Unless otherwise stated)

1 General Information about the Bank

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Law 2190/1920 on societés anonymes, Law 4261/2014 on credit institutions, and other relevant laws. According to its statute, the scope of the Bank is to execute any 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, in Frankfurt (Germany) and in London (U.K.). The Bank employs in total 13,147 people.

Apart from the ATHEX General Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (All World, Emerging Markets, Med 100, FTSE4Good Emerging), MSCI (Emerging Markets, EM EMEA, Greece), Stoxx (TMI, All Europe, Greece TM) and S&P (Global, Greece BMI).

The composition of the Board of Directors on the approval date of Interim Financial Information is as follows:

Georgios P. Handjinicolaou	Chairman (Non-Executive Member)
Karel G. De Boeck	Vice-Chairman of the Board of Directors (Independent Non-Executive Member)
Christos I. Megalou	Managing Director (Executive Member)
Ilias D. Milis	Authorized Executive Director (Executive Member)
Venetia G. Kontogouris	Independent Non Executive Member
Arne S. Berggren	Independent Non Executive Member
Enrico Tommaso C. Cucchiani	Independent Non Executive Member
David R. Hexter	Independent Non Executive Member
Solomon A. Berachas	Non-Executive Member
Alexander Z. Blades	Non-Executive Member
Aikaterini K. Beritsi	Representative of the Hellenic Financial Stability Fund pursuant to the provisions of L. 3864/2010 (Non – Executive Member)

2 Basis of preparation of the interim financial information

The interim financial information of the Bank for the six-month period ended 30 June 2017 (the "Interim Financial Information") has been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting".

The Interim Financial Information includes selected explanatory notes and does not include all the information required for full annual financial statements. Therefore, the Interim Financial Information should be read in conjunction with the annual financial statements of Piraeus Bank as at and for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The amounts are stated in euro, rounded to the nearest thousand (unless otherwise stated) for ease of presentation.

It is mentioned that where necessary, comparative figures have been adjusted to conform to changes in the current period's presentation. The adjustments made are considered that they do not have material impact in the presentation of financial information, as presented analytically in Note 23 of the Interim Financial Information.

The Interim Financial Information has been prepared based on the going concern principle, applying the historical cost convention, as modified by the revaluation of the available for sale portfolio, financial assets and liabilities of the trading portfolio, derivative financial instruments, as well as investment property. The preparation of the Interim Financial Information in conformity with IFRS requires the use of estimates, accounting policies and assumptions which affect the reported assets and liabilities, the recognition of contingent liabilities, as well as the recognition of income and expenses in the consolidated financial statements.

Going concern basis

The Interim Financial Information has been prepared on a going concern basis. Piraeus Bank's Management, after taking into account the factors mentioned below, regarding the macroeconomic environment, the capital adequacy and the Bank's liquidity, is of the opinion that the Interim Financial Information of the Bank has been appropriately prepared on a going concern basis.

Macroeconomic environment

Since the beginning of the year up to July 2017, significant developments in the Greek economy give the picture of stability to the side of fiscal adjustment, but also recovery of confidence and trust in the market side, assisting the growth trajectory, although at a rate lower than expected or even possible.

Real GDP in the Q1 of 2017 increased by 0.4% on a yearly and quarterly basis, after a zero percentage annual change in 2016 against a marginal decline of -0.3% in 2015. At the same time, the inflationary pressures from the beginning of the year sustained in June 2017 and inflation stood at 1.0% on a yearly basis against -0.7% in June 2016, giving a 1.3% inflation at the first half of 2017. Moreover, the unemployment rate in the Q1 of 2017, based on non-seasonally adjusted data, stood at 23.3% compared to 24.9% in the Q1 of 2016. Over the past five years, it stands for the smallest unemployment rate of the corresponding period of the year. Already in April 2017, based on seasonally adjusted data, the unemployment rate has fallen further to 21.7%, a positive sign for improvement in the labor market. In addition, according to a European Commission survey and seasonally adjusted data, in July 2017, the economic sentiment indicator improved significantly to 98.2 points (although in the first half of the year it was on average 93.9 points reflecting market uncertainty) approaching the highest levels of the indicator since February 2015. This rise is linked to the improvement of the climate in all business sectors, as long as to the stimulation of the consumer confidence index.

In parallel, according to the data for the period January-June 2017, state budget execution showed a better result than in 2016. Specifically, the state budget deficit stood at € -1.6 billion, compared to € -1.85 billion in the same period of the previous year, while the primary surplus widened by almost € 300 million and amounted to € 1.94 billion. The six-month results also exceed the revised targets, in line with the 2018-2021 Medium Term Fiscal Strategy (MTFS), for a deficit of € -3.1 billion and a primary surplus of € 431 million. Finally, the fiscal consolidation measures adapted in the context of the second review (also under the MTFS 2018-2021) mainly refer to the 2019-2020 biennium and do not therefore entail additional burdens for 2017.

In the framework of the 3rd financial adjustment programme for Greece and during the 2nd review, in the Eurogroup held at December 2016 the implementation of short-term relief measures was decided. Following that, the step-up interest rate margin of 2% on the € 11.3 billion EFSF loan tranche was waived for the year 2017, while a smoothening of the repayment profile of the EFSF loan was applied.

On 10 July 2017, ESM approved the first disbursement of the third tranche that amounted to € 7.7 billion (total of the third tranche: € 8.5 billion) after the signing of the Supplementary Memorandum (SMoU) and the completion of all the pre-requisite actions of the 2nd review by the Greek Government. At the same time, following the decisions in the Eurogroup on the 15 June 2017, on 20 July 2017 the IMF Executive Board approved in principle (Approval in Principal) an about € 1.6 billion precautionary Stand-By Arrangement (SBA) for Greece. However, funding will become effective only after IMF receives specific and credible assurances from Greece's European partners to ensure debt sustainability, and provided that Greece's economic program remains on track. Consequently, the IMF will participate in ESM evaluation procedures, while under the new program the first and second evaluations are scheduled to take place in February and August 2018 respectively.

The above developments led to a significant decline in Greek bond yields, with a fall in spreads compared to the corresponding German ones. On 24 July 2017, the Greek government announced its exit to the bond markets, exchanging older notes maturing in 2019 (with a coupon of 4.75%) and issuing a new 5-year bond with maturity in 2022. The 5-year bond has a settlement date on 1 August 2017 and amounts at € 3.0 billion (€ 1.57 billion bond-switch and € 1.43 billion new bonds) with a 4.375% coupon. The outstanding balance of the bond with maturity in 2019 stood at € 2.5 billion versus € 4.0 billion previously.

The maintenance of the fiscal stability, the gradually strengthening of the international confidence in the sustainability of the country's public finances, as well as the positive effects on economic activity from the boosted domestic credibility, that will be greatly reinforced by focusing economic policy to the necessary reforms for development, will ensure the economic growth for 2017.

The economic and political situation in Greece remains the prime risk factor for the domestic banking sector in general and for Piraeus Bank in particular. To this end, adverse developments regarding the implementation of the country's economic adjustment program would potentially have negative effect on the Bank's liquidity (i.e. stop attracting or loosing deposits, reducing repo interbank transactions with third parties, downgrading of securities and guarantees of the Greek State that are used for liquidity purposes from the Eurosystem, increasing funding through Emergency Liquidity Assistance "ELA" mechanism) and on the Bank's capital adequacy (i.e. impact on the quality of its loan portfolio, possible negative assessment of the credit risk of the Greek State in which the Greek banks have significant direct and indirect exposure).

Piraeus Bank's Management closely monitors the developments and assesses periodically the negative impact that might have in its operations.

Capital adequacy

The Comprehensive Assessment ("CA" i.e. Asset Quality Review and Stress Tests) which was carried out by ECB/ Single Supervisory Mechanism (SSM) in the second half of 2015 in order to quantify the capital shortfalls, after the legal framework was 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 31 October 2015.

The Bank completed its share capital increase of € 4.6 billion in December 2015, aiming at:

– the coverage of its capital needs, as determined by the Comprehensive Assessment conducted by the ECB,

– the significant strengthening of its capital base,

– the enhancement of the Bank's position, thus contributing towards the expected recovery for a part of outflow of deposits in Greece during the first half of 2015 and the reduction of the funding from Eurosystem and more specifically from the ELA.

