EUROBANK ERGASIAS S.A.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

30 SEPTEMBER 2015

8 Othonos Street, Athens 105 57, Greece

www.eurobank.gr, Tel.: (+30) 210 333 7000

Company Registration No: 000223001000

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Interim Balance Sheet

	Note	30 September 2015 € million	31 December 2014 € million
ASSETS			
Cash and balances with central banks		**687**	801
Due from credit institutions		**5,513**	5,892
Financial instruments at fair value through profit or loss		**17**	73
Derivative financial instruments		**1,808**	2,121
Loans and advances to customers	13	**32,947**	35,076
Investment securities	14	**14,730**	14,959
Shares in subsidiary undertakings	15	**2,423**	2,570
Property, plant and equipment		**261**	282
Investment property		**62**	64
Intangible assets		**63**	60
Deferred tax assets	11	**4,869**	3,871
Other assets	16	**1,679**	1,725
Total assets		**65,059**	67,494
LIABILITIES			
Due to central banks	17	**31,585**	12,610
Due to credit institutions	18	**2,449**	13,408
Derivative financial instruments		**2,377**	2,470
Due to customers	19	**22,502**	31,985
Debt securities in issue	20	**1,170**	1,287
Other liabilities	21	**425**	477
Total liabilities		**60,508**	62,237
EQUITY			
Ordinary share capital	22	**4,412**	4,412
Share premium	22	**6,682**	6,682
Reserves and retained earnings		**(7,891)**	(7,185)
Preference shares	23	**950**	950
Total equity attributable to shareholders of the Bank		**4,153**	4,859
Hybrid capital	24	**398**	398
Total equity		**4,551**	5,257
Total equity and liabilities		**65,059**	67,494

Notes on pages 6 to 36 form an integral part of these condensed interim financial statements

Interim Income Statement

	Note	Nine months ended 30 September 2015 € million	Nine months ended 30 September 2014 € million	Three months ended 30 September 2015 € million	Three months ended 30 September 2014 € million
Net interest income		**734**	739	**243**	246
Net banking fee and commission income		**45**	46	**3**	16
Income from non banking services		**5**	4	**2**	1
Dividend income	7	**369**	60	**3**	40
Net trading income		**33**	7	**42**	2
Gains less losses from investment securities		**(5)**	31	**0**	15
Net other operating income		**9**	1	**1**	1
Operating income		**1,190**	888	**294**	321
Operating expenses	8	**(496)**	(529)	**(167)**	(172)
Profit from operations before impairments and non recurring income/(expenses) and provisions		**694**	359	**127**	149
Impairment losses on loans and advances	9	**(2,260)**	(1,270)	**(234)**	(442)
Impairments and other losses on shares in subsidiary undertakings	15	**(159)**	(38)	**-**	-
Other impairment losses	10	**(26)**	(67)	**27**	(39)
Non recurring income/(expenses) and provisions	10	**(45)**	94	**(43)**	1
Profit/(loss) before tax		**(1,796)**	(922)	**(123)**	(331)
Income tax	11	**574**	248	**88**	72
Non recurring tax adjustments	11	**432**	244	**432**	167
Net profit/(loss) from continuing operations		**(790)**	(430)	**397**	(92)
Net profit/(loss) from discontinued operations	12	**-**	(52)	**-**	-
Net profit/(loss) attributable to shareholders		**(790)**	(482)	**397**	(92)

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Interim Statement of Comprehensive Income

	Nine months ended 30 September				Three months ended 30 September			
	2015		2014		2015		2014	
	€ million		€ million		€ million		€ million	
Net profit/(loss)		**(790)**		(482)		**397**		(92)
Other comprehensive income:								
Items that are or may be reclassified subsequently to profit or loss:								
Cash flow hedges								
- net changes in fair value, net of tax	**26**		(10)		**9**		(6)	
- transfer to net profit, net of tax	**3**	**29**	14	4	**7**	**16**	4	(2)
Available for sale securities								
- net changes in fair value, net of tax	**45**		(4)		**194**		(22)	
- transfer to net profit, net of tax	**5**	**50**	(17)	(21)	**2**	**196**	(6)	(28)
Other comprehensive income		**79**		(17)		**212**		(30)
Total comprehensive income attributable to shareholders:								
- from continuing operations	**(711)**		(447)		**609**		(122)	
- from discontinued operations	**-**	**(711)**	(52)	(499)	**-**	**609**	-	(122)

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Interim Statement of Changes in Equity

	Total equity attributable to shareholders of the Bank						
	Ordinary share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Preference shares € million	Hybrid capital € million	Total € million
Balance at 1 January 2014	1,641	6,669	3,457	(9,113)	950	398	4,002
Net profit/(loss)	-	-	-	(482)	-	-	(482)
Other comprehensive income	-	-	(17)	-	-	-	(17)
Total comprehensive income for the nine months ended 30 September 2014	-	-	(17)	(482)	-	-	(499)
Share capital increase, net of expenses	2,771	13	-	(6)	-	-	2,778
Deferred tax on treasury shares' and preferred securities' transactions	-	-	-	11	-	-	11
Share-based payment:							
- Value of employee services	-	-	(1)	-	-	-	(1)
	2,771	13	(1)	5	-	-	2,788
Balance at 30 September 2014	4,412	6,682	3,439	(9,590)	950	398	6,291
Balance at 1 January 2015	**4,412**	**6,682**	**3,072**	**(10,257)**	**950**	**398**	**5,257**
Net profit/(loss)	-	-	-	(790)	-	-	**(790)**
Other comprehensive income	-	-	79	-	-	-	**79**
Total comprehensive income for the nine months ended 30 September 2015	**-**	**-**	**79**	**(790)**	**-**	**-**	**(711)**
Effect due to change of the income tax rate on share capital increase expenses	-	-	-	5	-	-	**5**
	-	**-**	**-**	**5**	**-**	**-**	**5**
Balance at 30 September 2015	**4,412**	**6,682**	**3,151**	**(11,042)**	**950**	**398**	**4,551**
	Note 22	Note 22			Note 23	Note 24	

Notes on pages 6 to 36 form an integral part of these condensed interim financial statements

Interim Cash Flow Statement

	Note	Nine months ended 30 September 2015 € million	2014 € million
Cash flows from operating activities			
Profit/(loss) before income tax		**(1,796)**	(922)
Adjustments for :			
Impairment losses on loans and advances		**2,260**	1,270
Other impairment losses and provisions		**225**	(26)
Depreciation and amortisation		**32**	40
Other (income)/losses on investment securities	26	**(30)**	(109)
(Income)/losses on debt securities in issue		**-**	3
(Gain)/ loss on sale of subsidiary undertakings, associates and joint ventures		**(9)**	38
Dividends from subsidiaries, associates and joint ventures		**(367)**	(59)
Other adjustments		**21**	(1)
		336	234
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		**(6)**	45
Net (increase)/decrease in financial instruments at fair value through profit or loss		**56**	(8)
Net (increase)/decrease in due from credit institutions		**215**	1,795
Net (increase)/decrease in loans and advances to customers		**(182)**	1,001
Net (increase)/decrease in derivative financial instruments		**254**	(27)
Net (increase)/decrease in other assets		**13**	67
Net increase/(decrease) in due to central banks and credit institutions		**8,015**	(6,627)
Net increase/(decrease) in due to customers		**(9,411)**	795
Net increase/(decrease) in other liabilities		**(112)**	(82)
		(1,158)	(3,041)
Net cash from/(used in) operating activities		**(822)**	(2,807)
Cash flows from investing activities			
Purchases of property, plant and equipment and intangible assets		**(18)**	(21)
(Purchases)/sales and redemptions of investment securities		**329**	444
Acquisition of subsidiaries, associated undertakings, joint ventures and participations in capital increases		**(12)**	(404)
Disposal of holdings in subsidiaries , associated undertakings and joint ventures		**7**	140
Dividends from investment securities, subsidiaries, associated undertakings and joint ventures		**369**	60
Net cash from/(used in) investing activities		**675**	219
Cash flows from financing activities			
(Repayments)/proceeds from debt securities in issue		**(121)**	(166)
Proceeds from share capital increase (SCI)		**-**	2,864
Expenses paid for SCI		**-**	(115)
Net cash from/(used in) financing activities		**(121)**	2,583
Net increase/(decrease) in cash and cash equivalents		**(268)**	(5)
Cash and cash equivalents at beginning of period	26	**912**	1,218
Cash and cash equivalents at end of period	26	**644**	1,213

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1. General information

Eurobank Ergasias S.A. (the 'Bank') is active in retail, corporate and private banking, asset management, treasury, capital markets and other services. The Bank is incorporated in Greece and its shares are listed on the Athens Stock Exchange. The Bank operates in Greece and through its subsidiaries in Central, Eastern and Southeastern Europe.

These condensed interim financial statements were approved by the Board of Directors on 10 November 2015.

2. Principal accounting policies

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' and they should be read in conjunction with the Bank's published annual financial statements for the year ended 31 December 2014. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period. Except as indicated, financial information presented in euro has been rounded to the nearest million.

Going concern considerations

The interim financial statements have been prepared on a going concern basis, as the Board of the Directors considered as appropriate, taking into consideration the following:

Macroeconomic environment

Since May 2010, Greece has undertaken significant structural reforms to restore competitiveness and promote economic growth through a program agreed with the European Union (EU), the European Central Bank (ECB) and the International Monetary Fund (IMF) ('the Institutions'). This led to a significant fiscal consolidation with a primary GDP surplus of 1% in 2013 and a primary GDP balance of 0% in 2014, but also to reform fatigue and social unrest. After the parliamentary elections of 25 January 2015, the new Greek government negotiated and managed to achieve a four-month extension of the Master Financial Assistance Facility Agreement (MFFA) on 20 February 2015. Following the prolonged discussions between the Greek government and the Institutions, the extension of the MFFA expired on 30 June 2015 without a successful conclusion of the review or a new extension. The increased uncertainty over the prospects of the Greek economy and coverage of the Hellenic Republic's financing needs, due to the negative outcome of the above mentioned negotiations, resulted in the significant outflow of customer deposits, which in conjunction with the ECB's decision for not increasing the Emergency Liquidity Assistance (ELA) facility, led to the imposition of capital controls together with a temporary bank holiday on 28 June 2015. After the imposition of capital controls and a referendum that led to the rejection of the Eurozone proposal as this was tabled in the negotiations before the expiration of the MFFA, the government restarted the negotiations over a new 3-year European Stability Mechanism (ESM) program with a ca € 86 bn financing envelope, which will permit Greece to service its debt, recapitalize its banks, clear accumulated arrears and finance its budgets. A Preliminary Agreement was reached in the 13 July 2015 Euro Summit. The final agreement on the 3-year ESM program together with an additional series of prerequisite structural reforms passed in the Greek Parliament and got the approval of the Eurogroup on 14 August 2015. The reforms included in the new program aim to restore fiscal sustainability, safeguard financial stability, enhance growth, competitiveness and investment and develop a modern state and public administration. The first installment of the new loan of € 26 bn consists of two sub-tranches: a) € 16 bn of which € 13 bn were disbursed on 20 August 2015 and b) € 10 bn which have been approved for the upcoming banks' recapitalization. On 20 August the Greek Prime Minister announced the resignation of the government and called early elections, which were held on 20 September 2015.

On 8 October 2015, the new coalition government, consisting of the same parties, won the confidence vote for its programmatic statements in the Greek Parliament, paving the way for the implementation of the agreed reforms in order to achieve the timely completion of the first program review, that represents a key prerequisite for i) the release of € 3 bn official funding that still remains undisbursed from the first installment of the 3-year ESM loan facility and ii) the initiation of official discussions on additional debt relief measures to Greece.

In this context, the restrictions in the free movement of capital with their negative impact on the economic activity, and the effect of the new fiscal discipline package agreed under the new bailout program, create material uncertainties on the current Greek macroeconomic environment, with potentially adverse effects on the liquidity and solvency of the Greek banking sector. On the other hand, the demonstrated resilience of the Greek economy, a swift resolution of uncertainty as regards current negotiations with the Institutions on the first program review, the successful recapitalization of the domestic banking system and the mobilization of EU funding to support domestic investment and job creation would facilitate a stabilization of the domestic environment and a resumption of positive economic growth as early as in the second half of 2016.

