PIRAEUS BANK

PIRAEUS BANK S.A.

Interim Condensed Financial Information

31 March 2015

In accordance with the International Financial Reporting Standards

The attached interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on May 27th, 2015 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

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

Index to the Interim Condensed Financial Information

Amounts in thousand euros(Unless otherwise stated)

INTERIM INCOME STATEMENT	Note	Period from 1 January to 31 March 2015	Period from 1 January to 31 March 2014
Interest and similar income		710,333	748,403
Interest expense and similar charges		(267,880)	(361,249)
NET INTEREST INCOME		**442,453**	**387,154**
Fee and commission income		63,756	54,346
Fee and commission expense		(9,717)	(5,223)
NET FEE AND COMMISSION INCOME		**54,040**	**49,123**
Dividend income		467	25
Net income from financial instruments designated at fair value through profit or loss		(8,703)	(1,881)
Results from investment securities		(4,788)	5,311
Other operating income	7	48,544	2,750
TOTAL NET INCOME		**532,012**	**442,482**
Staff costs		(137,122)	(142,000)
Administrative expenses		(113,598)	(93,493)
Depreciation and amortisation		(21,844)	(32,939)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(272,565)**	**(268,433)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**259,448**	**174,050**
Impairment losses on loans	12	(222,690)	(438,839)
Impairment losses on other receivables		(4,592)	(16,623)
Other provisions and impairment		(1,332)	(929)
PROFIT/ (LOSS) BEFORE INCOME TAX		**30,834**	**(282,342)**
Income tax	8	(7,428)	73,317
PROFIT/ (LOSS) AFTER TAX		**23,405**	**(209,024)**
Earnings/ (losses) per share (in €):			
- Basic and Diluted	9	0.0038	(0.0400)

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to 31 March 2015	Period from 1 January to 31 March 2014
Profit/ (loss) after tax for the period (A)		**23,405**	**(209,024)**
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	10, 22	(44,509)	26,703
Amounts that can not be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	10, 22	8,350	-
Other comprehensive income, net of tax (B)		**(36,159)**	**26,703**
Total comprehensive income, net of tax (A)+(B)		**(12,754)**	**(182,321)**

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION	Note	31 March 2015	31 December 2014
ASSETS			
Cash and balances with Central Bank		2,642,229	2,864,234
Loans and advances to credit institutions		841,253	932,793
Financial assets at fair value through profit or loss	11	76,776	110,173
Derivative financial instruments - assets		525,824	506,941
Reverse repos with customers		30,304	63,632
Loans and advances to customers (net of provisions)	12	52,540,785	53,987,068
Available for sale securities	13	2,355,077	2,059,917
Debt securities - receivables	14	14,296,132	14,273,935
Assets held for sale		10,307	10,307
Inventories property		550,810	523,883
Investment property		320,019	321,636
Investments in subsidiaries		1,757,183	1,691,120
Investments in associated undertakings		239,311	279,154
Property, plant and equipment		843,357	838,804
Intangible assets		235,154	238,448
Deferred tax assets		3,968,359	3,950,983
Other assets		1,972,576	1,950,071
TOTAL ASSETS		**83,205,457**	**84,603,099**
LIABILITIES			
Due to credit institutions	16	30,949,099	24,566,067
Due to customers	17	42,201,271	50,240,344
Liabilities at fair value through profit or loss		-	1,853
Derivative financial instruments - liabilities		547,602	538,260
Debt securities in issue	18	591,765	661,341
Current income tax liabilities		9,970	9,007
Retirement benefit obligations		193,128	192,198
Other provisions		29,081	27,665
Other liabilities		1,080,651	747,116
Hybrid capital and other borrowed funds	19	228,777	232,381
TOTAL LIABILITIES		**75,831,344**	**77,216,232**
EQUITY			
Share capital	21	1,830,594	1,830,594
Share premium	21	11,393,315	11,393,315
Other reserves	22	(43,608)	(7,449)
Retained earnings	22	(5,806,188)	(5,829,593)
TOTAL EQUITY		**7,374,113**	**7,386,867**
TOTAL LIABILITIES AND EQUITY		**83,205,457**	**84,603,099**