Liquidity

During the 1st half of 2017, domestic market deposits (private and public sector) decreased -1% and amounted to €130.8 billion. The exposure of all Greek banks in the Eurosystem was reduced from € 67 billion at the end of December 2016 to € 54 billion at the end of June 2017, of which about € 38 billion, was covered by the 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) and € 16 billion from ECB's main refinancing operations.

During the 1st half of 2017, Piraeus Bank's Group exposure to the Eurosystem reduced by € 5.1 billion to € 15.8 billion compared to € 20.9 billion as at 31 December 2016, mainly assisted by the further improvement of access to international repo markets, the further deleveraging of the loan portfolio, the Bank´s participation in the ECB´s program of Quantitative Easing ("QE") with the sale of EFSF bonds of notional amount € 0.7 billion during the period 1/1-30/6/2017 and its participation in ESM's bond exchange program with cash (€ 3.9 billion). Piraeus Bank's financing through the ELA was reduced by € 1.6 billion during the period 1/1-30/6/2017 and amounted to € 10.3 billion as at 30 June 2017 versus € 11.9 billion as at 31 December 2016. It is noted that during the 1st half of 2017, the deposits of Piraeus Bank Group in Greece decreased by € 1.1 billion or 2.9%.

On 28 April 2016 the last guarantees of the Hellenic Republic (Pillar II), used by Piraeus Bank for liquidity purposes under the framework of L.3723/2008 "The strengthening of the liquidity of the Economy for offsetting the impact of the international financial crisis," were redeemed and therefore Piraeus Bank is no longer subject to the restrictions of the support program.

On 22 June 2016 the Governing Council of the ECB decided to reinstate the waiver affecting the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic as collateral for the supply of liquidity, subject to special "haircuts". The reinstatement of the waiver excluded, already as of 2 March 2015 uncovered guaranteed bank bonds that have been issued by the counterparty itself or an entity closely linked to that counterparty, such as the government guaranteed bonds under the Second Pillar of the Greek Law 3723/2008, pursuant to the ECB Decisions ECB/2012/12 and ECB/2013/6.

On 23 January 2017 the governing bodies of the European Stability Mechanism (ESM) and European Financial Stability Facility (EFSF) approved the implementation of a set short term measures for the relief of Greek public debt that was agreed on 25 May 2016. Among the aforementioned set of measures, a bond exchange scheme was also included, where floating rate notes disbursed by ESM and EFSF to Greece for recapitalization of Greek banks and funding gaps stemming from acquisitions/mergers were exchanged for fixed coupon notes or cash. During the the 1st half of 2017 a first set of exchange occurred with the notional amount totaling at € 5.4 billion that was held by Piraeus Bank, for cash and new notes (€ 3.9 billion and € 1.5 billion respectively).

Furthermore, Greek banks can participate in the ECB's Targeted Longer-Term Refinancing Operations ("TLTRO"), getting the benefit associated with the new TLTRO II programme announced on 10 March 2016 by the ECB, subject to sufficient eligible collateral. The duration of the new TLTRO is four years, with four windows of participation, beginning from June 2016 until March 2017. Piraeus Bank participated only in the first auction on 23 June 2016 with € 4.0 billion, shifting at the same time the € 2.7 billion of TLTRO I to TLTRO II.

3 General accounting policies, critical accounting estimates and judgements

a. General accounting policies

For the preparation of this Interim Financial Information the same accounting principles and calculation methods have been used as in the annual financial statements as of 31 December 2016.

There are no new accounting standards, amendments and improvements in IFRSs or interpretations effective from 1 January 2017, in addition to those already disclosed in the annual financial statements which have been issued by the IASB and have been endorsed by the European Union.

In relation to IFRS 9, the Bank will fully implement the standard as of 1 January 2018. A detailed assessment is taking place in order to determine the impact from the IFRS 9 implementation and the Bank has the intention to disclose the quantitative impact of the new standard when it becomes practically possible to produce reliable estimates. Relevant to the special project for the implementation of IFRS 9 is Note 2.1 of the Financial Statements of the Annual Financial Report for the year ended 31 December 2016.

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

The preparation of Iinterim Financial Information 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 its accounting policies, are as follows:

b.1. Impairment losses on loans and advances to customers

The Bank examines, at every reporting period, whether trigger for impairment exists for its loans and advances to customers. If such triggers exist, the recoverable amount of the loan portfolio is calculated and the relevant impairment loss on loans and advances to customers is raised. The impairment loss on loans and advances to customers 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.

b.2. Impairment of available for sale portfolio, investment in subsidiaries, associate companies and joint ventures

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 economic performance.

Investment in subsidiaries, associate companies and joint ventures

The Bank tests for impairment the investments in subsidiaries, associate companies and joint ventures, comparing the recoverable amount of the investment (the higher of the value in use and the fair value less costs 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 subsidiary or the joint venture. The amount of the permanent impairment of the investment, which may arise from the assessment, is recorded to the income statement.

b.3. Estimation of property fair value and impairment

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

Own-use property and equipment are tested for impairment, when events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value-in-use.

Inventories are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price less any expenses necessary to conclude the sale.

On 31/12 of each financial year, fair value measurement 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, as described in Note 2.18 of the annual financial statements, 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.

In case that, there is evidence for significant changes of the fair value of certain properties in the interim reporting periods, the Bank reassesses their fair value by applying the aforementioned processes (revaluation, extrapolation).

b.4. Provisions and contingent liabilities

Provisions are recognised when: a) the Bank has a present legal or constructive obligation as a result of past events, b) it is more likely than not, that an outflow of resources will be required to settle the obligation, and c) the amount of the obligation can be reliably estimated. If these conditions are not met, no provision is recognised.

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. Also, the discount rate used does not take into account any taxes.

Amounts in thousand euros (Unless otherwise stated)

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.5. Recoverability of Deferred Tax Assets

The Bank evaluates the deferred tax asset recoverability in every reporting period, by considering the estimates of the management for the evolution of the Bank´s tax results in the foreseeable future and the current legislation in force.

Management's estimates for the future tax results of the Bank and consequently the recoverability of the deferred tax asset, taking into account the revised Restructuring Plan approved as of 29 November 2015, by the European Commission, 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 over which deferred tax asset recognised, as well as the ability to recover this asset, in accordance with the tax regulations related to their offsetting with profits generated in future periods, 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.

Relative to the provisions of Law 4172/2013 for deferred tax assets is Note 7 of the Interim Financial Information.

b.6. 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 2.

As at 30 June 2017, the total carrying value of the Bank's receivables from Greek Public Sector was as follows:

	30/6/2017	31/12/2016
Derivative financial instruments - assets	305,973	341,796
Bonds and treasury bills at fair value through profit or loss	9,022	8,428
Loans to corporate entities/ Public sector	201,683	2,060,210
Bonds, treasury bills and other variable income securities of investment portfolio	2,217,922	2,078,152
Other Assets	759,610	740,012
Total	**3,494,211**	**5,228,598**

Amounts in thousand euros (Unless otherwise stated)

4 Fair values of financial assets and liabilities

a) Financial assets and liabilities not measured at fair value

The following table summarises the fair values and the carrying amounts of those financial assets and liabilities not presented in the Bank's interim statement of financial position at fair value.

Assets	Carrying value		Fair value	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Loans and advances to credit institutions	543,720	521,459	543,720	521,459
Loans and advances to customers	45,617,489	48,720,105	44,131,541	47,735,635
Debt securities - receivables	7,068,832	13,246,257	7,199,713	13,471,242
Reverse repos with customers	45,013	29,076	45,013	29,076

Liabilities	Carrying value		Fair value	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Due to credit institutions	21,447,924	27,392,700	21,447,924	27,392,700
Due to customers	38,617,762	39,765,301	38,617,762	39,765,301
Debt securities in issue	66,756	69,515	54,394	56,463

The fair values as at 30 June 2017 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 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.

b) Financial assets and liabilities measured at fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a liability in an orderly transaction between market participants, at the measurement date, under current market conditions.

IFRS 13 specifies a hierarchy of valuation techniques in 3 levels. 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.

Amounts in thousand euros (Unless otherwise stated)

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.

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 which are observable and are not included in Level 1.

Level 3

The valuation of assets and liabilities is carried out by introducing variables that are not based on observable market data. Level 3 includes shares categorized in the available for sale portfolio, derivative financial instruments and specific shares and other variable income securities. Shares and derivative financial instruments within Level 3 are not traded in an active market or there are no available observable prices in order to determine their fair value. Specifically:

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.