Liquidity risk

Liquidity, of the whole Greek banking sector, was negatively affected in the first two months of 2015 due to the combined effect of deposit withdrawals, reduction of wholesale secured funding and the decision of ECB to lift the waiver of minimum credit rating requirements for marketable instruments issued or guaranteed by Hellenic Republic (i.e. Greek government bonds and Pillar 2 & 3 of the Law 3723/2008). As a result, Greek banks reverted to the fallback funding source, the Emergency Liquidity Assistance (ELA) mechanism to cover their short term liquidity needs.

The prolonged negotiations of the Greek government with the Institutions until the expiration of the extension of the MFFA on 30 June 2015, led to increased uncertainty and significant deposit outflows. With banks' liquidity buffers falling to significantly low levels, the Greek government on 28 June 2015 introduced restrictions on banking transactions and a temporary bank holiday, in order to contain further liquidity outflows. Following the termination of the bank holiday in Greece on 20 July 2015, there has been some gradual relaxation of capital controls with the easing process expected to continue in the following months, being accelerated after the completion of banks' recapitalization.

In accordance with the agreement with the European partners, the authorities are committed to preserving sufficient liquidity in the banking system. The decisive implementation of the measures agreed in the context of the new ESM program and the completion of banks' recapitalization will permit ECB to reinstate the waiver for the instruments issued or guaranteed by the Hellenic Republic and will signal the gradual repatriation of deposits in the banking system and the re-access to the markets for liquidity.

Solvency risk

Despite the fact that the Greek economy showed early signs of recovery during 2014 for the first time since 2007, there are significant downside risks associated with fiscal gap funding uncertainties (as described earlier) and the low levels of investment and consumption levels, which may undermine in the short-term the pace of recovery. The current adverse economic conditions in Greece, including the imposition of capital restrictions, had a negative impact on the liquidity of the Greek banks and raised concerns regarding their solvency position. The new ESM Program agreed between Greece and its European partners in August 2015 includes a buffer of up to € 25 bn for the banking sector in order to address viable banks' recapitalization needs and resolution costs of non viable banks, in full compliance with EU competition and State Aid rules. According to the recently released Stress Test results, a significantly lower amount will be required for the recapitalization of the Greek systemic banks.

ECB Comprehensive assessment 2015

In this context, a comprehensive assessment of the Greek banks (CA) was conducted by the competent supervisory authorities in order to determine their potential capital needs. The results of the CA have been derived taking into account the combined effect of i) an Asset Quality Review (AQR), by reviewing the quality of the banks' assets, including the adequacy of asset and collateral valuation and related provisions and ii) a forward looking Stress Test based on 6-month 2015 preliminary data so as to assess the resilience of the Greek banks' balance sheets to stress test scenarios for the period 2015-2017. The results of the CA were announced on 31 October 2015, based on which a shortfall of € 0.3 bn in baseline scenario against 9.5% CET1 threshold and € 2.1 bn in adverse scenario against 8% CET1 threshold, which is the lowest shortfall across Greek banks, was identified for the Bank (note 6).

Recapitalization framework and process

Law 4340/2015 which was enacted on 1 November 2015 specified the new recapitalization framework (note 6). According to the said law, in case that the voluntary measures included in the credit institution's restructuring plan are insufficient to cover the estimated capital shortfall (and in order to keep the use of required public funding at a minimum), the Cabinet, through the issuance of an Act, may allocate any capital shortfall residual amount to the respective institution's holders of capital instruments and other obligations, as deemed appropriate based on the following order: i) the ordinary shares, ii) if necessary, the preference shares and other CET1 capital instruments, iii) if necessary, the additional Tier I instruments, iv) if necessary, the Tier II instruments, v) if necessary, all the other subordinated obligations and vi) if necessary, the unsecured senior liabilities non preferred by mandatory provisions of law.

Following the CA results by ECB and in line with the said new recapitalization framework, the Bank has already submitted a capital plan to ECB for approval, describing in detail the measures it intends to implement in order to cover the shortfall identified in the CA, for under both the baseline and the adverse scenario. On 3 November 2015, the Bank's Board of Directors resolved to call an Extraordinary General Meeting on 16 November 2015 in order to approve a share capital increase of up to € 2,122 million. The proposed capital increase is to be effected by means of a private placement to institutional and other eligible investors in Greece and internationally through a bookbuilding process (Institutional Offering), with waiving of the pre-emption rights of the Bank's existing ordinary shareholders and preference shareholder (note 6).

In combination with the aforementioned planned share capital increase, a Liability Management Exercise (LME), was launched by Eurobank on 29 October 2015 referring to the tender offer on € 877 million (face value) of outstanding eligible senior unsecured, Tier I and Tier II securities. The proceeds will be used to subscribe for new shares in the said Bank's share capital increase. The Bank retains the right of accepting partially the LME orders, in which case eligible securities will be accepted on a pro rata basis in accordance with relative subordination ranking (note 6).

The above conditions pose a significant challenge for the Bank, the capital adequacy of which was comfortably above the minimum required level a few months ago, following the 14 April 2014 share capital increase of € 2,864 million, fully covered by private investors. The Bank expects that the recapitalization process will be completed within the set deadlines constituting a key milestone for rebuilding trust in the banking system and in the economy in general.

Going concern assessment

Notwithstanding the conditions and uncertainties mentioned above, the Board of Directors having considered the mitigating factors set out below, have a reasonable expectation that the Bank will complete within a specific timeframe all actions and initiatives scheduled to cover the capital shortfall that arose from the recent assessment of the Bank's capital needs by ECB. Hence they are satisfied that the financial statements of the Bank can be prepared on a going concern basis:

- The existence of the new 3-year ESM program with a ca € 86 bn financing envelope (including the up to € 25 bn recapitalization facility), aiming to restore fiscal sustainability, safeguard financial stability, enhance growth, competitiveness and investment and develop a modern state and public administration,

- The authorities' commitment to take decisive measures to safeguard the stability in the financial sector, such as Law 4340/2015 regarding the recapitalization framework of credit institutions, that was enacted on 1 November 2015 (note 6),

- The Institutions' and the Greek government's commitment to take decisive actions on non-performing loans,

- The Bank's continued implementation of its medium term internal capital generating plan, which includes initiatives generating or releasing Common Equity Tier I capital and/or reducing risk weighted assets and

- The Bank's continued access to Eurosystem funding (ECB and ELA liquidity facilities) over the foreseeable future.

The accounting policies and methods of computation in these condensed interim financial statements are consistent with those in the published annual financial statements for the year ended 31 December 2014, except as described below.

Amendments to standards and new interpretations adopted by the Bank

The following amendments to standards and new interpretations, as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IC) and endorsed by the European Union (EU), apply from 1 January 2015:

Annual Improvements to IFRSs 2011-2013 Cycle

The amendments introduce key changes to three IFRSs, following the publication of the results of the IASB's 2011-13 cycle of the annual improvements project, as follows:

- Clarify that IFRS 3 'Business Combinations' does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- Clarify that the exception in IFRS 13 'Fair Value Measurement' for measuring the fair value of a group of financial assets and financial liabilities on a net basis applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 'Financial Instruments: Recognition and Measurement' or IFRS 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities under IAS 32 'Financial Instruments: Presentation';
- Address the interrelationship between IFRS 3 'Business Combinations' and IAS 40 'Investment Property', clarifying in the latter that an entity should assess whether: (a) the acquired property is investment property under IAS 40 and (b) the acquisition of investment property constitutes a business combination as defined in IFRS 3.

The adoption of the amendments had no impact on the Bank's condensed interim financial statements.

IFRIC 21, Levies

IFRIC 21 Levies clarifies that an entity recognizes a liability for a levy that is not income tax when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, for example a specified level of revenue, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

The adoption of the interpretation had no impact on the Bank's condensed interim financial statements. See also note 21.

3. Critical accounting estimates and judgments in applying accounting policies

In the process of applying the Bank's accounting policies, the Bank's Management makes various judgments, estimates and assumptions that affect the reported amounts of assets and liabilities recognized in the financial statements. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In view of the significant risks and uncertainties that stem from the current macroeconomic environment in Greece and their impact on the prospects of the Greek economy until 2016 that are largely depended on the factors described in note 2, including the effectiveness of the new fiscal discipline package and the implementation pace of the several structural reforms, the Bank revisited the significant judgments and key sources of estimation uncertainty in applying its accounting policies, as these are provided in its published financial statements for the year ended 31 December 2014. Accordingly, in the second quarter of 2015, the Bank formulated the key assumptions and sources of estimation uncertainty that entail a significant risk of resulting in a material adjustment to the carrying amounts of the reported assets and liabilities, as further described in notes 2, 5, 9, 11 and 25.

4. Greek Economy Liquidity Support Program

The Bank participates in the Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008 as in force, as follows:

(a) First stream - preference shares
345,500,000 non-voting, preference shares, with nominal value of € 950 million, were subscribed to by the Hellenic Republic on 21 May 2009 (note 23).

(b) Second stream - bonds guaranteed by the Hellenic Republic
As at 30 September 2015, the government guaranteed bonds, of face value of € 15,412 million, were fully retained by the Bank. During the period, the Bank issued new government guaranteed bonds of face value of € 4,605 million, while € 2,910 million matured. By the end of October 2015, the face value of government guaranteed bonds was decreased by € 1,369 million (note 20).

(c) Third stream - lending of Greek Government bonds
Liquidity obtained under this stream must be used to fund mortgages and loans to small and medium-size enterprises. In August 2015, the special Greek Government bonds of face value of € 1,918 million, borrowed by the Bank, were returned in full.

Under Law 3723/2008, for the period the Bank participates in the program through the preference shares or the guaranteed bonds (streams (a) and (b) above) the Hellenic Republic is entitled to appoint its representative to the Board of Directors with the right to veto resolutions of strategic character or resolutions which materially alter the legal or financial position of the Bank and require the General Assembly's approval or resolutions related to the dividends' distribution and the remuneration policy concerning the Board members and the General Managers and their deputies, pursuant to a relevant decision of the Minister of Finance or in the event such representative considers that the resolution may jeopardize the interests of the depositors or materially affect the solvency and the orderly operation of the Bank.

In addition, under Law 3756/2009 as in force, any distribution of profits to ordinary shareholders of the banks participating in the first stream of the Greek Economy Liquidity Support Program for the financial years 2008 to 2013 could only take place in the form of ordinary shares, other than treasury shares. In addition, under Law 3756/2009, banks participating in the Greek Economy Liquidity Support Program are not allowed to acquire treasury shares under article 16 of the Company Law.

5. Credit exposure to Greek sovereign debt

As at 30 September 2015, the total carrying value of Greek sovereign major exposures amounted to € 5,294 million (31 December 2014: € 5,251 million). This includes (a) Treasury Bills of € 2,157 million (31 December 2014: € 2,003 million), (b) Greek Government Bonds (GGBs) of € 1,638 million (31 December 2014: € 1,518 million), (c) derivatives with the Greek State of € 1,007 million (31 December 2014: € 1,102 million), (d) exposure of € 207 million relating with Greek Sovereign risk financial guarantee (31 December 2014: € 204 million), (e) loans guaranteed by the Greek State of € 178 million (31 December 2014: € 198 million), (f) loans to Greek local authorities and public organizations of € 86 million (31 December 2014: € 99 million), and (g) other receivables of € 21 million (31 December 2014: € 20 million). Reverse repo agreements with public organizations matured in January 2015 (31 December 2014: € 107 million).

As at 30 September 2015, the Bank evaluated the recoverability of its exposure to Greek sovereign debt, on the basis of the existing economic conditions, the forecast for the Greek economy in the context of the new 3-year European Stability Mechanism's financial program, as agreed with the Institutions, together with the additional series of prerequisite structural reforms, and the financial markets' current trends.

Notwithstanding the risks and uncertainties directly related with the developments in the Greek macroeconomic environment, as described in note 2, the Bank, having considered, the new financing envelope of ca € 86 bn which permits Greece to service its debt, the agreed actions for the Greek economy's revival, the commitments for the stability of the financial sector, as well as the improvement of the Hellenic Republic's credit spreads and the significant increase of its debt securities' market prices, has not recognized any impairment losses for its exposure to Greek sovereign debt securities as at 30 September 2015. Information for the fair values of the Greek sovereign exposure is provided in notes 14 and 25.

The adequacy of the impairment allowance for loans and receivables either guaranteed by the Greek state or granted to public related entities was evaluated in the context of the Bank's impairment policy and critical accounting estimates' reassessment (note 9).