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Opening balance as at 1 January 2014		**2,271,770**	**10,008,734**	**183,732**	**(4,195,148)**	**8,269,089**
Other comprehensive income, net of tax	10			26,703		26,703
Results after tax for the period 1/1/2014 - 31/3/2014	22				(209,024)	(209,024)
Total recognised income for the period 1/1/2014 - 31/3/2014		**0**	**0**	**26,703**	**(209,024)**	**(182,321)**
Balance as at 31 March 2014		**2,271,770**	**10,008,734**	**210,435**	**(4,404,172)**	**8,086,768**
Opening balance as at 1 April 2014		**2,271,770**	**10,008,734**	**210,435**	**(4,404,172)**	**8,086,768**
Other comprehensive income, net of tax				(217,884)		(217,884)
Results after tax for the period 1/4/2014 - 31/12/2014	22				(1,856,176)	(1,856,176)
Total recognised income for the period 1/4/2014 - 31/12/2014		**0**	**0**	**(217,884)**	**(1,856,176)**	**(2,074,060)**
Increase of share capital		308,824	1,384,581			1,693,404
Repurchase of preferred shares		(750,000)				(750,000)
Absorbtion of companies	22				430,755	430,755
Balance as at 31 December 2014		**1,830,594**	**11,393,315**	**(7,449)**	**(5,829,593)**	**7,386,867**
Opening balance as at 1 January 2015		**1,830,594**	**11,393,315**	**(7,449)**	**(5,829,593)**	**7,386,867**
Other comprehensive income, net of tax	10, 22			(36,159)		(36,159)
Results after tax for the period 1/1/2015 - 31/3/2015	22				23,405	23,405
Total recognised income for the period 1/1/2015 - 31/3/2015		**0**	**0**	**(36,159)**	**23,405**	**(12,754)**
Balance as at 31 March 2015		**1,830,594**	**11,393,315**	**(43,608)**	**(5,806,188)**	**7,374,113**

Amounts in thousand euros (Unless otherwise stated)

INTERIM CASH FLOW STATEMENT	**Period from 1 January to**	
	31 March 2015	**31 March 2014**
Cash flows from operating activities		
Profit / (loss) before tax	30,834	(282,342)
Adjustments to profit/ loss before tax:		
Add: provisions and impairment	228,614	456,391
Add: depreciation and amortisation charge	21,844	32,939
Add: retirement benefits	3,750	2,919
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss	(16,162)	15,343
(Gains)/ losses from investing activities	4,004	(5,338)
Cash flows from operating activities before changes in operating assets and liabilities	272,884	219,912
Changes in operating assets and liabilities:		
Net (increase)/ decrease in cash and balances with Central Bank	(288,754)	2,189
Net (increase)/ decrease in financial instruments at fair value through profit or loss	33,338	(32,782)
Net (increase)/ decrease in loans and advances to credit Institutions	4,565	16,347
Net (increase)/ decrease in loans and advances to customers	1,198,492	2,435,214
Net (increase)/ decrease in debt securities - receivables	(22,197)	(1,261)
Net (increase)/ decrease in reverse repos with customers	33,329	(104,048)
Net (increase)/ decrease in other assets	(65,445)	(64,302)
Net increase/ (decrease) in amounts due to credit institutions	6,383,031	(3,008,634)
Net increase/ (decrease) in liabilities at fair value through profit or loss	(1,853)	(549)
Net increase/ (decrease) in amounts due to customers	(8,039,073)	80,214
Net increase/ (decrease) in other liabilities	340,141	(3,324)
Net cash flow from operating activities before income tax payment	(151,541)	(461,023)
Income tax paid	-	-
Net cash inflow/ (outflow) from operating activities	**(151,541)**	**(461,023)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(14,082)	(13,222)
Sales of property, plant and equipment	1,543	16,537
Purchases of intangible assets	(6,683)	(3,167)
Purchases of investment securities	(1,922,996)	(1,798,514)
Disposals/ maturity of investment securities	1,568,993	2,106,532
Acquisition of subsidiaries and participation in share capital increases	(29,372)	-
Acquisition of associates and participation in share capital increases	(28,326)	(200)
Sales of associates	30,401	-
Dividends receipts from available for sale securities	371	-
Net cash inflow/ (outflow) from investing activities	**(400,151)**	**307,967**
Cash flows from financing activities		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(73,358)	470,617
Net cash inflow/ (outflow) from financing activities	**(73,358)**	**470,617**
Effect of exchange rate changes on cash and cash equivalents	27,317	1,839
Net increase/ (decrease) in cash and cash equivalents of the period (A)	**(597,734)**	**319,400**
Cash and cash equivalents at the beginning of the period (B)	**1,926,139**	**1,040,989**
Cash and cash equivalents at the end of the period (A)+(B)	**1,328,405**	**1,360,389**