Derivative financial instruments

The embedded derivatives of the convertible bonds are included in Level 3 of derivative financial assets.

The aforementioned derivatives are accounted at fair value. The fair value of the embedded derivatives are 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 tables present financial assets and liabilities measured at fair value, categorized in the three fair value hierarchy levels mentioned above:

Assets & Liabilities measured at fair value as at 30/6/2017	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	481,351	9,881	**491,232**
Financial instruments at fair value through profit or loss				
- Bonds	15,919	-	-	**15,919**
- Other financial instruments at fair value through profit or loss	-	1,456,793	-	**1,456,793**
Available for Sale Securities				
- Bonds	444,115	-	-	**444,115**
- Treasury bills	1,773,189	-	-	**1,773,189**
- Shares & other variable income securities	109,056	-	183,123	**292,178**
Liabilities				
Derivative financial instruments - liabilities	-	461,260	7,736	**468,996**
Financial liabilities at fair value through profit or loss	10,046	-	-	**10,046**

Amounts in thousand euros (Unless otherwise stated)

Assets & Liabilities measured at fair value as at 31/12/2016	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	442,906	6,001	**448,907**
Financial instruments at fair value through profit or loss				
- Bonds	8,428	-	-	**8,428**
Available for Sale Securities				
- Bonds	409,627	-	-	**409,627**
- Treasury bills	1,668,133	-	-	**1,668,133**
- Shares & Other variable income securities	107,336	-	183,313	**290,648**
Liabilities				
Derivative financial instruments - liabilities	-	656,655	-	**656,655**

The Bank examines the classification of financial assets and liabilities measured at fair value in the above hierarchy levels at the end of each reporting period.

For the year 2016 and the period 1/1- 30/6/2017 no transfers occurred from Level 1 to Level 2 and vice versa .

The following tables present the movement of derivative financial instruments - assets and shares of the available for sale portfolio within Level 3 in the 1st semester 2017 and in 2016:

Reconciliation of Level 3 items (for the period 1/1-30/6/2017)	Derivative financial instruments - liabilities	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening balance 1/1/2017	0	6,001	183,313
Profit/ (loss) for the period	7,736	3,880	-
Other comprehensive Income	-	-	2,147
Disposals/ Settlements	-	-	(2,337)
Foreign exchange differences and other movements	-	-	-
Closing balance 30/6/2017	**7,736**	**9,881**	**183,123**

Reconciliation of Level 3 items (year 2016)	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening balance 1/1/2016	2,197	220,238
Purchases	-	23,142
Profit/ (loss) for the year	3,804	-
Other comprehensive Income	-	(164)
Impairment	-	(2,071)
Disposals	-	(68,246)
Transfer to Level 3		9,263
Foreign exchange and other movements	-	1,150
Closing balance 31/12/2016	**6,001**	**183,313**

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)	30/06/2017	
	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(26)
Derivative financial instruments - assets	4	-
Statement of Changes in Equity		
Available for sale shares & other variable income securities	30	(1)

Sensitivity analysis of Level 3 hierarchy: (amounts in € million)	31/12/2016	
	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(27)
Derivative financial instruments - assets	7	(5)
Statement of Changes in Equity		
Available for sale shares & other variable income securities	18	(3)

It is noted that the change in the fair value of derivatives financial instruments – liabilities, that are classified in Level 3 as of 30 June 2017, is of no importance for the favourable and unfavourable changes.

Considering changes in the underlying share price by +/- 5%, in the volatility of the share price by +/- 10%, in interest rates by +/- 10 basis points and in credit spreads by +/- 100 basis points, the change in the fair value of the embedded derivative as compared to its fair value as at 30/6/2017, will range between approximately +43% in the scenarios of favorable changes and -1% in the scenarios of unfavorable changes for derivatives financial instruments – assets and between approximately -2% in the scenarios of favorable changes and +2% in the scenarios of unfavorable changes for derivatives financial instruments – liabilities.

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 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 guarantee, 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 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 (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 business segments – Other business segments include other facilities of the Bank that are not included in the above segments (Bank's administration, real estate activities, IT activities 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 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 Bank is presented below:

Amounts in thousand euros (Unless otherwise stated)

1/1 - 30/6/2017	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	579,900	236,018	12	76,288	(75,826)	**816,391**
Net fee and commission income	97,527	16,494	265	1,968	1,902	**118,158**
Other income	1,119	94	(2)	59,503	(9,905)	**50,809**
Net income	**678,546**	**252,606**	**275**	**137,760**	**(83,829)**	**985,358**
Depreciation and amortisation	(9,001)	(44)	(6)	(1,054)	(34,081)	**(44,186)**
Other operating expenses	(399,896)	(34,764)	(635)	(22,896)	-	**(458,190)**
Profit/ (loss) before provisions, impairment and income tax	**269,649**	**217,798**	**(365)**	**113,809**	**(117,910)**	**482,981**
Impairment losses on loans and advances to customers	(398,634)	(118,094)	-	-	-	**(516,728)**
Impairment losses on other assets	-	-	-	-	(17,168)	**(17,168)**
Impairment on participations and investment securities	-	-	-	-	(42,289)	**(42,289)**
Other provisions and impairment	(4,126)	(1,059)	-	-	35,198	**30,013**
Profit/ (loss) before tax	**(133,111)**	**98,645**	**(365)**	**113,809**	**(142,169)**	**(63,191)**
Income tax						28,573
Profit/ (loss) for the period						**(34,618)**
As at 30 June 2017						
Total assets	35,773,187	10,501,682	31	13,402,104	11,466,748	**71,143,752**
Total liabilities	36,562,162	1,442,161	-	22,567,949	1,106,992	**61,679,265**
Capital expenditure	29,203	294	-	614	45,722	**75,833**

Amounts in thousand euros (Unless otherwise stated)

1/1 - 30/6/2016	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	655,827	265,894	5	27,604	(111,625)	**837,706**
Net fee and commission income	93,635	8,763	212	3,660	1,891	**108,161**
Other income	78,347	594	-	29,877	(5,974)	**102,844**
Net income	**827,808**	**275,251**	**218**	**61,141**	**(115,708)**	**1,048,710**
Depreciation and amortisation	(9,767)	(21)	(10)	(1,239)	(31,200)	**(42,237)**
Other operating expenses	(419,812)	(38,048)	(1,269)	(29,606)	-	**(488,736)**
Profit/ (loss) before provisions, impairment and income tax	**398,229**	**237,181**	**(1,061)**	**30,296**	**(146,908)**	**517,737**
Impairment losses on loans and advances to customers	(338,073)	(129,723)	-	-	-	**(467,796)**
Impairment losses on other assets	-	-	-	-	(28,244)	**(28,244)**
Impairment losses on other debt securities - receivables	-	-	-	-	(5,113)	**(5,113)**
Impairment on participations and investment securities	-	-	-	-	(1,040)	**(1,040)**
Other provisions and impairment	(10,257)	(790)	-	-	(30,070)	**(41,116)**
Profit/ (loss) before tax	**49,899**	**106,669**	**(1,061)**	**30,296**	**(211,374)**	**(25,571)**
Income tax						369
Profit/ (loss) for the period						**(25,202)**
As at 31 December 2016						
Total assets	36,559,556	13,129,052	94	17,947,200	10,901,669	**78,537,571**
Total liabilities	36,831,183	1,694,601	75	28,672,054	1,882,876	**69,080,790**
As at 30 June 2016						
Capital expenditure	13,524	253	67	1,182	41,262	**56,288**

Amounts in thousand euros (Unless otherwise stated)

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 income to assess the performance of each segment.

Capital expenditure includes additions of intangible and property and equipment that took place in the periods by each business segment.

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

30/6/2017	Balance before allowances and PPA adjustments	Accumulated allowances and PPA adjustments	Balance net of allowances and PPA adjustments
Corporate entities and public sector	21,315,759	(9,992,317)	11,323,442
Mortgages	4,695,600	(1,374,357)	3,321,243
Consumer/ personal and other loans and credit cards	2,817,759	(1,832,343)	985,416
Total	**28,829,118**	**(13,199,018)**	**15,630,100**

31/12/2016	Balance before allowances and PPA adjustments	Accumulated allowances and PPA adjustments	Balance net of allowances and PPA adjustments
Corporate entities and public sector	20,810,171	(10,261,519)	10,548,652
Mortgages	4,699,633	(1,435,289)	3,264,344
Consumer/ personal and other loans and credit cards	3,040,319	(1,984,844)	1,055,475
Total	**28,550,123**	**(13,681,652)**	**14,868,471**

Total liabilities include deposits of customers of RBU of amount € 366,867 thousand (31/12/2016: € 379,024 thousand). Please refer to Note 11, regarding the nature of the PPA adjustment.