The Bank monitors the developments for the Greek debt crisis closely in order to adjust appropriately its estimates and judgments based on the latest available information.

6. Capital management

Recapitalization framework and process

On 23 July 2015, the Directive 2014/59/EU for the recovery and resolution of credit institutions and investment firms (BRRD) was transposed into Greek Law by virtue of Law 4335/2015, with the exception of its provisions on the bail-in tool which shall be applicable as at 1 January 2016.

Pursuant to Law 4335/2015, with respect to Greek credit institutions, the Bank of Greece (BoG) has been designated as the national resolution authority and the Resolution Branch of the Hellenic Deposit and Investment Guarantee Fund (HDIGF) as the national resolution fund. The powers provided to the said competent Greek authorities are divided into three categories: (a) preparation and prevention with preparatory steps, such as recovery plans, while BoG prepares a resolution plan for each credit institution, (b) early intervention with predetermined measures at an early stage so as to avoid insolvency and (c) resolution if insolvency of an institution presents a concern as regards the general public interest.

In the context of the said law (article 32 of Law 4335/2015), BoG has the power to apply a set of resolution tools individually or in combination, in case certain trigger conditions for resolution are met as follows: (a) the determination that the institution is failing or is likely to fail, (b) there is no reasonable prospect that any alternative private sector measure or supervisory action taken in respect of the institution, would prevent the failure of the institution within a reasonable timeframe and (c) there is a necessity of a resolution action in favor of the public interest.

The said resolution tools are the following: (a) sale of business, (b) bridge institution, (c) asset separation (which may be used only in conjunction with other tools) and (d) as of 1 January 2016 the bail-in tool.

Additionally, in adverse conditions of a systemic crisis, extraordinary public financial support may be provided through (additional) financial stabilization tools, which consist of public equity support and temporary public ownership (articles 57 and 58 of Law 4335/2015). As of 1 January 2016, for the said public financial support to be provided, shareholders, holders of other instruments of ownership, holders of relevant capital instruments and other eligible liabilities need to have contributed, through write down, conversion or otherwise, to loss absorption and recapitalization equal to an amount not less than 8% of total liabilities including own funds of the institution under resolution (article 56 of Law 4335/2015).

According to Law 4336/2015, it is provided that all the necessary political actions for the assurance of financial stability and the enforcement of the viability of the banking sector shall be taken. The principal strategic concern shall focus on the restoration of financial stability and improvement of the banks' viability through the following measures: i) normalization of liquidity and payment conditions and enforcement of banking assets, ii) enforcement of corporate governance and iii) dealing with the problem of non-performing loans. In this context, a capital buffer of up to € 25 bn is provided to address potential recapitalization needs of viable banks and the resolution cost of non-viable banks, in full compliance with the regulations of the EU for competition and public assistance.

On 1 November 2015, Law 4340/2015 regarding the recapitalization framework of credit institutions and other provisions of the Ministry of Finance, which amended Law 3864/2010 in order to align it with the integration of the BRRD directive and the new recapitalization framework was enacted.

The most significant changes in Law 3864/2010 introduced by the abovementioned law with respect to the recapitalization framework are set out below:

According to article 6 of Law 3864/2010, as amended by Law 4340/2015, in case the credit institution has a capital shortfall, it may submit a request for capital support to HFSF up to the amount of the shortfall, as determined by the competent authority (either the European Central Bank in the context of the SSM or BoG). The request is followed by a letter of the competent authority, which defines the amount of the capital shortfall, the conclusive date by which the credit institution shall cover the abovementioned capital shortfall and the capital raising plan as submitted to the competent authority. The said request is also followed by an amendment draft of the already approved by the European Commission (EC) restructuring plan, or alternatively by a draft restructuring plan, as the case may be.

According to article 6A of Law 3864/2010, as amended by Law 4340/2015, in the event that the voluntary measures set out in the credit institution's restructuring plan or amended restructuring plan, as the case may be, are insufficient to cover its capital shortfall and there is a need to avoid significant side effects to the economy with adverse effects upon the public, and in order to ensure that the use of public funds remains the minimum necessary, the Cabinet, following a recommendation by the BoG, would issue an Act for the mandatory application of the measures provided in this article 6A (burden-sharing measures), aimed at allocating the residual amount of the capital shortfall of the credit institution to the holders of its capital instruments and other obligations, as may be deemed necessary. The unsecured senior liabilities non preferred by mandatory provisions of law have been added to the instruments, whose nominal value may be reduced or which may be converted to ordinary shares in order to restore capital adequacy as required by the competent authority.

The mandatory (burden-sharing) measures may not be ordered and implemented, whether in whole or in part with respect to specific instruments/obligations, provided a positive decision of the EC has been obtained and the Cabinet has ascertained, following recommendation by the BoG, that:

a) such measures may jeopardize financial stability or

b) the implementation of such measures may have disproportional effects, as in the case where the capital support to be provided by the HFSF is low compared to the risk-weighted assets of the credit institution concerned or a significant portion of the capital shortfall has been covered by measures of the private sector.
The final assessment of the above risks rests with the EC on a case-by-case basis.

It is also provided that, in case of conversion of the preference shares of Law 3723/2008 into ordinary shares in accordance with article 6A of Law 3864/2010, as currently in force, the HFSF acquires ownership of such ordinary shares.

According to new article 6B of Law 3864/2010, in case the Minister of Finance decides -in accordance with the provisions of article 56 of Law 4335/2015- to implement (as a financial stabilization tool) the public equity support tool of article 57 of Law 4335/2015, HFSF participates in the recapitalization of the credit institution and receives in exchange Common Equity Tier 1 (CET1) instruments and additional Tier 1 instruments or Tier 2 instruments, described in article 57, par. 1 of Law 4335/2015.

According to article 7 of Law 3864/2010, as currently in force, the HFSF provides capital support only up to the amount of the relevant credit institution's capital shortfall remaining outstanding following:

(i) completion (after the implementation of the voluntary measures) of the mandatory (burden-sharing) measures of article 6A of Law 3864/2010, as currently in force, and confirmation by the EC (as part of the approval of the restructuring plan) that the credit institution concerned falls within the ambit of the exception of the article 32 of Law 4335/2015; or

(ii) placement of the credit institution concerned into resolution (articles 56 and 57 of Law 4335/2015) and taking of the measures required by Law 4335/2015,

in each case through HFSF's subscription for ordinary shares and Contingent Convertible Securities (CoCos) issuable by the credit institution. For these purposes, the HFSF may exercise, dispose of or waive any pre-emption rights in the context of a share capital increase or issue of CoCos or other convertible financial instruments.

Furthermore, Cabinet Act 36 of 2 November 2015, which was issued according to article 6A par. 1 and article 7 par. 2 and 7 of Law 3864/2010, as currently in force, sets out the exact proportion of HFSF's participation between ordinary shares, and CoCos in both precautionary recapitalization and in case of article 6B of Law 3864/2010, as currently in force. In particular:

1) In case of precautionary recapitalization, the HFSF provides capital support as follows:

a) 25 % in the form of ordinary shares, and

b) 75% in the form of CoCos of article 1 of Cabinet Act 36 of 2 November 2015.

2) In case of article 6B of Law 3864/2010, as currently in force, the HFSF provides capital support as follows:

a) up to the amount needed in order to fully cover the baseline scenario, in the form of ordinary shares.

b) up to the amount needed for the coverage of any remaining shortfall under the adverse-case scenario, 25% in the form of ordinary shares and 75% in the form of CoCos of article 1 of Cabinet Act 36 of 2 November 2015.

It is noted that HFSF exercises voting rights without restrictions with respect to its shares in credit institutions which have received capital support from it according to article 7 of Law 3864/2010, as currently in force.

Furthermore, the subscription price of the new shares is defined as the market price as it occurs from the bookbuilding process of the credit institution. By decision of the General Council of the HFSF, HFSF can accept this price on the basis of a valuation of an independent financial advisor, who estimates that the bookbuilding process is in accordance with international best practice at certain circumstances.

Other than the amendments in relation to the recapitalization framework, new provisions are introduced, according to article 10, that allow the HFSF to evaluate the Board and Committees of the credit institutions based on the best international practices.

Capital position

As at 30 September 2015, the Group's and Bank's Common Equity Tier I ratio (Basel III (CRDIV) rules estimate) stands at 12.1% and 12%, respectively.

The Bank has sought to maintain an actively managed capital base to cover risks inherent in the business. The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision (BIS rules/ratios) and adopted by the European Union and the Bank of Greece in supervising the Bank. As of 1 January 2014 the capital adequacy calculation is based on Basel III (CRDIV) rules. Supplementary to that, in the context of Internal Capital Adequacy Assessment Process (ICAAP), the Bank considers a broader range of risk types and the Bank's risk and management capabilities. ICAAP aims ultimately to ensure that the Bank has sufficient capital to cover all material risks that it is exposed to, over a 12-month horizon.

During the last years the Bank, apart from the share capital increase of € 2,864 million completed in April 2014, focused on the organic strengthening of its capital position by active derisking of lending portfolios through tighter credit policies and change in the portfolio mix in favor of more secured loans as well as by proceeding to several strategic initiatives to internally generate capital.

Finally, the Bank is examining a number of additional initiatives for enhancing its capital base, associated with the restructuring, transformation or optimization of operations, in Greece and abroad, that will generate or release further capital and/or reduce Risk Weighted Assets.

European Central Bank's 2015 Comprehensive Assessment

The adverse economic conditions in Greece, especially since the second quarter of 2015, had a negative impact on the liquidity of the Greek banks and raised concerns regarding their solvency position (note 2). In accordance with the preliminary agreement of the 12 July 2015 Euro summit, the new ESM program would have to include the establishment of a buffer of € 10 bn to € 25 bn for the banking sector in order to address potential bank recapitalization needs and resolution costs and the ECB /SSM would conduct a CA of the supervised four Greek banks.

In this context, the CA was conducted taking into account the combined effect of:

(a) An Asset Quality Review (AQR), by reviewing the quality of the banks' Greek portfolios, including the adequacy of asset and collateral valuation and related provisions; and
(b) A forward looking Stress Test (ST) to examine the resilience of the banks' balance sheet to a potential further deterioration of market conditions.

Capital adequacy was assessed over a three-year time period (2015-2017) under two ST scenarios: baseline and adverse. According to the ST process, the banks used as reference the preliminary data for the second quarter of 2015 and submitted their 3-year business plans built on base case assumptions: GDP growth as provided from ECB for 2015 -2.3%, 2016 -1.3% and 2017 +2.7%, while the other assumptions, including credit and deposit growth, were based on the four banks Economists' consensus. These business plans were stress-tested by ECB under the baseline and adverse scenarios to assess potential capital shortfalls.

On 31 October 2015, ECB announced the results of the CA on the four systemically important Greek banks, including the Bank.

CA results for Eurobank

The CA results for Eurobank are summarized as follows:

AQR Results
The AQR constituted a thorough review of the carrying values of the Bank's Greek portfolios as of 30 June 2015 encompassing 98% of the Greek portfolio. The AQR identified additional provisioning needs of € 1,906 million, primarily driven by the deterioration in the macroeconomic environment in Greece, leading to a CET1 ratio of 8.6%, after taking into account the entire amount of losses identified in the AQR. This implies a capital shortfall of € 339 million, relative to the threshold of a CET1 ratio of 9.5%. The AQR-adjusted capital position provided the starting point for the Stress Test (ST).

Stress test Results
The ST under the baseline scenario has not triggered further negative impact on the Bank's solvency position, maintaining the post-AQR and baseline scenario CET1 at 8.6%, which corresponds to a capital shortfall of € 339 million, relative to a CET1 ratio of 9.5%, which is the threshold in the baseline scenario of the ST.

The ST under the adverse scenario identified further negative impacts on the Bank's solvency position, leading to a CET1 ratio of 1.3%, which implies a capital shortfall of € 2,122 million, relative to a CET1 ratio of 8%, which is the threshold in the adverse scenario of the ST.

The 2015 AQR is a prudential exercise, which was performed under the same methodology as the 2014 AQR. The impact of € 1,906 million relates mainly to provisions adjustments for loans and advances to customers and was determined according to the methodology that was developed by ECB for the purpose of the 2014 CA in order to ensure consistency across banks without introducing greater prescription into the accounting rules outside of the supervisory mechanisms.