1 General Information about the Bank

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Laws 2190/1920 on societés anonymes, 3601/2007 on credit institutions, and other relevant laws. According to article 2 of its Statute, the scope of the company is to execute, on its behalf or on behalf of third parties, any and every operation acknowledged or delegated by law to banks.

Piraeus Bank is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece and in London (U.K.). The Bank employs in total 14,328 people.

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

2 General accounting policies, significant accounting estimates and judgements

a. General accounting policies

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

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

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

  <u>Improvements to IFRSs 2011 - 2013 (December 2013)</u>

- **IFRS 3 (Amendment), "Business Combinations" (effective for annual periods beginning on or after 1 January 2015**). The amendment clarifies that joint arrangements as well as joint ventures are outside the scope of IFRS 3.

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

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

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

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

For the preparation of financial statements, the Bank proceeds to certain accounting estimates and judgements that affect the reported amounts of certain assets and liabilities in the financial statements. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events.

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

b.1. Impairment losses on loans and other receivables

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

b.2. Fair value of derivative financial instruments

The fair values of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. All models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require Management's estimates. Assumptions and estimates that affect the reported fair values of financial instruments are examined regularly and when market conditions change significantly.

The valuation models for derivative financial instruments are based on best market practice and take into account the effect of credit risk (CVA/ DVA) in determining fair value. The calculation of credit adjustments take into account the future expected credit exposure, which is estimated using simulation techniques for the derivatives' future fair values, in combination with the currently in force netting agreements and collateral held.

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

Concerning the effect of own credit risk for the valuation of derivative financial instruments, the Bank applies the same methodology used for the calculation of CVA.

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

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

Available for sale portfolio

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

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

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

Associate companies

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

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

b.4. Investment property

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

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

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

b.5. Defined benefits obligation

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

b.6. Provisions and contingent liabilities

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

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

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

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

b.7. Recoverability of Deferred Tax Assets

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

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

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

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

b.8. Goodwill/negative goodwill

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

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

b.9. Greek public sector

Piraeus Bank's management makes significant estimates and assumptions regarding the progress of the Greek economy. The economic situation in Greece, such as the four-month extension of the existing loan agreement in order to assess the current program, create uncertainties that may affect the creditworthiness of the Greek public sector. Reference to the Management's estimates concerning the economic developments is made in note 3.