6 Other provisions and impairment

The line "Other provisions and impairment" includes a) impairment expense of € 3.1 million on assets held for sale and b) income of € 40.0 million regarding reversal of provisions, which were formed in previous financial year for estimated losses of fully impaired subsidiaries of the Bank, the reporting of which is no longer required according to the Management's latest assessment.

7 Income tax

	1/1-30/6/2017	1/1-30/6/2016
Current tax	-	-
Deferred tax	28,573	369
Total	**28,573**	**369**

In accordance with the provisions of the enacted Greek Tax Law (Law 4172/2013), as amended by Law 4334/2015 (Gazette A΄80/16.7.2015) and being in effect today, the income tax rate for legal entities is 29%. Subsequent to the enactment of Law 4389/2016 the tax rate on dividend income received from 1/1/2017 increased to 15% from 10% prior to 31/12/2016.

The income tax for the period ended 30 June 2017 amounting to € 28.6 million, mainly refers to the additional recognition of deferred tax asset on the impairment losses on loans and advances to customers recorded in the income statement of the semester, that will be recognized for tax purposes in a later period, and the offset of current tax profits against previous years tax losses.

The Bank has recognized as at 30/6/2017 deferred tax assets amounting to € 5.3 billion, based on the appropriate estimates of the Management for the future evolution of the Bank's tax results, taking into account the revised approved restructuring plan by the European Commission on 29 November 2015, and assessing the recoverability of other relevant factors as being presented in detailed in Note 3.b.5 of the Interim Financial Information. The measures that have already been implemented, as well as those included in the existing Restructuring Plan of the Bank, are reliably expected to enforce the Bank's future profitability and to allow the Bank to overcome the effects of the extended Greek recession.

Under the provisions of Law 4172/2013, Article 27A, as amended by Law 4465/2017 and being in effect today, deferred tax assets of Greek financial institutions, as well as deferred tax assets of leasing and factoring companies, that have been recognized due to losses from the Private Sector Involvement ('PSI') and accumulated provisions due to credit risk in relation to existing loans and advances to customers as of 30 June 2015, as well as the accounting write offs and final losses due to permanently write offs or restructuring of debts under certain conditions will be converted from 2017 onwards into directly enforceable claims (tax credit) against the Greek State, provided that the "profit for the period" from the fiscal year 2016 onwards, is a loss according to IFRS. This claim will be offset against the relevant amount of income tax of the legal person or companies of the same corporate group (associated companies) of the tax year, which the approved financial statements refer to. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State in favor of the above-mentioned companies. In this case, a special reserve equal to 100% of the above claim will be created exclusively for a share capital increase and the issuance of capital conversion rights (warrants) without consideration in favor of the Greek State. The above rights will be convertible into ordinary shares. Existing shareholders will have a call option right. The above-mentioned reserve will be capitalized and new ordinary shares will be issued in favor of the Greek State. Also, a gradual amortization over a 20-year period of the final tax losses arising from write-offs and disposals is provided, maintaining the DTC status during all this period, while it disconnects the accounting write-offs from final debt write-offs.

The Extraordinary General Meeting of the Bank's Shareholders, on 19 December 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 to proceed with all actions required for the implementation of the provisions of the above mentioned law.

As at 30/6/2017, deferred tax assets of the Bank meeting the provisions of the Law, amounts to € 4.0 billion, of which € 1.3 billion, relates to the remaining unamortized amount of debit difference from the participation on the Private Sector Involvement program (PSI) and € 2.7 billion, relates to the differences on IFRS allowance for impairment on loans and advances to customers and tax provisions respectively.

According to article 82 of Law 4472/2017 credit institutions and other legal entities that fall under the provisions of article 27A of Law 4172/2013 are required to pay an annual commission of 1.5% on the excess amount guaranteed by the Greek State of deferred tax assets arising from the difference between the tax rate applicable under Law 4334/2015 (Gazette A' 80/16/7/2015) retrospectively from 1/1/2015 (29%), and the tax rate applicable on 30/6/2015 (26%). The total commission as at 30/6/2017 amounts to € 10.5 million of which € 7.0 million relates to the period ended 31 December 2016 and has been included in the Income Statement under "Other income/ (expenses)."

Amounts in thousand euros (Unless otherwise stated)

Unaudited tax years

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

For the fiscal years 2011 – 2016 , the tax audit conducted by the statutory auditor of the Bank that conducts the tax audit under Law 2190/1920 according to article 82 of Law 2238/1994 and article 65 of Law 4174/2013 as were in force.

It is noted that, from 2016 and thereon the issue of the "Annual Tax Certificate" is optional, however the Bank will continue to obtain the tax certificate. The Tax Administration retains its right to proceed with a tax audit, within the applicable statute of limitations in accordance with article 36 of Law 4174/2013.

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. For the fiscal year 2013, Piraeus Bank has received a Tax Compliance report with an emphasis of matter 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 years 2014 and 2015, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non-qualified "Tax Compliance Report" has been issued. For the fiscal year of 2016, the tax audit the tax audit has been completed and a non qualified "Tax Compliance Report" is expected to be issued and submitted.

The Management does not expect that additional tax liabilities will arise.

8 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the profit/ (loss) after tax attributable to the 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	1/1-30/6/2017	1/1-30/6/2016	1/4-30/6/2017	1/4-30/6/2016
Profit/ (loss) attributable to ordinary shareholders	(34,618)	(25,202)	(9,228)	100
Weighted average number of ordinary shares in issue	436,659,164	436,659,164	436,659,164	436,659,164
Basic and diluted earnings/ (losses) per share (in €)	(0.0793)	(0.0577)	(0.0211)	0.0002

According to the requirements of IAS 33, the weighted average number of shares for the 1st semester of 2017 and the comparative 1st semester of 2016 has been adjusted by a factor 1/20, in order to reflect the effect in earnings/ (losses) per share of the reverse split decided by the Annual Ordinary General Meeting of Shareholders held on 28/6/2017.

Amounts in thousand euros (Unless otherwise stated)

9 Amounts that can be reclassified in the Income Statement

1/1 - 30/6/2017	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	59,612	(17,287)	42,324
Other comprehensive income	**59,612**	**(17,287)**	**42,324**

1/1 - 30/6/2016	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(84,181)	24,459	(59,722)
Other comprehensive income	**(84,181)**	**24,459**	**(59,722)**

10 Financial assets at fair value through profit or loss

The balance as of 30/6/2017 includes EFSF bonds of nominal value € 1,525.0 million received in exchange from the sale of EFSF bonds of equal value, in the framework of the Bank's participation in the bond exchange program with EFSF as part of the short term measures for the relief of the Greek public debt.

11 Loans and advances to customers

	30 June 2017	31 December 2016
Mortgages	15,073,482	15,457,791
Consumer/ personal and other loans	3,267,419	3,474,670
Credit cards	800,461	846,387
Loans to individuals	**19,141,362**	**19,778,849**
Loans to corporate entities and Public sector	**33,241,459**	**36,908,903**
Total loans and advances to customers (before allowance for impairment on loans and advances to customers)	**52,382,821**	**56,687,752**
Less: Allowance for impairment on loans and advances to customers	(6,765,332)	(7,967,647)
Loans and advances to customers	**45,617,489**	**48,720,105**

During the 2nd quarter of 2017, the Bank derecognized loans and advances in the sectors of factoring and leasing, with a total value after provisions of € 144.7 million, within the framework of transferring the loans to subsidiary companies Piraeus Factoring S.A. and Piraeus Leases S.A. respectively, aiming at more effective management.

Please note that the amounts of loans and advances to customers before allowances for impairment of loans and advances to customers have been amended by fair value adjustment, in the context of the purchase price allocation exercise of the operations acquired. Specifically, the allowance for impairment of loans and advances to customers of the Bank amount to € 7.9 billion 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 and advances to customers and the provisions for the impairment of loans and advances to customers respectively in the table above, as under IFRS 3 it has been included in the adjustment of loans and advances to customers to fair value during the cost allocation process. However, for purposes of credit risk monitoring in accordance with IFRS 7, as well as for the presentation of Business Segments (Note 5) in accordance with IFRS 8, the aforementioned adjustment is part of the allowance for impairment on loans and advances to customers.