The results of the AQR had no effect on the accounting policies applied by the Bank for the nine months ended 30 September 2015, which are described in note 2 of the Financial Statements for the year ended 31 December 2014. Furthermore, the AQR impact has been already captured in the first half of 2015 to the appropriate extent through the application of the Bank's existing impairment accounting policies, which incorporate the constant evaluation and calibration of estimates and judgments based on the latest available information (note 9).

Eurobank's capital enhancement actions

In early November, the Bank submitted a capital plan to the ECB for approval, describing in detail the measures it intends to implement in order to cover the shortfall identified in the CA, for under both the base and the adverse scenario.

On 3 November 2015, the Bank's Board of Directors resolved to call an Extraordinary General Meeting on 16 November 2015 in order to approve a share capital increase of up to € 2,122 million. The proposed capital increase is to be effected by means of a private placement to institutional and other eligible investors in Greece and internationally through a bookbuilding process (Institutional Offering), with waiving of the pre-emption rights of the Bank's existing ordinary shareholders and preference shareholder. The proposed transaction structure includes a reverse share split of existing Eurobank ordinary shares on a 100 to 1 basis. The international offering memorandum has been available from 4 November 2015 and the bookbuilding is expected to commence on 11 November 2015. The Institutional Offering is expected to be completed by end of November 2015, subject to obtaining required approvals (note 22).

In combination with the aforementioned planned share capital increase a Liability Management Exercise (LME), was launched by Eurobank on 29 October 2015 referring to the tender offer on € 877 million (face value) of outstanding eligible senior unsecured, Tier I and Tier II securities. The proceeds will be used to subscribe for new shares in the planned Bank's share capital increase. The Bank retains the right of accepting partially the LME orders, in which case eligible securities will be accepted on a pro rata basis in accordance with relative subordination ranking. The offer period commenced on 4 November 2015 and will expire on 11 November 2015 (note 29).

Restructuring plan

On 29 April 2014, the European Commission approved the Bank's restructuring plan, as it was submitted through the Greek Ministry of Finance on 16 April 2014. The Hellenic Republic has committed that the Bank will implement in particular specific measures and actions and will achieve objectives which are integral part of said restructuring plan.

Principal commitments to be implemented by the end of 2018 relate to (a) the reduction of the total costs and the net loan to deposit ratio for the Group's Greek activities, (b) the reduction of the Bank's cost of deposits, (c) the reduction of the Group's foreign assets, (d) the decrease of the shareholding in specific non-banking subsidiaries, (e) the securities portfolio deleveraging, and (f) restrictions on the capital injection to the Bank's foreign subsidiaries unless the regulatory framework of each relevant jurisdiction requires otherwise, the purchase of non-investment grade securities, the staff remuneration, the credit policy to be adopted and other strategic decisions.

In the context of the new recapitalization process, in case that additional State Aid is necessary, the restructuring plan will be revisited and resubmitted for approval to the European Commission. The approval process is expected to be completed within 2015.

Monitoring Trustee

The Memorandum of Economic and Financial Policies (MEFP) of the Second Adjustment Program for Greece between the Hellenic Republic, the European Commission, the International Monetary Fund (IMF) and the European Central Bank (ECB) provides for the appointment of a monitoring trustee in all banks under State Aid.

On 22 February 2013, the Bank appointed Grant Thornton as its Monitoring Trustee (MT). The MT monitors compliance with commitments on corporate governance and commercial operational practices, and the implementation of the restructuring plan and reports to the European Commission.

7. Dividend income

During the period, the Bank recognized dividend income mainly resulting from shares in subsidiaries amounting to € 369 million (30 September 2014: € 60 million).

The analysis of the aforementioned dividends per entity is as follows:

	30 September 2015 € million	30 September 2014 € million
ERB New Europe Holding B.V.	262	-
Eurolife ERB Insurance Group Holdings S.A.	38	-
Eurolife ERB General Insurance S.A.	-	36
Eurobank Factors S.A.	25	-
Eurobank Equities S.A.	16	-
Eurobank Fund Management Company (Luxembourg) S.A.	18	-
Eurobank Property Services S.A.	-	13
Grivalia Properties R.E.I.C.	6	6
ERB Insurance Services S.A.	-	4
Eurobank Asset Management Mutual Fund Management Company S.A.	2	-
Other (including AFS and trading portfolio)	2	1
Total	369	60

8. Operating expenses

	30 September 2015 € million	30 September 2014 € million
Staff costs	(279)	(299)
Administrative expenses	(152)	(155)
Depreciation of property, plant and equipment	(21)	(28)
Amortisation of intangible assets	(11)	(12)
Operating lease rentals	(33)	(35)
Total	(496)	(529)

The average number of employees of the Bank during the period was 9,077 (30 September 2014: 8,936, 15 employees of which were of London branch-note 15). As at 30 September 2015, the number of branches of the Bank was amounted to 525.

9. Impairment allowance for loans and advances to customers

The movement of the impairment allowance for loans and advances to customers by product line is as follows:

	30 September 2015				
	Wholesale € million	Mortgage € million	Consumer [1] € million	Small business € million	Total € million
Balance at 1 January	**3,374**	**1,381**	**2,143**	**1,540**	**8,438**
Impairment loss for the period [2]	**670**	**725**	**295**	**469**	**2,159**
Recoveries of amounts previously written off	**-**	**-**	**2**	**-**	**2**
Amounts written off	**(63)**	**(13)**	**(1)**	**(12)**	**(89)**
NPV unwinding	**(61)**	**(52)**	**(7)**	**(68)**	**(188)**
Foreign exchange differences and other movements	**15**	**(12)**	**(25)**	**(8)**	**(30)**
Balance at 30 September	**3,935**	**2,029**	**2,407**	**1,921**	**10,292**

[1] Credit cards balances are included.

[2] Impairment losses on loans and advances as presented in income statement for the period ended 30 September 2015 include an amount of € 101 million which has been provided against the interbank placement and other receivables with the Bank's indirect subsidiary 'PJSC Universal Bank' in Ukraine (note 30).

The critical accounting estimates and judgements that are made by the Bank's Management in assessing the impairment losses on loans and advances to customers are evaluated constantly, particularly in circumstances of economic uncertainty, based on the latest available information and expectations of future events that are considered reasonable.

In this context, in the second quarter of 2015, the Bank assessed the borrowers' financial performance, the recovery value of the underlying collaterals and calibrated its provisioning models in order to reflect:

- the negative ramifications of the recent financial and political turmoil in Greece, i.e. the third bailout program that provides, among others, for a new package of fiscal discipline measures, the prolonged uncertainty of domestic political landscape and the imposition of capital controls;

- their consequential impact on the Greek economy's prospects until 2016, i.e. increased market uncertainly, mainly relating with the satisfactory implementation of fiscal sustainability measures and the safeguarding of financial stability, worsening of GDP rate, continuation of high unemployment rate, negative investment growth and reduction of import/export activity. Particularly, the macroeconomic assumptions as provided by the Single Supervisory Mechanism in August 2015 regarding the real GDP's growth rate, i.e. decline by 2.3% in 2015, decline by 1.3% in 2016, increase by 2.7% in 2017, as well as the unemployment rate's level, i.e. 26.9% in 2015, 27.1% in 2016 and 25.7% in 2017, were taken into consideration in estimating the impairment losses. Prior to the recent financial crisis, the Bank's own estimates on the respective macroeconomic variables provided for the growth of the real GDP rate by 0.2% in 2015, 2.0% in 2016 and 2.5% in 2017, and the gradual decrease of the unemployment rate to 25.7% in 2015, 24.0% in 2016 and 22.0% in 2017;

- the downward trend in the real estate market in Greece, based on the latest available information and the expected further delay of its recovery period. Particularly, the residential property prices are estimated to decline by 5.8% in 2015, 2.4% in 2016 and increase by 1.6% in 2017. On the other hand, the commercial property prices are estimated to decline by 3.7% in 2015, 0.3% in 2016 and increase by 1.3% in 2017. The above estimates for residential and commercial properties represent the consensus forecasts of the Chief Economists of the four Greek systemic banks and the Bank's own estimates. Prior to the recent financial crisis, the latest available information on the respective variables, as was published by the European Banking Authority and taken into consideration by the Bank, provided for the decline of the residential property prices by 3.7% in 2015 and 1.2% in 2016, and the decline of commercial property prices by 0.8% in 2015 and the increase by 0.6% in 2016. Additionally, in view of the revised estimates on property prices, as well as the updated information on market's activity and range of prices, the Bank applied more conservative haircuts on collaterals' values, in order to reflect appropriately their recovery amount.

Additionally, as at 30 September 2015, in assessing the adequacy of impairment losses on loans and advances to customers, the Bank took into consideration the 2015 AQR results and their underlying assumptions, the impact of which was captured in the second quarter of 2015, to the appropriate extent, based on Bank's existing impairment policies and within the context of its revised estimates, as described above (see also note 3).

Accordingly, for the nine months ended 30 September 2015, the Bank recognized an impairment loss of € 670 million and € 1,489 million for wholesale and retail loan exposures, respectively. Considering the interrelationship among the key parameters used by the Bank for the measurement of impairment losses, as described above, it is not practicable to quantify separately the effect of each key parameter, in a reliable manner.

10. Other impairment and non recurring income/(expenses) and provisions

	30 September 2015 € million	30 September 2014 € million
Impairment and valuation losses on investment and repossessed properties	**(28)**	(8)
Impairment losses on bonds [(1)]	**9**	(49)
Impairment losses on mutual funds and equities	**(7)**	(10)
Other impairment losses	**(26)**	(67)
Resolution Fund contribution (note 21)	**(40)**	-
Reversal of provision for claims in dispute	**-**	103
Integration costs relating with the operational merger of NHPB and New Proton	**(0)**	(9)
Restructuring costs	**(4)**	-
Other expenses	**(1)**	-
Non recurring income/(expenses) and provisions	**(45)**	94
Total	**(71)**	27

[(1)] *In 2014, an amount of € 23 million was included for corporate bonds held by a Group's subsidiary and guaranteed by the Bank.*

The current macroeconomic conditions and the persistent decline in real estate market prices in Greece, as described in note 9, were taken into consideration by the Bank in assessing the recoverable amount of its investment and repossessed properties portfolios. As a result, for the nine months ended 30 September 2015, the Bank recognized impairment and valuation losses on investment and repossessed properties amounting to € 28 million.

In the first half of 2015, the Bank recognized an additional impairment loss of € 20 million for the Ukrainian government bonds that are included in its held-to-maturity investment portfolio, due to the continued uncertainty in the economic and political conditions in the country, that led to a significant drop in the market prices of those bonds.

The market's positive reaction to the terms of the restructuring offer, announced by the Ukrainian government on 27 August 2015, led to the recovery of the Ukrainian securities' market prices that are, subsequent to the announcement, traded at significant higher levels. Additionally, the payment suspension of certain sovereign bonds maturing in September 2015, as it was explicitly stated by the Ukrainian government in the above mentioned announcement due to the forthcoming restructuring agreement, triggered the settlement of the Bank's Credit Default Swaps (CDSs) that are directly linked with the specific Ukrainian government bonds mentioned above. Following the ISDA's (International Swaps and Derivatives Association) auction on 6 October 2015, the settlement of the CDSs took place on 13 October 2015. Therefore, as of 30 September 2015, the Bank reversed € 30 million of the cumulative recognised impairment up to 30 June 2015, in order to reflect the settlement price.

As at 31 March 2014, the Bank proceeded with the release of the provision of € 103 million, recognized in 2013 based on the management's estimates of the final amount of the consideration to be received for the disposal of Polish operations.

11. Income tax and non recurring tax adjustments

	30 September 2015 € million	30 September 2014 € million
Current tax	(6)	(8)
Deferred tax	580	256
Income tax	574	248
Change in nominal tax rates	432	-
Recognition of DTA following Circular 1143/15.05.2014	-	34
Reversal of provision of withholding tax claims	-	43
Recognition of DTA for New Proton's loan impairment	-	167
Non recurring deferred tax adjustments	432	244
Tax (charge)/income from continuing operations	1,006	492
Total tax (charge)/income from discontinued operations	-	18
Total	1,006	510

According to Law 4334/2015, which was enacted on 16 July 2015 and amended tax Law 4172/2013, the nominal Greek corporate tax rate increased from 26% to 29% for income generated in accounting years 2015 and onwards. This tax rate change resulted in an increase of net deferred tax asset by € 509 million as at 30 September 2015, out of which € 490 million have been recorded in income statement, and € 19 million directly in equity (including Other Comprehensive Income-OCI). In particular, € 432 million of the € 490 million that have been recorded in the income statement refer to the effect due to change in tax rates applied on previous years temporary differences as well as on unused tax losses and the remaining € 58 million represent the effect due to change in tax rates applied on temporary differences and unused tax losses arisen in the first half of 2015.