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

Basis of preparation

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

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

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

Going concern basis

The interim condensed financial information has been prepared on a going concern basis. Piraeus Bank's Management estimates that the Bank will continue in operational existence for the foreseeable future:

Macroeconomic environment

The economic situation in Greece, combined with the political developments, remains the main risk factor for the Greek banking sector. The ongoing recession of the last six years led to the accumulated loss of approximately 25% of the GDP. In 2014, the economy returned to a growth rate of 0.8% and achieved a primary surplus, which according to the initial estimation of the Ministry of Finance, is limited to 0.3% of the GDP compared to the target of 1.5% (set by the Program of Financial Policy). In the extraordinary Eurogroup of the 20th February 2015, the government agreed with the EU, the ECB and the IMF (here on the "Institutions"), the extension of the existing loan agreement (Master Financial Assistance Facility Agreement - MFFA), until the end of June, so as to complete the assessment of the current program and achieve a potential future new agreement.

The Greek Government and the Institutions are under negotiations for an agreement. The disbursement of the last instalment of the second E.E. program and the instalment of the IMF (the IMF program is completed in the 1st quarter of 2016) or any approval by the Institutions for additional financing, will depend on the successful completion of the assessment and the joint agreement on the necessary reforms.

The aforementioned developments create significant uncertainties concerning the course of the Greek economy, which are likely to have a significant negative impact on the capital adequacy and the liquidity of the banking sector. Piraeus Bank's management closely monitors the developments and assesses periodically the impact that any negative developments in these areas might have in its operations.

Capital adequacy

In April 2014, the Bank´s share capital increase of € 1.75 billion was completed, with the aim to: a) meet the capital needs as determined by the Bank of Greece in March 2014 (€ 425 million in the baseline scenario (binding) and € 757 million in the adverse scenario), b) improve the Bank´s capital position through acquiring in full the preference shares of total nominal amount € 750 million (completed in May 2014) and c) further strengthen the capital adequacy ratios of the Bank.

Piraeus Bank participated, as one of the 128 systemically important European banks, in the "Comprehensive Assessment" conducted by ECB, within the framework for the creation of the Single Supervisory Mechanism (SSM) for European Union banks. The assessment that began in November 2013 and was completed with the announcement of the results as at 26 October 2014, was conducted by reference to a balance sheet as of 31st December 2013 ("Static Balance Sheet"), and Piraeus' restructuring plan ("Dynamic Balance Sheet"). The assessment of the Bank based on the "Static Balance Sheet" and the "Dynamic Balance Sheet" was stressed under a "baseline" and "adverse" scenario.

In the Dynamic Balance Sheet approach, Piraeus Bank resulted with a Common Equity Tier 1 capital ratio (CET1) of 11.4% under the "baseline" scenario and 6.7% under the "adverse" scenario, against minimum threshold requirements of 8.0% and 5.5% respectively. The Static Balance Sheet approach, combined with the impact of the € 1.75 billion capital increase that took place in April 2014 and the € 750 million repayment of the State preference shares in May 2014, leads to a CET1 ratio of the Bank of 10.7% and 6.1% in the "baseline" and "adverse" scenarios respectively. These ratios do not take into account the benefit of the potential conversion of deferred tax assets to deferred tax credit (L.4302/2014 as amended on 16 October 2014).

Based on the results of the Comprehensive Assessment conducted by ECB, no additional capital needs arose for Piraeus Bank.

Liquidity

During the first months of 2015, the Greek banking system had to raise liquidity from the emergency liquidity assistance (ELA) mechanism to cover the short term financing needs resulting from the decision of the ECB to suspend acceptance of securities issued or guaranteed by the Greek government for main refinancing operations, as well as from the significant reduction of domestic deposits due to economical uncertainty. Domestic deposits reduced by € 29 billion during the 4-month period December-March 2015 at € 149 billion. Respectively, the exposure of all banks in the Eurosystem increased from € 45 billion at the end of November 2014 to € 107 billion at the end of March 2015, of which about € 69 billion was covered by the Emergency Liquidity Assistance. The provision of liquidity support by the ELA is granted to adequately capitalized credit institutions that have acceptable assets as collateral, and is assessed on a regular basis by the ECB.

Piraeus Bank's management, after taking into account its strong capital base, the available acceptable collateral and the commitment of the Eurosystem to provide liquidity in case that the country remains within the European program, expects to be able to cover its short-term financing needs.