Amounts in thousand euros (Unless otherwise stated)

Movement in allowance for 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 1/1/2016	**1,357,868**	**753,068**	**206,603**	**2,317,538**	**5,925,871**	**8,243,410**
Charge for the period	120,402	64,552	(16,336)	**168,618**	299,177	**467,796**
Loans written-off	(3,360)	(35,825)	(8,229)	**(47,414)**	(370,909)	**(418,323)**
Unwinding	(36,393)	(32,893)	(4,083)	**(73,369)**	(93,169)	**(166,538)**
Foreign exchange differences and other movements	(892)	(98)	-	**(990)**	60,929	**59,939**
Balance at 30/6/2016	**1,437,624**	**748,805**	**177,955**	**2,364,384**	**5,821,899**	**8,186,284**
Opening balance at 1/7/2016	**1,437,624**	**748,805**	**177,955**	**2,364,384**	**5,821,899**	**8,186,284**
Charge for the period	86,268	36,628	23,508	**146,404**	346,930	**493,334**
Loans written-off	(3,466)	(86,059)	(63,073)	**(152,599)**	(444,589)	**(597,188)**
Provisions of derecognised loans	-	-	-	**0**	(34,090)	**(34,090)**
Unwinding	(36,133)	(33,445)	(4,532)	**(74,110)**	(99,670)	**(173,780)**
Foreign exchange differences and other movements	3,125	403	-	**3,528**	89,560	**93,087**
Balance at 31/12/2016	**1,487,417**	**666,331**	**133,858**	**2,287,607**	**5,680,040**	**7,967,647**
Opening balance at 1/1/2017	**1,487,417**	**666,331**	**133,858**	**2,287,607**	**5,680,040**	**7,967,647**
Charge for the period	39,233	69,810	15,206	**124,250**	392,478	**516,728**
Loans written-off	(53,270)	(176,647)	(66,126)	**(296,043)**	(1,004,636)	**(1,300,678)**
Unwinding	(35,118)	(29,169)	(3,207)	**(67,494)**	(112,075)	**(179,569)**
Provision of derecognised loans	-	-	-	**0**	(155,490)	**(155,490)**
Foreign exchange differences and other movements	2,261	646	-	**2,907**	(86,212)	**(83,305)**
Balance at 30/6/2017	**1,440,523**	**530,972**	**79,732**	**2,051,227**	**4,714,105**	**6,765,332**

The write-offs of loans and advances to customers before provisions for the period 1/1-30/6/2017 amount to € 1,300,678 thousand (30/6/2016: € 418,323 thousand). In addition, it is noted that the line “Provision of derecognised loans” refers to loans and advances in the sectors of factoring and leasing transferred to subsidiary companies by the Bank.

Amounts in thousand euros (Unless otherwise stated)

12 Debt securities - receivables

	30 June 2017	31 December 2016
Corporate entities debt securities - receivables	28,119	27,816
Bank debt securities - receivables	5,210	5,012
EFSF bonds - receivables	5,957,453	10,507,342
ESM bonds - receivables	1,083,120	2,711,576
Total debt securities - receivables	**7,073,902**	**13,251,746**
Less: Allowance for impairment on debt securities - receivables	(5,070)	(5,489)
Total debt securities - receivables (less allowances for losses)	**7,068,832**	**13,246,257**

The balance of the EFSF and ESM bonds decreased due to the sale of EFSF bonds (nominal value € 3,771.5 million) and of ESM bonds (nominal value € 1,625.0 million) resulting from the Bank's participation in the bond exchange program of EFSF and ESM bonds as part of the short-term debt relief measures of the Hellenic Republic. Relevant reference is provided in Note 2. The above mentioned transactions had no impact in the interim income statement.

The balance of the EFSF bonds decreased further due to the sale of EFSF bonds of nominal value € 748.0 million under the Bank's participation in the ECB's quantitative easing program (Note 2). The profit on the sale amounted € 20.6 million is included in line “Results from investment securities” and has mainly contributed to this line for 1st semester 2017.

13 Assets held for sale

In the "Assets held for sale" are included the following companies:

s/n	Name of Company	Activity	% Holding	Country
1.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases- Rent-a-Car and long term rental of vehicles	100.00%	Greece
2.	IMITHEA S.A.	Organization, operation and management of hospital units	100.00%	Greece
3.	ATE Insurance Romania S.A.	Insurance	99.54%	Romania
4.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia
5.	Piraeus Leasing Doo Beograd	Financial leasing	51.00%	Serbia

During the 1st semester 2017, the companies IMITHEA S.A., Piraeus Bank Beograd A.D. and Piraeus Leasing Doo Beograd Piraeus Bank’s subsidiaries, were transferred to assets held for sale. For the above mentioned subsidiaries there is sale process in progress, which is expected to be completed within one year.

Upon classification as Assets held for sale, measurement of their value at the lower of carrying amount and fair value less costs to sell, was carrying out according to the requirements of IFRS 5 and impairment loss of amount of € 35.7 million was recorded in the line "Impairment on participations and investment securities", amounting of € 42.3 million. In addition, reference to the impairment expense on assets held for sale, which is in included in line "Other provisions and impairment", is made in Note 6.

Amounts in thousand euros (Unless otherwise stated)

14 Investments in consolidated companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiary companies

s/n	Name of Company	Activity	% Holding	Country
1.	Piraeus Leases S.A.	Finance leases	100.00%	Greece
2.	Cyprus Leasing S.A.	Finance leases	100.00%	Greece
3.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece
4.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece
5.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece
6.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece
7.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece
8.	Piraeus Insurance Agency S.A.	Insurance agency	95.00%	Greece
9.	Geniki Information S.A.	Assessment and collection of commercial debts	100.00%	Greece
10.	Geniki Financial & Consulting Services S.A.	Financial & Consulting Services	100.00%	Greece
11.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece
12.	Picar S.A.	City Link areas management	100.00%	Greece
13.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece
14.	Abies S.A.	Property Management	40.14%	Greece
15.	Achaia Clauss Estate S.A.	Property management	75.27%	Greece
16.	Euroterra S.A.	Property management	42.51%	Greece
17.	Kosmopolis A' Shopping Centers S.A.	Shopping Center’s Management	100.00%	Greece
18.	ND Development S.A.	Property management	100.00%	Greece
19.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece
20.	Property Horizon S.A.	Property management	100.00%	Greece
21.	Rebikat S.A.	Property Management	40.31%	Greece
22.	General Construction and Development Co. S.A.	Property development/ holding company	66.66%	Greece
23.	Euroak S.A. Real Estate	Real Estate Investment	53.60%	Greece
24.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece
25.	Piraeus Development S.A.	Property management	100.00%	Greece
26.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
27.	Pleiades Estate S.A.	Property management	100.00%	Greece
28.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country
29.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece
30.	Piraeus Direct Solutions S.A. (former Special Business Services S.A.)	Financial - telecommunication & IT services	25.81%	Greece
31.	Special Financial Solutions S.A.	Advising, consultancy, organizational and training services	100.00%	Greece
32.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	100.00%	Greece
33.	Piraeus ACT Services S.A.	Accounting and tax consulting	100.00%	Greece
34.	Piraeus Direct Services S.A.	Support & e-commerce services, trade of time renewal cards	100.00%	Greece
35.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania
36.	Tirana Leasing Sh.A.	Finance leases	100.00%	Albania
37.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria
38.	Bulfina E.A.D.	Property management	100.00%	Bulgaria
39.	Piraeus Equity Partners Ltd	Holding company	100.00%	Cyprus
40.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	90.85%	Cyprus
41.	R.E. Anodus Two Ltd	Holding and Investment Company	99.09%	Cyprus
42.	Tellurion Ltd	Holding company	100.00%	Cyprus
43.	Trieris Two Real Estate Ltd	Holding, Investment and Real Estate Portfolio Management	100.00%	Cyprus
44.	R.E. Anodus Ltd	Consultancy services for real estate development and investments	100.00%	Cyprus
45.	Lakkos Mikelli Real Estate Ltd	Property management	40.00%	Cyprus
46.	Philoktimatiki Public Ltd	Land and property development	6.39%	Cyprus
47.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine
48.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania
49.	Piraeus Leasing Romania IFN S.A.	Finance leases	99.85%	Romania
50.	Piraeus Rent Doo Beograd	Operating leases	100.00%	Serbia
51.	Piraeus Real Estate Egypt LLC	Property management	99.90%	Egypt
52.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
53.	Marathon 1 Greenvale Rd LLC	Real estate development	99.95%	U.S.A.
54.	Piraeus Group Capital Ltd	Debt securities issue	100.00%	United Kingdom
55.	Piraeus Group Finance PLC	Debt securities issue	100.00%	United Kingdom
56.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
57.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country
58.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
59.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
60.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom
61.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
62.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom
63.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom
64.	Kion Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
65.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia
66.	Piraeus Asset Management Europe S.A.	Mutual funds management	99.94%	Luxemburg
67.	Vitria Investments S.A.	Investment company	100.00%	Panama

Companies numbered 56-64 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 14, 16, 21, 30, 45 and 46 are included in the Bank’s subsidiaries' portfolio due to the existence of control in Group level. In addition, the companies numbered 29, 36, 65 and 67 are under liquidation as at 30/6/2017.