In addition, dividends distributed, other than intragroup dividends which under certain preconditions are relieved from both income and withholding tax, are subject to 10% withholding tax.

In May 2014, the Ministry of Finance with its Circular 1143/15.05.2014 provided clarifications for the application of tax Law 4172/2013. In particular, with the said Circular, it was clarified that the accumulated losses from shares and derivatives which had been recognized in accordance with the former tax Law 2238/1994 can be utilized for tax purposes (i.e. are added to carried forward tax losses). Hence, during the period ended 30 September 2014, the Bank recognized in income statement a one off tax income of € 34 million. In addition, during the period ended 30 September 2014, following a favourable Supreme Court decision, the Bank recognized a non-recurring tax income of € 43 million due to reversal of provisions in relation to withholding tax claims against the State. Furthermore, in the third quarter of 2014 the Bank recognized a deferred tax asset of € 167 million on loan impairment of New Proton's acquired, through merger, portfolio, following its assessment that these impairment losses can be utilized in future periods based on the Bank's business plan.

For the year ended 31 December 2011 and onwards, the Greek sociétés anonymes and limited liability companies whose annual financial statements are audited compulsorily, are required to obtain an 'Annual Tax Certificate' provided for in article 82 of Law 2238/1994 (currently article 65A of Law 4174/2013), which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. According to the relevant Ministerial Decision 1159/2011, 18 months after the issuance of a tax unqualified certificate, provided that no tax issues have been identified from the tax authorities' potential re-audits, the tax audit is considered finalized. Further tax audits may be effected only in cases of tax offences that have been identified by the Ministry of Finance audits (i.e. breaches of the money laundering legislation, forged or fictitious invoices, transactions with non-existent companies or breaches of transfer pricing rules).

The Bank has been audited by tax authorities up to 2009, has not been audited for 2010 and has obtained by external auditors unqualified tax certificates for years 2011 – 2014. In addition, New TT Hellenic Postbank and New Proton Bank, which were merged with the Bank in 2013, have obtained by external auditors unqualified tax certificate with a matter of emphasis for their unaudited by tax authorities periods/tax years 18/1-30/6/2013 and 9/10/2011- 31/12/2012, respectively, with regards to potential tax obligations resulting from their carve out. For both cases the Bank has formed adequate provisions. In accordance with the aforementioned tax legislation and considering related preconditions, tax audit for the years 2011 and 2012 for the Bank is considered finalized, according to Ministerial Decision 1159/2011.

Deferred income taxes are calculated on all temporary differences under the liability method as well as for unused tax losses at the rate in effect at the time the reversal is expected to take place.

The movement on deferred income tax is as follows:

	30 September 2015 € million
Balance at 1 January	3,871
Income statement credit/(charge) from continued operations	1,012
Available for sale investment securities	(24)
Cash flow hedges	(9)
Effect due to change in nominal tax rates recognised directly in equity (including OCI)	19
Balance at 30 September	4,869

Deferred income tax assets are attributable to the following items:

	30 September 2015 € million	31 December 2014 € million
PSI+ tax related losses	1,314	1,211
Loan impairment	2,810	1,993
Unused tax losses	292	258
Valuations through the income statement	276	250
Costs directly attributable to equity transactions	48	48
Cash flow hedges	30	35
Valuations directly to available-for-sale revaluation reserve	22	37
Fixed assets	(1)	(5)
Defined benefit obligations	10	8
Other	68	36
Net deferred income tax	4,869	3,871

Deferred income tax (charge)/credit in the income statement is attributable to the following items:

	30 September 2015 € million	30 September 2014 € million
Loan impairment	531	471
Unused tax losses	5	(18)
Change in nominal tax rates [(1)]	490	-
Tax deductible PSI+ losses	(35)	(34)
Change in fair value and other temporary differences	21	56
Deferred income tax (charge)/credit	1,012	475

[(1)] The amount of change in nominal tax rates represents the total effect in the income statement for the period ended 30 September 2015 that is analyzed above

As at 30 September 2015, the Bank recognized net deferred tax assets amounting to € 4.9 bn as follows:

(a) € 1,314 million refer to losses resulted from the Bank's participation in PSI+ and the Greek's state debt buyback program which are subject to amortization (i.e. 1/30 of losses per year starting from year 2012 and onwards) for tax purposes;

(b) € 2,810 million refer to temporary differences arising from loan impairment that can be utilized in future periods with no specified time limit and according to current tax legislation;

(c) € 292 million refer to unused tax losses. The ability to utilize tax losses carried forward mainly expires in 2018;

(d) € 48 million mainly refer to costs directly attributable to Bank's share capital increases, subject to 10 years' amortization for tax purposes starting from the year they have been incurred;

(e) € 405 million refer to other temporary differences the majority of which can be utilized in future periods with no specified time limit and according to current tax legislation.

The recognition of the above presented deferred tax assets is based on management's assessment that it is expected that the Bank, based on its business plan, will have sufficient taxable profits, against which the unused tax losses and the deductible temporary differences can be utilized.

According to article 5 of Law 4303/2014 (a new article 27A was incorporated in the Law 4172/2013), which is applicable to Greek financial institutions, including leasing and factoring companies, deferred tax assets that have been or will be recognized due to losses from the Private Sector Involvement ('PSI') and the Greek State Debt Buyback Program, accumulated provisions and other general losses due to credit risk in relation to existing receivables as of 31 December 2014 (excluding any receivables raised for Group companies or connected parties), will be converted into directly enforceable claims (tax credit) against the Greek State, provided that the after tax accounting result for the period, is a loss. As at 30 September 2015, taking into consideration the amendment of article 27A of Law 4172/2013, by Law 4340/2015 as mentioned below, deferred tax assets eligible for conversion to tax credits amounted to € 4,078 million.

The total amount of the claim will be determined by multiplying the above eligible deferred tax assets with a ratio that represents the after tax accounting loss of the period as a percentage of total equity, excluding the after tax accounting loss of the period.

The claim will arise upon approval of the financial statements and will be offset against the relevant amount of income tax. 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. For this purpose, a special reserve equal to 110% 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 and will be freely transferable. Existing shareholders will have a call option within a reasonable period based on their participation in the share capital at the time of issuance of those rights. Furthermore Law 4172/2013 also provides for the issuance of a Ministerial Cabinet Act to address the implementation details relevant to the conversion of eligible deferred tax assets into a tax credit.

On 7 November 2014, the Extraordinary General Meeting of the Shareholders of the Bank approved the Bank's participation in the above described mechanism which is effective from the tax year 2015 onwards.

According to Law 4336/2015 which has been voted on 14 August 2015 there was a provision, amongst others, for the amendment of the aforementioned legal framework for the conversion of Deferred Tax Assets (DTAs) to tax credit against the Greek State, with the view of minimizing the funding from the new ESM program and the connection between banks and the State.

Post balance sheet event

On 1 November 2015, Law 4340/2015 referring to the Greek banks' recapitalization was enacted, which includes, amongst others, a provision amending the existing Deferred Tax Credits (DTCs) framework. The main amendments provide that eligible DTAs could be converted into DTCs from fiscal year 2016 onwards and that the eligible DTA on accumulated provisions and other losses in general due to credit risk is the one corresponding to those (provisions and credit losses) accounted as at 30 June 2015. In addition, in case of DTC conversion, the special reserve that 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, will be equal to 100% of the above claim (i.e. the claim arising before any offsetting against corporate income tax).

12. Discontinued operations

Disposal of Polish operations

During the period ended 30 September 2014, the gain on the disposal of Polish operations was adjusted with € 70 million losses, before tax (€ 52 million losses, after tax), while the relating provision recognized in 2013 based on management's estimates of the final amount of the consideration to be received was released accordingly (note 10).

13. Loans and advances to customers

	30 September 2015 € million	31 December 2014 € million
Wholesale lending	**15,030**	15,235
Mortgage lending	**16,654**	16,620
Consumer lending [1]	**5,124**	5,269
Small business lending	**6,431**	6,390
	43,239	43,514
Less: Impairment allowance (note 9)	**(10,292)**	(8,438)
	32,947	35,076

[1] *Credit cards balances are included.*

In the period ended 30 September 2015, gross loans balance was significantly affected by the appreciation of CHF and USD against Euro during the first quarter of 2015, which led to an increase of approximately € 0.6 bn.

As of 30 September 2014, in accordance with IAS 39, the Bank has elected to reclassify certain impaired corporate bond loans from the 'Available-for-sale' portfolio to 'Loans and advances to customers' portfolio that meet the definition of loans and receivables and the Bank has the intention and ability to hold them for the foreseeable future or until maturity. The reclassifications were made with effect from 30 September 2014 at the loans' fair value of € 150 million (gross amount of € 550 million less fair value adjustment of € 400 million), which became their amortized cost at the reclassification date. Considering that the reclassified bond loans are impaired, the fair value adjustment of € 400 million represented incurred credit losses already recognised by the Bank as of the reclassification date.

As at 30 September 2015, the carrying amount of these loans is € 93 million which approximates their fair value and impairment losses of € 31 million were recognized in the income statement for the nine months ended 30 September 2015. No amounts would have been recognized in the OCI had these financial assets not been reclassified.

As at 30 September 2015, the 90 days past due loans (gross) amounted to € 15,792 million.

14. Investment securities

	30 September 2015 € million	31 December 2014 € million
Available-for-sale investment securities	**3,159**	2,913
Debt securities lending portfolio	**11,324**	11,700
Held-to-maturity investment securities	**247**	346
	14,730	14,959

The investment securities per category are analyzed as follows:

	30 September 2015			
	Available--for-sale securities € million	Debt securities lending portfolio € million	Held-to--maturity securities € million	Total € million
Debt securities				
- EFSF bonds	**-**	**10,060**	**-**	**10,060**
- Greek government bonds	**750**	**875**	**-**	**1,625**
- Greek government treasury bills	**2,156**	**-**	**-**	**2,156**
- Other government bonds	**119**	**283**	**82**	**484**
- Other issuers	**44**	**106**	**165**	**315**
	3,069	**11,324**	**247**	**14,640**
Equity securities	**90**	**-**	**-**	**90**
Total	**3,159**	**11,324**	**247**	**14,730**

	31 December 2014			
	Available--for-sale securities € million	Debt securities lending portfolio € million	Held-to--maturity securities € million	Total € million
Debt securities				
- EFSF bonds	-	10,061	-	10,061
- Greek government bonds	618	890	-	1,508
- Greek government treasury bills	1,994	-	-	1,994
- Other government bonds	163	383	61	607
- Other issuers	39	366	285	690
	2,814	11,700	346	14,860
Equity securities	99	-	-	99
Total	2,913	11,700	346	14,959

In 2008 and 2010, in accordance with the amendments to IAS 39, the Bank reclassified eligible debt securities from the 'Available-for-sale' portfolio to 'Debt securities lending' portfolio carried at amortized cost. Interest on the reclassified securities continued to be recognized in interest income using the effective interest rate method. As at 30 September 2015, the carrying amount of the reclassified securities was € 860 million. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 30 September 2015 would have resulted in € 340 million losses net of tax, which would have been recognized in the available-for-sale revaluation reserve.

15. Shares in subsidiary undertakings

Hellenic Postbank - Hellenic Post Mutual Funds Mngt Company S.A., Greece

In January 2015, the Bank acquired from Hellenic Post (ELTA) 49% of Hellenic Postbank – Hellenic Post Mutual Funds Management Company S.A. and thus the total Bank's participation to the company amounts to 100%. In September 2015, the Annual General Meeting of shareholders of the company decided its liquidation.

ERB Leasing E.A.D, Bulgaria

In January 2015, the share capital of ERB Leasing E.A.D, increased by € 11 million.

Global Fund Management S.A, Greece

In April 2015, the liquidation of the company was completed.

Eurobank Ergasias Leasing S.A., Greece

In May 2015, the Bank acquired from Eurobank Equities S.A. 0.44% of Eurobank Ergasias Leasing S.A. and thus the total Bank participation to the company amounts to 100%.

Byzantium Finance Plc, United Kingdom

In June 2015, the liquidation of the company was completed.

ERB New Europe Holding B.V.

In June 2015, following the dividend distributed from ERB New Europe Holding B.V. to the Bank in the second quarter of 2015 (note 7), the Bank reassessed the recoverable amount of its investment and an impairment charge amounted to € 159 million was recorded accordingly.

Transfer of London branch

In the second quarter of 2015, as part of the Group's reorganization initiatives, the Bank transferred the operations of its London Branch to its subsidiary Eurobank Private Bank Luxembourg S.A. At the date of transfer (a) the total assets of London branch amounted to € 198 million of which loans and advances to customers € 153 million and cash and balances with central bank € 39 million and (b) the total liabilities amounted to € 196 million of which due to customers € 71 million. The funding of the Bank to London Branch of € 124 million was repaid by Eurobank Private Bank Luxembourg S.A. The above transaction represents a common control transaction that was performed for a total consideration of € 2.6 million equal to the book value of net assets transferred.

Grivalia Properties R.E.I.C

In the first quarter of 2014 Fairfax Financial Holdings Limited (through its subsidiaries) acquired from the Bank its pre-emption rights in Grivalia Properties R.E.I.C share capital increase, of a deemed cost of € 69 million, for a total consideration of € 20 million and thus a loss of € 49 million was recognized in Bank's income statement. In addition, in June 2014, the Bank disposed of 13.47% of its interest that was held in Grivalia Properties and accordingly, the carrying amount of the Bank's participation in Grivalia Properties decreased by € 109 million and a gain of € 11 million was recognized in the income statement.

16. Other assets

	30 September 2015 € million	31 December 2014 € million
Receivable from Deposit Guarantee and Investment Fund	**674**	668
Repossessed properties and relative prepayments	**322**	344
Pledged amount for a Greek sovereign risk financial guarantee	**258**	257
Income tax receivable	**228**	212
Prepaid expenses and accrued income	**28**	49
Investments in associated undertakings and joint ventures	**5**	5
Other assets	**164**	190
	1,679	1,725

As at 30 September 2015, other assets amounting to € 164 million mainly consist of receivables from (a) settlement balances with customers, (b) guarantees, (c) public entities, and (d) fraudulent and legal cases, net of provisions.

In January 2015, the Bank disposed its participation interest of 50% in Cardlink S.A. The total number of shares of Cardlink S.A. which were held by the Bank, were disposed to a company of the group "Quest Holdings S.A.", for a total consideration amount of € 7.5 million.

17. Due to central banks

	30 September 2015 € million	31 December 2014 € million
Secured borrowing from ECB and BoG	**31,585**	12,610

As at 30 September 2015, the Bank has increased its dependency on Eurosystem financing facilities to € 31.6 bn (of which € 22.3 bn funding from ELA) as a result of deposit withdrawals and reduction of wholesale secured funding. As at 31 October 2015, the Eurosystem funding stood at € 29.9 bn, of which € 22.5 bn funding from ELA.

18. Due to credit institutions

	30 September 2015 € million	31 December 2014 € million
Secured borrowing from other banks	**1,817**	12,071
Borrowing from international financial institutions	**228**	254
Interbank takings	**284**	948
Current accounts and settlement balances with banks	**21**	135
Other borrowings	**99**	-
	2,449	13,408

As at 30 September 2015, other borrowings refer to funds received by the Bank from IFG-Greek SME Finance S.A., in order to provide financing to Small & Medium-Sized Enterprises (SMEs). The funds originated from the German and Greek Public and are under the management of KFW (German government- owned development bank) and ETEAN S.A. (Hellenic fund for entrepreneurship and development), respectively.

19. Due to customers

	30 September 2015 € million	31 December 2014 € million
Savings and current accounts	**12,414**	11,235
Term deposits	**9,990**	20,148
Repurchase agreements	**54**	553
Other term products	**44**	49
	22,502	31,985

The other term products concern subordinated notes held by the Bank's customers.

20. Debt securities in issue

	30 September 2015 € million	31 December 2014 € million
Securitised	**899**	938
Subordinated-Lower Tier II (note 19)	**223**	218
Medium-term notes (EMTN)	**48**	78
Government guaranteed bonds	**-**	53
	1,170	1,287

Asset Backed Securities

During the first half of 2015, the Bank proceeded with the redemption of residential mortgage backed securities, consumer loans backed securities and small business loans backed securities of face value of € 2,596 million, of which € 11 million were held by third parties.

Medium-term notes (EMTN)

During the first half of 2015, the Bank proceeded with the redemption of notes of face value of € 25 million.

As at 30 September 2015, the notes issued by the Bank under the EMTN program, totalling to € 48 million (2014: € 78 million), were fully retained by the Bank's subsidiaries.

Government guaranteed and covered bonds

During the second quarter of 2015 the Bank proceeded with the cancellation of covered bonds of face value of € 3,050 million.

During the period, the Bank issued new government guaranteed bonds of face value of € 4,605 million while € 2,910 million matured.

As at 30 September 2015, the government guaranteed bonds under the second stream of the Greek Economy Liquidity Support Program (note 4), as well as the covered bonds, of face value of € 15,412 million and € 100 million respectively, were retained by the Bank and its subsidiaries.

Financial disclosures required by the Act 2620/28.08.2009 of the Bank of Greece in relation to the covered bonds issued, are available at the Bank's website.

Post balance sheet events

By the end of October 2015, the face value of government guaranteed bonds fully retained by the Bank, was decreased by € 1,369 million.

On 29 October 2015, the Bank launched a Liability Management Exercise (LME), aiming to strengthen the Bank's CET1 (note 29).

According to Law 4340/2015 regarding the new recapitalization framework, which was enacted on 1 November 2015, in the case that the voluntary measures included in the credit institution's restructuring plan are insufficient to cover the estimated capital shortfall (and in order to keep the use of required public funding at a minimum), the Cabinet, through the issuance of an Act, may allocate any capital shortfall residual amount to the respective institution's holders of capital instruments and other obligations which also include the Tier II instruments, all the other subordinated obligations and the senior unsecured liabilities non preferred by mandatory provisions of law (notes 2, 6).

21. Other liabilities

	30 September 2015 € million	31 December 2014 € million
Sovereign risk financial guarantee	51	52
Other provisions	107	73
Deferred income and accrued expenses	72	55
Standard legal staff retirement indemnity obligations	35	32
Other liabilities	160	265
	425	477

As at 30 September 2015, other liabilities amounting to € 160 million mainly consist of payables relating with (a) suppliers and creditors, (b) bank checks and remittances, (c) contributions to insurance organizations, (d) duties and other taxes and (e) credit card transactions under settlement.

As at 30 September 2015, other provisions amounting to € 107 million consist of amounts for (a) outstanding litigations and claims in dispute of € 58 million (note 27), b) resolution fund contributions provision of € 40 million (see below) (c) other provisions for operational risk events of € 8 million, and (d) untaken vacation indemnity of € 1 million.

In the context of Directive 2014/59/EU for the recovery and resolution of credit institutions and investment firms (BRRD), which has been enacted in Greece with Law 4335/2015 in July 2015, member states shall ensure that, by 31 December 2024, the available financial means of their national resolution authorities reach at least 1% of the amount of covered deposits of all the institutions authorised in their territory. With respect to Greece, according to the Law 4335/2015, the Resolution Branch of HDIGF is designated as the national resolution fund (note 6).

The terms of calculation and payment of the contributions for the year 2015 are expected to be specified by Bank of Greece (BoG)within the following months. In addition, the process for determining such contributions is expected to be defined upon the transposition of Directive 2014/49/EU on deposit guarantee schemes in the Greek law. In this context, the Bank recognized a provision of € 40 million in relation to the above expected contributions, in the third quarter of 2015 (note 10).

22. Ordinary share capital and share premium

The par value of the Bank's shares is € 0.30 per share (31 December 2014: € 0.30). All shares are fully paid. The balance of ordinary share capital, share premium and the number of ordinary shares issued by the Bank, are as follows:

	Ordinary share capital € million	Share premium € million	Number of issued ordinary shares
Balance at 30 September 2015	**4,412**	**6,682**	**14,707,876,542**

Treasury shares

Under Law 3756/2009, banks participating in the Government's Greek Economy Liquidity Support Program are not allowed to acquire treasury shares under article 16 of the Company Law.

Post Balance sheet event

On 3 November 2015, the Board of Directors (BoD) resolved to call an Extraordinary General Meeting (EGM) on 16 November 2015 in order to:

(1) approve the decrease of the ordinary share capital of the Bank with concurrent (i) increase of the nominal value of each existing ordinary registered share of the Bank and decrease of the total number thereof with reverse split of the said shares on a 100 to 1 basis and (ii) decrease of the nominal value of each ordinary registered share (as it will have resulted after the reverse split), for the purpose of creating a special reserve to offset losses carried forward, in accordance with article 4, par. 4(a) of Law 2190/1920 and in the context of the Bank's proposed below mentioned share capital increase pursuant to Law 3864/2010, as amended by Law 4340/2015.

(2) (a) (i) approve the increase of the share capital of the Bank pursuant to Law 3864/2010, as amended by Law 4340/2015, to raise up to € 2,121,920,000 through payment in cash and/or contribution in kind, the issuance of new ordinary registered shares ("New Shares") and the abrogation of the pre-emption rights of the Bank's existing ordinary shareholders and preference shareholder (ii) grant authorization to the BoD of the Bank to determine the offer price of the new shares of the Bank, the total amount of capital to be raised, the exact number of new shares to be issued, the allocation thereof and the other terms of the capital increase, in each case in accordance with the applicable provisions of article 7 of Law 3864/2010, as amended by Law 4340/2015, and article 13 of Law 2190/1920.

(b) (i) grant authorisation to the Board of Directors of the Bank to approve the issuance of up to €1,338 million principal amount of contingent convertible securities ("CoCos") to the Hellenic Financial Stability Fund pursuant to Law 3864/2010, as amended by Law 4340/2015, through payment in cash and/or contribution in kind and the abrogation of the pre-emption rights of the Bank's other ordinary shareholders and preference shareholder (ii) grant authorisation to the BoD of the Bank to determine the total amount of capital to be finally raised through the issuance of CoCos and the specific terms thereof, in each case in accordance with the applicable provisions of article 7 of Law 3864/2010, as amended by Law 4340/2015, article 3A of Law 2190/1920, the Cabinet Act 36/02.11.2015 and, additionally, Law 3156/2003.

The New Shares are proposed to be offered to institutional and other eligible investors by means of a private placement through a bookbuilding process (the Institutional Offering) (note 6).

23. Preference shares

	Preference Shares	
	30 September 2015	31 December 2014
Number of shares	€ million	€ million
345,500,000	950	950

On 12 January 2009 the Extraordinary General Meeting of the Bank approved the issue of 345,500,000 non-voting, non-listed, non-transferable, tax deductible, non-cumulative 10% preference shares, with nominal value € 2.75 each, under Law 3723/2008 "Greek Economy Liquidity Support Program", to be fully subscribed to and paid by the Greek State with bonds of equivalent value. The proceeds of the issue total € 940 million, net of expenses, and the transaction was completed on 21 May 2009. In accordance with the current legal and regulatory framework, the issued shares have been classified as Common Equity Tier I capital.

The preference shares pay a non-cumulative coupon, subject to meeting minimum capital adequacy requirements, set by Bank of Greece (BoG), availability of distributable reserves in accordance with article 44A of Company Law 2190/1920 and the approval of the Annual General Meeting. Five years after the issue of the preference shares, the Bank may redeem the preference shares at their nominal value. If such redemption is not possible, because the Bank's capital adequacy ratio would fall below the minimum requirements set by the BoG, the preference shares will be converted into ordinary shares or shares of any other class existing at the time of the conversion following a decision of the Minister of Finance and after a recommendation by the Governor of the BoG and on condition that at the expiry of the five year period, the Bank will have submitted, and the Minister of Finance will have approved, further to a recommendation by the Governor of the BoG, a restructuring plan of the Bank pursuant to the legislation as in force. The conversion ratio will take into account the average market price of the Bank's ordinary shares during the calendar year preceding such conversion. In case of non-redemption at the expiration of the five year period, the abovementioned coupon is increased by 2% each year, following relevant decision by the Minister of Finance, upon recommendation of the BoG.