B) Associate companies

s/n	Name of Company	Activity	% Holding	Country
1.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece
2.	APE Commercial Property Real Estate Tourist & Development S.A.	Holding company	27.80%	Greece
3.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece
4.	Marfin Investment Group Holdings S.A.	Holding company	31.19%	Greece
5.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece
6.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece
7.	Pyrrichos S.A.	Property management	50.77%	Greece
8.	Olganos Real Estate S.A.	Property management/ Electricity Production from Hydropower Stations	32.27%	Greece
9.	Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece
10.	Evros' Development Company S.A.	European community programs management	30.00%	Greece
11.	Project on Line S.A.	Information technology & software	40.00%	Greece
12.	Exodus S.A.	Information technology & software	49.90%	Greece
13.	Teiresias S.A.	Interbanking company of development, operation and management of information systems	23.53%	Greece
14.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	40.44%	Greece

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country
15.	Selonda Aquaculture S.A.	Fish farming	32.92%	Greece
16.	Nireus Aquaculture S.A.	Fish farming	24.76%	Greece
17.	Trastor Real Estate Investment Company	Real estate investment property	39.39%	Greece
18.	Trieris Real Estate Ltd	Property management	32.37%	British Virgin Islands
19.	Exus Software Ltd	IT products retailer	49.90%	United Kingdom
20.	Unisoft S.A.	Software manufacturer	25.43%	Greece

The aforementioned companies were assessed in the context of IFRS 10 by Piraeus Bank. Based on the relevant assessment, Piraeus Bank does not control these companies and as a result they are not subsidiaries of Piraeus Bank. According to the provisions of IAS 28, the criteria for classifying these companies as associates are met.

In accordance with the provisions of IFRS 12, concerning the companies in which the Bank's voting rights exceed 50% but are not controlled by the Bank, the following shall be noted:

- The company numbered 1 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 7 is included in the associate companies' portfolio since the Bank has significant influence and not control.

Furthermore, as at 30/6/2017 the company numbered 11 was under liquidation.

15 Due to credit institutions

"Due to credit institutions" as at 30/6/2017, includes refinancing operations through repo transactions within the eurosystem amounting to € 15,801.1 million (31/12/2016: € 20,900.8 million).The decrease in the refinancing raised from the eurosystem is mainly due to: a) the further improvement of access to international repo markets, b) the further deleveraging of the loan portfolio, c) the Bank´s participation in the ECB´s program of Quantitative Easing (QE) and d) the Bank's participation in the bond exchange program of EFSF/ESM bond. Further information with regard to points (c) and (d) is provided in Note 12.

16 Due to customers

	30 June 2017	31 December 2016
Corporate		
Current and sight deposits (1)	7,065,768	7,682,247
Term deposits	2,170,166	2,058,679
Blocked deposits, guarantee deposits and other accounts	234,138	207,886
Total (A)	**9,470,073**	**9,948,812**
Retail		
Current and sight deposits (1)	2,847,302	2,745,395
Savings account	14,082,058	14,626,688
Term deposits	12,091,036	12,344,638
Blocked deposits, guarantee deposits and other accounts	27,329	28,613
Total (B)	**29,047,725**	**29,745,334**
Cheques payable and remittances (C)	**99,964**	**71,155**
Total due to Customers (A)+(B)+(C)	**38,617,762**	**39,765,301**

Note (1): The line "Current and sight deposits" as at 31/12/2016 was reclassified for comparison purposes by an amount of € 221.5 million respectively.

Amounts in thousand euros (Unless otherwise stated)

17 Debt securities in issue

A) Securitisation of mortgage loans

	30 June 2017	31 December 2016
Issuance € 750 million floating rate notes due 2040	11,797	12,720
Issuance € 1,250 million floating rate notes due 2054	38,105	39,071
Issuance € 600 million floating rate notes due 2051	16,854	17,724
Total debt securities in issue	**66,756**	**69,515**

From the above mentioned securitisation of mortgage loans issues, Piraeus Bank possesses as at 30/6/2017 bonds of nominal value amounting € 97.5 million from the issuance of € 750.0 million, € 589.4 million from the issuance of € 1,250.0 million and € 31.9 million from the issuance of € 600.0 million.

Piraeus Bank, during the period 1/1 - 30/6/2017, proceeded with the buy back of bonds of securitised loans of total amount after amortization of € 0.4 million.

B) Debt securities' issuances retained by Piraeus Bank

It should be noted that, apart from the debt securities in the table above, as of 30/6/2017 liabilities arising from securitisations of loans are retained by the Bank. These issues are the first and third securitisation of corporate loans in the amount of € 1,750.0 million and € 2,352.2 million respectively as well as the first and second consumer loan backed securitisation of € 725.0 million and € 558.0 million respectively.

As at 30/6/2017, a total amount of € 1,000.0 million covered bonds, issued by the Bank, are retained by the Bank. These covered bonds were issued under the Bank's global covered bond programme in February 2017 with an original amount of € 1,000.0 million, due February 2018 (Series 3). These covered bonds came from a separate issue of € 1,250.0 million (Series 1), issued in February 2011. On 3 July 2015, the Bank had proceeded with the partial cancellation of € 1,245.0 million and the remaining outstanding amount of Series 1 amounted to € 5.0 million. The remaining amount of € 5.0 million covered bonds which were issued and retained by the Bank, matured in February 2017.

C) Euro Medium Term Note

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

The Bank has not issued any bonds under its EMTN Programme during the period 1/1 - 30/6/2017. The last outstanding issue, a € 1,750.0 million senior bond, matured in April 2016. This bond was issued in July 2015, through Piraeus Bank's EMTN programme, bearing the unconditional and irrevocable guarantee of the Hellenic Republic, pursuant to Article 2 of Law 3723/2008.

Amounts in thousand euros (Unless otherwise stated)

18 Contingent liabilities and commitments

A) Outstanding Litigations

The Bank’s provision for outstanding litigations as at 30/6/2017 amounts to € 20.6 million against € 16.6 million as at 31/12/2016. The legal proceedings outstanding against the Bank as at 30/6/2017 for which no provisions have been recorded, concern legal cases for which the Management of the Bank a) assumes that the legal outcome would be in favor of the Bank or b) cannot assess the possible loss of their final court ruling. The Management, under advisory of the Legal Department, assumes that the amount of the formed provisions is sufficient.

A number of individual lawsuits and a class action lawsuit have been filed against the Bank concerning the validity of specific terms of the loan contracts granted by the Bank in Swiss Francs (CHF). At first instance, judgments have been issued only for individual lawsuits, the majority of which are in favor of the Bank, whereas for the class action no judgment has been issued yet. The Management of the Bank, under advisory of the Legal Department, is monitoring the development of the cases mentioned above to determine the accounting implications, in accordance with the relevant requirements of IAS 37.