In addition, in case that the mandatory (burden-sharing) measures described in the new recapitalization law 4340/2015 apply (note 6) the preference shares are converted into ordinary shares and HFSF acquires ownership of such shares. Their ensuing participation in the burden-sharing measures is taking place in accordance with the resultant valuation per class, type, percentage and amount of the securities participating in the said measures.

Based on the 2014 results and Law 3723/2008 in combination with article 44A of Company Law 2190/1920, the distribution of dividends to either ordinary or preference shareholders is not permitted.

24. Hybrid capital

The outstanding amount of hybrid capital issued by the Bank, in the form of preferred securities, through its Special Purpose Entity, ERB Hellas Funding Limited, as at 30 September 2015 is analyzed as follows:

	Series A	Series B	Series C	Series D	Total
	€ million	€ million	€ million	€ million	€ million
At 30 September 2015	72	151	154	21	398

On 30 December 2014, ERB Hellas Funding Ltd announced the non-payment of the non-cumulative preferred dividend on the preferred securities of Series A, Series C and Series D, which otherwise would have been paid on 18 March 2015, 9 January 2015 and 29 January 2015, respectively.

On 31 March 2015, ERB Hellas Funding Ltd announced the non-payment of the non-cumulative preferred dividend on the preferred securities of Series C and Series D, which otherwise would have been paid on 9 April 2015 and 29 April 2015, respectively.

On 30 June 2015, ERB Hellas Funding Ltd announced the non-payment of the non-cumulative preferred dividend on the preferred securities of Series C and Series D, which otherwise would have been paid on 9 July 2015 and 29 July 2015, respectively.

On 30 September 2015, ERB Hellas Funding Ltd announced the non-payment of the non-cumulative preferred dividend on the preferred securities of Series B, Series C and Series D, which otherwise would have been paid on 2 November 2015, 9 October 2015 and 29 October 2015, respectively.

Post balance sheet events

In October 2015, the Bank proceeded with the buy-back and the subsequent cancelation of its hybrid instruments of face value of € 325 million, previously held by its subsidiary ERB Hellas Cayman. Accordingly, the Hybrid capital of the Bank was reduced to € 77 million and the resulting gain of € 178 million after tax, was recorded directly in equity.

On 29 October 2015, the Bank launched a Liability Management Exercise (LME), aiming to strengthen the Bank's CET1 (note 29).

According to Law 4340/2015 regarding the new recapitalization framework, which was enacted on 1 November 2015, in the case that the voluntary measures included in the credit institution's restructuring plan are insufficient to cover the estimated capital shortfall (and in order to keep the use of required public funding at a minimum), the Cabinet, through the issuance of an Act, may allocate any capital shortfall residual amount to the respective institution's holders of capital instruments and other obligations which also include preferred securities holders (notes 2, 6).

25. Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price). When a quoted price for an identical asset or liability is not observable, fair value is measured using valuation techniques that are appropriate in the circumstances, and maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Observable inputs are developed using market data, such as publicly available information about actual events or transactions, and reflect assumptions that market participants would use when pricing financial instruments, such as quoted prices in active markets for similar instruments, interest rates and yield curves, implied volatilities and credit spreads.

Financial instruments carried at fair value

Trading assets, derivatives and other transactions undertaken for trading purposes, as well as available-for-sale securities and assets and liabilities designated at fair-value-through-profit-or-loss are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, the fair values are estimated using valuation techniques. These financial instruments carried at fair value are categorized into the three levels of the fair value hierarchy as at 30 September 2015 based on whether the inputs to the fair values are observable or unobservable, as follows:

(a) Level 1 – Financial instruments measured based on quoted prices in active markets for identical financial instruments that the Bank can access at the measurement date. A market is considered active when quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and represent actually and regularly occurring transactions. Level 1 financial instruments include actively quoted debt instruments, equity and derivative instruments traded on exchanges, as well as mutual funds and unit-linked products that have regularly and frequently published quotes.

(b) Level 2 – Financial instruments measured using valuation techniques with the following inputs: i) quoted prices for similar financial instruments in active markets, ii) quoted prices for identical or similar financial instruments in markets that are not active, iii) inputs other than quoted prices that are directly or indirectly observable, mainly interest rates and yield curves observable at commonly quoted intervals, forward exchange rates, equity prices, credit spreads and implied volatilities obtained from internationally recognized market data providers and iv) may also include other unobservable inputs which are insignificant to the entire fair value measurement. Level 2 financial instruments mainly include over-the-counter (OTC) derivatives and less-liquid debt instruments.

(c) Level 3 – Financial instruments measured using valuation techniques with significant unobservable inputs. When developing unobservable inputs, best information available is used, including own data, while at the same time market participants' assumptions are reflected (e.g. assumptions about risk). Level 3 financial instruments include unquoted equities and certain OTC derivatives.

The fair value hierarchy categorization of the Bank's financial assets and liabilities carried at fair value is presented in the following tables:

	30 September 2015			
	Level 1	Level 2	Level 3	Total
	€ million	€ million	€ million	€ million
Financial assets measured at fair value:				
Financial instruments held for trading	14	2	1	17
Derivative financial instruments	-	1,788	20	1,808
Available-for-sale investment securities	3,118	0	41	3,159
Total financial assets	3,132	1,790	62	4,984
Financial liabilities measured at fair value:				
Derivative financial instruments	1	2,376	-	2,377
Due to customers:				
- Structured deposits	-	107	-	107
Trading liabilities	12	-	-	12
Total financial liabilities	13	2,483	-	2,496

	31 December 2014			
	Level 1	Level 2	Level 3	Total
	€ million	€ million	€ million	€ million
Financial assets measured at fair value:				
Financial instruments held for trading	32	41	0	73
Derivative financial instruments	-	2,119	2	2,121
Available-for-sale investment securities	2,869	1	43	2,913
Total financial assets	2,901	2,161	45	5,107
Financial liabilities measured at fair value:				
Derivative financial instruments	1	2,469	-	2,470
Due to customers:				
- Structured deposits	-	149	-	149
Trading liabilities	9	-	-	9
Total financial liabilities	10	2,618	-	2,628

The Bank recognizes transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected.

In the third quarter of 2015, the Bank transferred back to Level 1 from Level 2, the Greek listed available for sale shares, as well as the available for sale mutual funds with underlying Greek listed shares, of € 22 million and € 2 million respectively, categorized under Level 2 in the second quarter of 2015, due to their market's temporary closing (see below).

During the period ended 30 September 2015, the Bank transferred derivative financial instruments of € 25 million from Level 2 to Level 3, which are valued using valuation techniques, where the CVA calculation is based on unobservable inputs that result in a CVA adjustment significant to the entire fair value of the derivative (2014: € 7 million).

Reconciliation of Level 3 fair value measurements

	30 September 2015 € million
Balance at 1 January	**45**
Transfers into Level 3	**25**
Transfers out of Level 3	**(1)**
Additions, net of disposals and redemptions	**1**
Total gain/(loss) for the period included in profit or loss	**(9)**
Total gain/(loss) for the period included in other comprehensive income	**1**
Other	**0**
Balance at 30 September	**62**

Bank's valuation processes

The Bank uses widely recognized valuation models for determining the fair value of common financial instruments, such as interest and cross currency swaps, that use only observable market data and require little management estimation and judgment. Observable prices or model inputs are usually available in the market for listed debt and equity securities, exchange-traded and simple over-the-counter derivatives. Availability of observable market prices and model inputs reduces the need for management judgment and estimation and also reduces the uncertainty associated with determining fair values.

Where valuation techniques are used to determine the fair values of financial instruments, they are validated against historical data and, where possible, against current or recent observed transactions in different instruments, and periodically reviewed by qualified personnel independent of the personnel that created them. All models are certified before they are used and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Fair values estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that market participants would take them into account in pricing the instrument. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and the counterparty, where appropriate.

Global Market Counterparty Risk Sector establishes the processes and procedures governing the fair valuations, in line with the Bank's accounting policies. Some of the specific valuation controls include: verification of observable pricing, re-performance of model valuations, a review and approval process for new models and/or changes to models, calibration and back-testing against observable market transactions, where available, analysis of significant valuation movements, etc. Where third parties' valuations are used for fair value measurement, these are reviewed in order to ensure compliance with the requirements of IFRS 13.

Valuation techniques

OTC derivative financial instruments are fair valued by discounting expected cash flows using market interest rates at the measurement date. Counterparty credit risk adjustments and own credit risk adjustments are applied to OTC derivatives, where appropriate. Bilateral credit risk adjustments consider the expected cash flows between the Bank and its counterparties under the relevant terms of the derivative instruments and the effect of the credit risk on the valuation of these cash flows. As appropriate in circumstances, the Bank considers also the effect of any credit risk mitigating arrangements, including collateral agreements and master netting agreements on the calculation of credit risk valuation adjustments (CVAs). CVA calculation uses probabilities of default (PDs) based on observable market data as credit default swaps (CDS) spreads, where appropriate, or based on internal rating models. The Bank applies similar methodology for the calculation of debit-value-adjustments (DVAs), when applicable. Where valuation techniques are based on internal rating models and the relevant CVA is significant to the entire fair value measurement, such derivative instruments are categorized as Level 3 in the fair value hierarchy. A reasonably possible change in the main unobservable input (i.e. the recovery rate), used in their valuation, would not have a significant effect on their fair value measurement.

The Bank determines fair values for debt securities held using quoted market prices in active markets for securities with similar credit risk, maturity and yield or by using discounted cash flows method.

For debt securities issued by the Bank and designated at FVTPL, fair values are determined by discounting the expected cash flows at a risk-adjusted rate, where the Bank's own credit risk is determined using inputs indirectly observable, i.e. quoted prices of similar securities issued by the Bank or other Greek issuers.

The fair values of unquoted available-for-sale equity instruments are estimated mainly (i) using third parties' valuation reports based on investees' net assets, where management does not perform any further significant adjustments, and (ii) net assets' valuations, adjusted where considered necessary.

Financial instruments not carried at fair value

The following table presents the carrying amounts and fair values of financial assets and liabilities which are not carried at fair value on the balance sheet:

	30 September 2015	
	Carrying amount € million	**Fair value € million**
Loans and advances to customers	**32,947**	**33,000**
Investment securities		
- Debt securities lending portfolio	**11,324**	**10,991**
- Held-to-maturity securities	**247**	**234**
Total financial assets	**44,518**	**44,225**
Debt securities in issue held by third party investors	**317**	**90**
Total financial liablities	**317**	**90**

	31 December 2014	
	Carrying amount € million	Fair value € million
Loans and advances to customers	35,076	34,930
Investment securities		
- Debt securities lending portfolio	11,700	11,167
- Held-to-maturity securities	346	329
Total financial assets	47,122	46,426
Debt securities in issue held by third party investors	402	326
Total financial liablities	402	326

The assumptions and methodologies underlying the calculation of fair values of financial instruments not carried at fair value on the balance sheet date are in line with those used to calculate the fair values for financial instruments carried at fair value and are as follows:

(a) Loans and advances to customers: for loans and advances to customers quoted market prices are not available as there are no active markets where these instruments are traded. The fair values are estimated by discounting future expected cash flows over the time period they are expected to be recovered, using appropriate risk-adjusted rates. Loans are grouped into homogenous assets with similar characteristics, as monitored by Management, such as product, borrower type and delinquency status, in order to improve the accuracy of the estimated valuation outputs. In estimating future cash flows, the Bank makes assumptions on expected prepayments, product spreads and timing of collateral realization. The discount rates incorporate inputs for expected credit losses and interest rates, as appropriate.

(b) Investment securities carried at amortized cost: the fair values of financial investments are determined using prices quoted in an active market when these are available. In other cases, fair values are determined using quoted market prices for securities with similar credit risk, maturity and yield or by using the discounted cash flows method.

(c) Debt securities in issue held by third party investors: the fair values of the debt securities in issue are determined using quoted market prices, if available. If quoted prices are not available, fair values are determined based on quotes for similar debt securities or by discounting the expected cash flows at a risk-adjusted rate, where the Bank's own credit risk is determined using inputs indirectly observable, i.e. quoted prices of similar securities issued by the Bank or other Greek issuers.

For other financial instruments which are short term or re-price at frequent intervals (cash and balances with central banks, due from credit institutions, due to central banks, due to credit institutions and due to customers), the carrying amounts represent reasonable approximations of fair values.