B) Credit commitments

As at 30/6/2017 the Bank had undertaken the following commitments:

	30 June 2017	31 December 2016
Letters of guarantee	2,826,959	2,910,870
Letters of credit	35,594	40,929
Undrawn committed credit facilities	322,983	228,697
	3,185,536	**3,180,496**

C) Assets pledged

	30 June 2017	31 December 2016
Cash and balances with Central Bank	828,570	1,069,647
Financial instruments at fair value through profit or loss	1,472,253	8,102
Investment securities	1,228,919	1,270,418
Loans and advances to customers	22,499,046	27,831,368
Debt securities - receivables	2,472,291	7,242,929
	28,501,080	**37,422,465**

The above mentioned assets pledged are mainly used for liquidity purposes through Eurosystem. Apart from the aforementioned assets, the Bank also pledges debt securities of own issue of nominal value € 5,662.1 million as at 30/6/2017 (31/12/2016: nominal value € 4,993.7 million) that are not included in the Bank's assets. The amount of € 5,662.1 million includes securities of nominal value € 4,962.1 million, that have been issued under the securitization of consumer, mortgage and corporate loans of the Bank and securities of nominal value € 700.0 million from the issuance of covered bonds of the Bank.

Additionally, under interbank repurchase agreement (repo) transactions, EFSF debt securities of nominal value € 4,537.9 million (31/12/2016: € 5,929.1 million), Greek government bonds of nominal value € 365.0 million and debt securities of own issue of nominal value € 601.1 million (31/12/2016: € 219.0 million) are also used for liquidity purposes.

It is also noted that the "Loans and advances to customers", that are presented in the above table, have been pledged under financing from the ELA.

Amounts in thousand euros (Unless otherwise stated)

D) Operating lease commitments

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

	30 June 2017	31 December 2016
Up to 1 year	47,664	50,081
From 1 to 5 years	195,809	205,101
More than 5 years	385,907	393,039
	629,380	**648,221**

19 Share capital and contingent convertible securities

	Share Capital	Share premium	Contigent convertible securities	Total
Opening balance at 1 January 2016	**2,619,955**	**13,074,688**	**2,040,000**	**17,734,644**
Balance at 31 December 2016	**2,619,955**	**13,074,688**	**2,040,000**	**17,734,644**
Balance at 30 June 2017	**2,619,955**	**13,074,688**	**2,040,000**	**17,734,644**

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

	Number of shares
Opening balance at 1 January 2016	**8,733,183,280**
Balance at 31 December 2016	**8,733,183,280**
Balance at 30 June 2017	**8,733,183,280**

On 31/12/2016 and 30/6/2017, the Bank's share capital amounts to € 2,619,954,984.00, divided into 8,733,183,280 ordinary voting registered shares, each with a nominal value of € 0.30.

The Annual Ordinary General Meeting of Shareholders which held on 28/6/2017, resolved the increase in the nominal value of each ordinary voting share from € 0.30 to € 6.00 with simultaneous reduction in the aggregate number of the Bank's old ordinary registered voting shares from 8,733,183,280 down to 436,659,164 new ordinary registered voting shares, each with a nominal value of € 6.00, by means of a reverse split at a rate of twenty (20) old ordinary shares of the Bank to one (1) new ordinary share of the Bank.

In addition, the contingent convertible securities of the Bank that were issued in the context of the share capital increase completed in December 2015 and were covered exclusively by the Hellenic Financial Stability Fund (HFSF) with bonds issued by ESM, on 31/12/2016 and 30/6/2017 correspond to the amount of € 2,040.0 million.

It is noted that within the frame of the Single Supervisory Mechanism (SSM) and according to the Regulation (EU) No1024/2013, credit institutions are subject to the provisions of the ECB Recommendation (ECB/2016/44) on dividend distribution policies during the year 2017 for the fiscal year 2016 and the respective provisions of the Executive Committee Act No 117/12.4.2017 of the Bank of Greece on dividend distribution policies during the year 2017 for the fiscal year 2016 in the context of the aim of strengthening the safety and soundness of the euro – area banking system, as well as to the respective provisions of the Regulation (EU) No 575/2013 and those of the Directive 2013/36/EU, transposed in the national legislation order by the Law 4261/2014.

Amounts in thousand euros (Unless otherwise stated)

Additional restrictions are provided for by Law 3864/2010, as in force, for the Banks that participate in the capital support programs and the Cabinet Act 36/2015. Given the above and the fact that until the earlier of i) 31/12/2017 or ii) the repayment of the contingent convertible securities issued by the Bank, which were covered from HFSF in the context of capital enhancement, the Bank is not allowed to distribute any dividends, the Annual Ordinary General Meeting of Shareholders, held on 28/6/2017, decided not to distribute dividend.

Finally, pursuant to par. 1, art. 16C of Law 3864/2010, the acquisition of treasury shares by the Bank is not permitted, without the approval of HFSF, for as long as the HFSF is a shareholder of the Bank.

20 Other reserves and retained earnings

	30 June 2017	31 December 2016
Legal reserve	69,442	69,442
Available for sale reserve	46,283	3,958
Reserve of defined benefit obligations	(24,990)	(24,990)
Other reserves	26,754	26,754
Total other reserves	**117,488**	**75,164**

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

Available for sale reserve movement	30 June 2017	31 December 2016
Opening balance for the period	3,958	30,643
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	55,270	16,101
Gains/ (losses) from the valuation of shares and mutual funds	12,270	(3,261)
Recycling to income statement of shares and mutual funds impairment	-	15,933
Recycling of the accumulated fair value adjustment of disposed securities	(7,928)	(66,585)
Deferred income taxes	(17,287)	11,127
Closing balance for the period	**46,283**	**3,958**

Retained earnings movement	30 June 2017	31 December 2016
Opening balance for the period	(8,353,025)	(8,245,744)
Profit/ (loss) after tax	(34,618)	10,522
Payment to the holders of contingent convertible securities (net of tax)	-	(117,803)
Closing balance for the period	**(8,387,643)**	**(8,353,025)**

Amounts in thousand euros (Unless otherwise stated)

21 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, f) Bank's joint ventures and g) HFSF which helds ordinary shares in the share capital of the Bank benefits from the special rights stated in article 10 of Law 3864/2010, as amended and in force.

The transactions with the above related parties are under the usual market terms. 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 and the other related parties, that include related parties mentioned in points (b) and (c) above, are presented in the table below. It is noted there were no transactions with the HFSF during the period 1/1 - 30/6/2017 and the year 2016.

	30/06/2017		31/12/2016	
	Board of Directors' members and key management personnel	Other related parties	Board of Directors' members and key management personnel	Other related parties
Loans and advances to customers	11,161	6,473	13,422	21,968
Due to customers	1,389	2,007	2,140	3,164
Letters of guarantee and letters of credit	-	2,964	-	2,964

	1/1 - 30/6/2017		1/1 -30/6/2016	
	Board of Directors' members and key management personnel	Other related parties	Board of Directors' members and key management personnel	Other related parties
Income	60	197	111	578
Expense	2	114	4	150

Members of the Board of Directors and key management personnel benefits	1/1 - 30/6/2017	1/1 - 30/6/2016
Short term benefits	3,372	3,373
Post employment benefits	252	(199)

Short term benefits for the members of the Board of Directors and the key management personnel include wages, salaries, employers' share of social contributions and other charges. Line "Post employment benefits" includes the cost of programs for the post employment benefits.

The aggregate provisions for post employment benefits to Members of the Board of Directors and key management personnel amount to € 8.4 million, compared to € 9.0 million as at 31/12/2016. The full amount of the above post employment benefits has been included in the retirement benefit obligations.

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

I. Subsidiaries

	30 June 2017	31 December 2016
Assets		
Cash and balances with Central Bank	19,616	11,273
Loans and advances to credit institutions	476,171	485,895
Loans and advances to customers	2,560,117	2,561,046
Other assets	402,165	277,870
Total	**3,458,069**	**3,336,084**
Liabilities		
Due to credit institutions	434,706	441,811
Due to customers	268,682	261,359
Debt securities in issue	66,756	69,515
Other liabilities	202,987	219,168
Total	**973,132**	**991,852**

	1/1 - 30/6/2017	1/1 - 30/6/2016
Income		
Interest and similar income	34,420	36,660
Fee and commission income	5,741	4,875
Other income	694	832
Total	**40,855**	**42,366**
Expenses		
Interest expense and similar charges	(10,590)	(10,160)
Fee and commission expense	(8,761)	(10,210)
Operating expenses	(18,309)	(23,940)
Total	**(37,660)**	**(44,310)**

Letters of guarantee and letters of credit to subsidiaries of the Group as at 30/6/2017 amount to € 192.2 million (31/12/2016: 174.5 million). The Bank’s liabilities from property operating leasing of the Group’s subsidiary companies as at 30/6/2017 amount to € 153.7 million.