Fair values of financial assets and liabilities with Greek sovereign and other Greek issuers

In the second quarter of 2015, the economic and political situation in Greece, as described in note 2, contributed to the financial markets' increased volatility and instigated a sharp drop in the market prices of Greek securities, affecting accordingly, the relevant market variables used as inputs in the valuation techniques applied by the Bank, e.g. credit spreads, implied volatilities.

Additionally, the bank holiday and the imposition of capital controls on 28 June 2015 forced the temporary closing of the Electronic Secondary Securities Market (HDAT) and the Athens Stock Exchange until 3 August 2015 that are presumed by the Bank as the principal markets for Greek government securities and Greek listed shares, respectively.

As at 30 June 2015, in the absence of HDAT's prices, the fair value measurement of Greek government securities was based on the quoted prices obtained by internationally recognized market data providers. As at 30 September 2015, following the reopening of the Greek government securities' principal market, on 3 August 2015, their fair value measurement was based on HDAT's prices.

The markets' positive sentiment subsequent to the announcement for the agreement of Greece's third bailout program, on 13 July 2015, led to the improvement of the Hellenic's Republic credit spreads and the gradual normalization of the Greek government securities' market prices that are, subsequent to the announcement, traded at significant higher levels. As a result, from 30 June 2015 until 30 September 2015, the Bank recognized a mark to market gain of € 272 million, deriving from the increase in their market prices. Additionally, in the third quarter of 2015, the Bank recognized a gain of € 65 million for derivatives with the Greek State.

26. Cash and cash equivalents and other information on Interim Cash Flow Statement

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with original maturities of three months or less:

	30 September 2015 € million	31 December 2014 € million
Cash and balances with central banks (excluding mandatory and collateral deposits with central banks)	**464**	545
Due from credit institutions	**180**	366
Financial instruments at fair value through profit or loss	**0**	1
	644	912

Other (income)/losses on investment securities presented in operating activities are analysed as follows:

	30 September 2015 € million	30 September 2014 € million
Amortisation of premiums/discounts and accrued interest	**(33)**	(77)
(Gains)/losses from sale	**5**	(31)
Dividends	**(2)**	(1)
	(30)	(109)

27. Contingent liabilities and commitments

Credit related commitments are analysed as follows:

	30 September 2015 € million	31 December 2014 € million
Guarantees [1] and standby letters of credit	**1,289**	1,302
Guarantees to Bank's SPV's issuing EMTNs	**948**	1,062
Other guarantees (medium risk) and documentary credits	**404**	445
Commitments to extent credit	**134**	114
	2,775	2,923

[1] *Guarantees that carry the same credit risk as loans*

Legal Proceedings

As at 30 September 2015, there were a number of legal proceedings outstanding against the Bank for which a provision of € 58 million was recorded (31 December 2014: € 53 million).

28. Board of Directors

The Board of Directors was elected by the Annual General Meeting held on 27 June 2013 for a three years term of office. The Annual General Meeting held on 26 June 2015 approved the extension of the term of office of the current Board until 2018 and more specifically by 27 June 2018, prolonged until the end of the period the Annual General Meeting for the year 2018 will take place. Further to the changes already reported up to the publication of the Annual Financial Report for the year ended 31 December 2014, the below changes in the composition of the Board of Directors have taken place since then:

On 28 April 2015, the Extraordinary General Meeting elected two new Board members, Mr. Stavros Ioannou and Mr. Theodoros Kalantonis.

On 13 May 2015, following the resignation of Mr. Josh Seegopaul, the Board appointed Mr. Stephen L. Johnson as new Board member.

Following the above, on 13 May 2015 the Board was reconstituted as a body, as follows:

N. Karamouzis	Chairman, Non-Executive (nominated as Chairman on 1 February 2015)
S. Lorentziadis	Vice Chairman, Non-Executive Independent
F. Karavias	Chief Executive Officer (nominated as CEO on 1 February 2015)
S. Ioannou	Deputy Chief Executive Officer (nominated as Deputy CEO on 28 April 2015)
T. Kalantonis	Deputy Chief Executive Officer (nominated as Deputy CEO on 28 April 2015)
W. S. Burton	Non-Executive
G. Chryssikos	Non-Executive
J. S. Haick	Non-Executive Independent
B. P. Martin	Non-Executive Independent
S.L. Johnson	Non-Executive Independent (nominated as Non-Executive Independent on 13 May 2015)
C. Andreou	Non-Executive (Greek State representative under Law 3723/2008 – appointed as of 6 March 2015)
K. H. Prince – Wright	Non-Executive (HFSF representative under Law 3864/2010)

29. Post balance sheet events

Resolution Fund contributions

In line with Law 3746/2009 and following a decision notified by Hellenic Deposit and Investment Guarantee Fund (HDIGF) in October 2015, Greek banks are required to pay in the year 2015 supplementary contributions for the funding of resolution measures for 'Panellinia Bank S.A', in relation to which the Bank's contribution is expected to amount to € 12 million and will be recognized in the fourth quarter of 2015.

Liability Management Exercise (LME)

On 29 October 2015, the Bank launched a Liability Management Exercise (LME), aiming to strengthen the Bank's CET1 and, in combination with the planned share capital increase of the Bank through a bookbuilding process, to cover the additional Bank's capital requirements, which have been derived from the Comprehensive Assessment of the Greek financial sector that was conducted by the SSM (note 6).

LME is effected on a voluntary basis inviting the holders of eligible securities to:

a) tender such outstanding securities, issued by the Bank and its SPVs (ERB Hellas Funding, ERB Hellas PLC and ERB Hellas Cayman), for cash at a purchase price equal to:

- Tier I securities (preferred securities), 50% of the liquidation preference of such securities
- Tier II securities (subordinated securities), 80% of the outstanding principal amount plus accrued interest
- Senior securities(1), 100% of the outstanding principal amount plus accrued interest or 100% of the early repurchase price where applicable (structured notes); and,

(1) Including the securities held by the Bank's subsidiaries for the benefit of their customers.

b) irrevocably and unconditionally instruct the relevant Offeror, which for all the said securities' takeover will be the Bank, exempting Series C of the Tier I securities, where the Offeror will be ERB Hellas Funding Limited to (i) deposit the aggregate purchase proceeds in the Bank's share capital increase account for the sole purpose of subscribing for new ordinary registered shares of the Bank at the new shares price to be set through the results of the bookbuilding process during the Bank's upcoming share capital increase (note 6), and (ii) deliver or procure the delivery to such holders of the relevant number of new shares determined.

The Bank will accept less than the aggregate tendered amount of securities if (i) the sum of the LME generated capital amount and the bookbulding process capital amount would exceed the capital requirement and (ii) the Bank determines in its sole discretion that it is appropriate to apply a scaling factor to acceptances in respect of the offers.

The Offer Period commenced on 4 November 2015 and will expire on 11 November 2015, whereas the announcement of the LME results is expected by 18 November 2015.

Details of other significant post balance sheet events are provided in the following notes:

Note 2-Principal accounting policies
Note 4- Greek Economy Liquidity Support Program
Note 6-Capital management
Note 10-Other impairment and non-recurring income/(expenses)
Note 11-Income tax and non-recurring tax adjustments
Note 17-Due to central banks
Note 20-Debt securities in issue
Note 22-Ordinary share capital and share premium
Note 24-Hybrid capital

30. Related parties

In May 2013, following its full subscription in the Bank's recapitalization of € 5,839 million, the HFSF became the controlling shareholder and a related party of the Bank. In May 2014, following the completion of the Bank's share capital increase for raising € 2,864 million, fully covered by private, institutional and other investors, the percentage of the ordinary shares with voting rights held by the HFSF decreased from 95.23% to 35.41%.

In addition, in the context of the Law 3864/2010 (the 'HFSF Law') as amended by Law 4254/2014, the HFSF's voting rights in the Bank's General Assemblies have been switched to restricted ones. Accordingly, as of early May 2014, the HFSF is no more the controlling shareholder of the Bank but is considered to have significant influence over it.

Furthermore, in the context of the amended HFSF Law and following the completion of the aforementioned Bank's share capital increase, on 28 August 2014 HFSF entered into a new Relationship Framework Agreement (RFA) with Eurobank, similar to that of the other systemic banks, which regulates, among others, (a) the Bank's corporate governance, (b) the development and approval of the Bank's Restructuring Plan, (c) the material obligations deriving from the Restructuring Plan and the switch of voting rights, (d) the monitoring of the implementation of the Restructuring Plan and the Bank's ensuing risk profile and (e) the significant matters requiring the HFSF's consent.

A number of banking transactions are entered into with related parties in the normal course of business and are conducted on an arm's length basis. These include loans, deposits and guarantees. In addition, as part of its normal course of business in investment banking activities, the Bank at times may hold positions in debt and equity instruments of related parties.

The outstanding balances of the said related party transactions and the relating income and expenses are as follows:

	30 September 2015				31 December 2014			
	Subsidiaries	Key management personnel (KMP)[1]	Entities controlled or jointly controlled by KMP, associates & joint ventures	HFSF	Subsidiaries	Key management personnel (KMP)[1]	Entities controlled or jointly controlled by KMP, associates & joint ventures	HFSF
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Due from credit institutions	**3,139**	**-**	**-**	**-**	3,394	-	-	-
Financial Instruments at fair value through P&L	**2**	**-**	**-**	**-**	47	-	-	-
Derivative Financial instruments assets	**6**	**-**	**-**	**-**	15	-	-	-
Investment Securities	**91**	**-**	**-**	**-**	313	-	-	-
Loans & advances to customers, net of provision	**1,519**	**7**	**4**	**-**	1,590	6	4	0
Other assets[2]	**25**	**-**	**-**	**4**	29	-	-	3
Due to credit institutions	**1,476**	**-**	**-**	**-**	3,368	-	-	-
Derivative financial instruments liabilities	**2**	**-**	**-**	**-**	3	-	-	-
Due to customers	**1,060**	**2**	**9**	**0**	1,492	3	9	0
Debt securities in issue	**862**	**-**	**-**	**-**	885	-	-	-
Other liabilities	**14**	**-**	**-**	**-**	18	-	-	9
Guarantees issued	**1,603**	**-**	**-**	**-**	1,785	-	-	-
Guarantees received	**-**	**0**	**-**	**-**	-	0	-	-

	Nine months ended 30 September 2015				Nine months ended 30 September 2014			
Net interest income	**(4)**	**0**	**0**	**0**	(18)	(0)	(0)	(0)
Net banking fee and commission income	**12**	**-**	**-**	**-**	4	-	-	-
Dividend income	**367**	**-**	**-**	**-**	59	-	-	-
Net trading income	**17**	**-**	**-**	**-**	(3)	-	-	-
Other operating income/(expense)	**(13)**	**-**	**(0)**	**1**	(13)	-	(0)	-
Impairment losses on loans and advances and collectors fees	**(118)**	**-**	**-**	**-**	(41)	-	(8)	-

(1) Key management personnel includes directors and key management personnel of the Bank and HFSF (until early May 2014) and their close family members. For the period until early May 2014, the amounts of income and expenses in relation with transactions with directors and key management personnel of HFSF and their close family members were immaterial.

(2) Receivable from HFSF pursuant to the terms of the relevant binding agreement for the acquisition of NHPB.

In addition, as at 30 September 2015 the loans, net of provisions, granted to entities controlled by the Bank pursuant to the terms of the relevant share pledge agreements amounted to € 3.6 million (31 December 2014: €3 million).

During the period ended 30 September 2015, the Bank has recorded impairment losses of € 101 million against the interbank placement and other receivables with its indirect subsidiary "PJSC Universal Bank" in Ukraine, which has been classified as held for sale operations in Group's financial statements as of March 2014. As at 30 September 2015, the impairment allowance for loans and receivables with Bank's consolidated subsidiaries and joint ventures amounted to € 188.5 million (31 December 2014: €88.5 million).

In relation to the guarantees issued, the Bank has received cash collateral of € 485 million as at 30 September 2015 (31 December 2014: €523 million), which is included in due to customers.

Key management compensation (directors and other key management personnel of the Bank)

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 4.41 million (30 September 2014: € 4.12 million) and long-term employee benefits of € 0.52 million (30 September 2014: € 0.48 million expense and € 0.11 million income relating with forfeited share options).

Athens, 10 November 2015

Nikolaos V. Karamouzis	Fokion C. Karavias	Harris V. Kokologiannis
I.D. No AB – 336562	I.D. No AI - 677962	I.D. No AK-021124
CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	GENERAL MANAGER OF GROUP FINANCE GROUP CHIEF FINANCIAL OFFICER