II. Associates

	30 June 2017	31 December 2016
Due to customers and other liabilities	55,868	71,270
Loans and advances to customers and other receivables	1,050,696	1,059,814
Derivatives financial assets	3,884	3,283
Derivatives financial liabilities	7,736	-

The allowance for impairments on loans and advances to associate companies as at 30/6/2017 amounts to 62.3 € million compared to € 56.2 million as at 31/12/2016.

Amounts in thousand euros (Unless otherwise stated)

	1/1 - 30/6/2017	1/1 - 30/6/2016
Total expense and capital expenditure	(5,599)	(4,195)
Total income	28,132	36,530

Letters of guarantee to associates of the Group as at 30/6/2017 amount to € 10.9 million (31/12/2016: € 10.5 million). The Bank's liabilities from property operating leasing of the Group's associate companies as at 30/6/2017 amount to € 29.5 million.

III. Joint ventures

	30 June 2017	31 December 2016
Loans and advances to customers and other receivables	50,901	50,495

The allowance for impairments on loans and advances to joint ventures as at 30/6/2017 amounts to € 0.5 million (31/12/2016: € 0.2 million).

	1/1 - 30/6/2017	1/1 - 30/6/2016
Total income	370	-

22 Capital adequacy

From January 2014 and onwards, the Bank complies with the 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 (CRR). For the transposition of Directive 2013/36/EU, Greece adopted Law 4261/2014.

The aforementioned regulatory framework requires financial institutions to maintain on a consolidated level a minimum level of regulatory capital related to the undertaken risks. The minimum thresholds for the capital adequacy ratios, as per article 92 of the CRR, are as follows:

- Common Equity Tier 1 Ratio (CET1): 4.5%
- Tier 1 Ratio (T1): 6%
- Total Capital Ratio (TC): 8%.

Following the activation of the Single Supervisory Mechanism on 4 November 2014, the Bank came under the direct supervision of the European Central Bank.

The main objectives of Piraeus Bank with respect to capital adequacy management are the following:

- To comply with the capital requirements regulation against risks undertaken, according to the regulatory framework,
- To preserve the Bank's ability to continue unhindered its operations, thus to continue providing returns and benefits to its shareholders and ensure the confidence of its customers,
- To retain a sound and stable capital base in order to support the Bank's management business plans, and
- To maintain and enhance existing infrastructures, policies, procedures and methodologies for the adequate coverage of supervisory needs, in Greece and abroad.

Presented below, are the capital adequacy ratios as at 30/6/2017 and 31/12/2016 for Piraeus Bank S.A. as calculated under the existing regulatory framework, taking into account all relevant transitional period provisions applicable under Regulation (EU) No. 575/2013.

Amounts in thousand euros (Unless otherwise stated)

	30 June 2017	31 December 2016
Common Equity Tier 1 Capital	8,669,137	8,778,173
Tier 1 Capital	8,669,137	8,778,173
Total regulatory capital	8,669,137	8,778,173
Total risk weighted assets (on and off-balance sheet items)	49,438,256	49,876,566
CET1 Capital ratio	17.5%	17.6%
T1 Capital ratio	17.5%	17.6%
Total capital ratio	17.5%	17.6%

As of 30 June 2017, the abovementioned ratios are far exceeding minimum regulatory requirements, confirming the strong capital base of Piraeus Bank.

23 Restatements/ reclassifications of comparative periods

The comparative amounts of the Income Statement for the 1st semester 2017, relating to interest income and cost of risk have been equally reduced by € 60.2 million, following calibration in the interest income recognition model of impaired loans.

Interim income statement	From 1 January to 30 June 2016		
	Published amounts	Restatements	Restated amounts
Interest and similar income	1,275,936	(60,200)	1,215,736
Net interest income	**897,906**	**(60,200)**	**837,706**
Total net income	**1,108,910**	**(60,200)**	**1,048,710**
Profit before provisions, impairment and income tax	**577,937**	**(60,200)**	**517,737**
Impairment losses on loans and advances to customers	(527,996)	60,200	(467,796)
Profit / (loss) before income tax	**(25,571)**	**-**	**(25,571)**

Interim income statement	From 1 April to 30 June 2016		
	Published amounts	Restatements	Restated amounts
Interest and similar income	626,505	(30,100)	596,405
Net interest income	**453,309**	**(30,100)**	**423,209**
Total net income	**601,955**	**(30,100)**	**571,855**
Profit before provisions, impairment and income tax	**334,135**	**(30,100)**	**304,035**
Impairment losses on loans and advances to customers	(255,366)	30,100	(225,266)
Profit / (loss) before income tax	**12,907**	**-**	**12,907**

During the 1st semester of 2017, the Group as well as the Bank, in view of better presentation of the derivative financial instruments in the Statement of Financial Position, amended the presentation of derivative financial instruments. More specifically, in the previous period part of the derivatives' valuation was presented in line "other liabilities", whereas in the current period it is presented in the respective accounts of derivative financial instruments. Consequently, the derivative financial instruments are recorded at fair value in lines "Derivative financial instruments – assets" and "Derivative financial instruments – liabilities". As a result, the Group's and Bank's Statement of Financial Position as of 31 December 2016 was restated as follows:

Amounts in thousand euros (Unless otherwise stated)

Interim statement of financial position	As at 31/12/2016		
	Published amounts	Restatements	Restated amounts
Derivative financial instruments - assets	445,070	3,837	448,907
TOTAL ASSETS	**78,533,734**	**3,837**	**78,537,571**
Derivative financial instruments - liabilities	461,205	195,451	656,655
Other liabilities	1,040,257	(191,614)	848,643
TOTAL LIABILITIES	**69,076,953**	**3,837**	**69,080,790**

24 Events subsequent to the end of the interim period

- On 5 July, 2017, with regards to the HFSF warrants exercise process, the Bank announced that no warrant on shares issued by the Bank and owned by the HFSF has been exercised. Consequently, the issued warrants outstanding on 5 July 2017, amounted to 843,637,022 and corresponded to 37,759,281 shares of the Bank owned by the HFSF.

- On 5 July 2017, Piraeus Bank announced that its subsidiary Piraeus Bank Beograd A.D. (PBBeo) reached an agreement for the sale of a pool of non-performing business loans with an outstanding balance of € 42.6 million. Final closing of the transaction will occur upon the regulatory approval of the National Bank of Serbia. This sale will have a significant positive impact on PBBeo NPL ratio (down by 8.2 percentage points to 16.6 %), as well as a reversal of provisions of € 1.8 million.

- On 7 July 2017, Piraeus Bank announced that it has been exploring all available options as regards its direct and indirect participation of 32.5% in the share capital of “Nireus Aquaculture S.A.” and 32.9% in the share capital of “Selonda Aquaculture S.A.”. Within this framework it has assigned to financial and legal advisors the organization of a tender process which could lead to a total or partial sale of its share participation in these two companies.

- On 26 July 2017, Piraeus Bank announced that its Annual General Meeting of Shareholders convened on 28 June 2017, resolved to increase the nominal value of each ordinary share of the Bank from € 0.30 to € 6.00 and simultaneously reduce the total number of ordinary shares of the Bank from 8,733,183,280 to 436,659,164 (reverse split) at a rate of twenty (20) old common shares for one (1) new common share of the Bank. The Bank’s share capital remained unchanged versus the pre reverse split status, thus at € 2,619,954,984. The last day of trading of the old shares was 28 July 2017. The reverse split process was concluded on 3 August 2017 with the commencement of trading of the new shares.

- On 11 August 2017, Attica Holdings S.A. (“Attica Group”), announced it has reached a preliminary agreement with Piraeus Bank and other minority shareholders for the acquisition of 39,039,833 shares in total of Hellenic Seaways Maritime S.A. (“HSW”), representing 50.3% of the share capital of HSW, out of which Piraeus Bank holds 40.4% of the share capital. Within the framework of this agreement, the total consideration for the transaction will amount to € 30.6 million in cash plus the issuance of 24,145,523 new common registered shares of Attica Group pursuant to a share capital increase.

The acquisition of the 1,250,000 shares of the above majority equity stake of HSW has already been completed with the consideration paid in cash, while the remaining 37,789,833 shares will be acquired upon closing of the transaction, which is subject to the approval of the relevant regulatory and other authorities.

Athens, 30 August 2017

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR	CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
GEORGE P. HANDJINICOLAOU	CHRISTOS I. MEGALOU	KONSTANTINOS S. PASCHALIS	GEORGE TH. MARINOPOULOS