Amounts in thousand euros (Unless otherwise stated)

4 Fair values of assets and liabilities

a) Assets and liabilities not measured at fair value

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

Assets	Carrying value		Fair value	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Loans and advances to credit Institutions	841,253	932,793	841,253	932,793
Loans and advances to customers (net of provisions)	52,540,785	53,987,068	51,683,889	53,230,068
Debt securities - receivables	14,296,132	14,273,935	14,771,856	14,641,345
Reverse repos with customers	30,304	63,632	30,304	63,632

Liabilities	Carrying value		Fair value	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Due to credit institutions	30,949,099	24,566,067	30,949,099	24,566,067
Due to customers	42,201,271	50,240,344	42,201,271	50,240,344
Debt securities in issue	591,765	661,341	412,967	532,140
Hybrid capital and other borrowed funds	228,777	232,381	154,967	197,327

The fair values as at 31/3/2015 of loans and advances to credit institutions, reverse repos with customers, due to credit institutions and due to customers which are measured at amortized cost, are not materially different from the respective carrying values since they are very short term in duration and priced at current market rates. These rates are often repriced and due to their short duration they are discounted with the risk free rate.

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

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

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

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

b) Assets and liabilities measured at fair value

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

<u>Level 1</u>

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

Amounts in thousand euros (Unless otherwise stated)

Level 2

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

Level 3

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

Shares categorized in the available for sale portfolio

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

Derivative financial instruments

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

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

Assets & Liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Derivative financial instruments - assets	-	518,629	7,195	**525,824**
Financial Assets at fair value through profit or loss				
- Trading Bonds	76,776	-	-	**76,776**
Available for Sale Securities				
- Bonds	274,045	237	-	**274,283**
- Treasury bills	1,800,695	-	-	**1,800,695**
- Shares & Other variable income securities	113,376	-	166,723	**280,099**
Liabilities				
Derivative financial instruments - liabilities	-	547,601	-	**547,601**

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

For assets and liabilities valued at fair value on 31/3/2015, no transfer from level 1 to level 2 and vice versa occurred in first quarter of 2015.

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

Reconciliation of level 3 items	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening Balance 1/1/2015	18,488	166,553
Purchases	-	1
Profit/ (loss) for the period	(11,293)	-
Foreign exchange differences	-	169
Total 31/3/2015	**7,195**	**166,723**

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

Sensitivity analysis of level 3 hierarchy: (amounts in € million)	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(21)
Derivative financial instruments - assets	7	(7)
Equity		
Available for sale shares & other variable income securities	21	(3)

Considering changes in the underlying share price by +/- 5%, in the volatility of the share price by +/- 10%, in interest rates by +/- 10 basis points and in credit spreads by +/- 100 basis points, the change in the fair value of the embedded derivative as compared to its fair value as at 31/3/2015, will range between about +91% in the scenarios of favourable changes and -98% in the scenarios of unfavourable changes.

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

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

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

5 Offsetting of financial assets and liabilities

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

i. The financial assets and liabilities, which are offset in accordance with the criteria of IAS 32 and the net amount that is presented in the statement of financial position, when there is a legally enforceable right and the intention to settle the net amounts or simultaneously collect the receivable and settle the obligation.

ii. The transactions which appertain to International Swaps and Derivatives Association (ISDA) contracts and similar master netting agreements irrespectively of whether these are offset or not in the statement of financial position.

The Bank has not offset any financial assets or liabilities on 31/3/2015 and 31/12/2014, given that the netting criteria mentioned in the first case (i) are not fulfilled.

The following tables, present the recognized on 31/3/2015 and 31/12/2014 financial instruments, for which ISDA and similar master netting agreements (case (ii)) exist, as well as the net effect on the statement of financial position of the Bank from the exercise of netting rights (“net amount”). These tables include mainly the following financial instruments: a) interest rate swap contracts (IRSs) and cross currency interest rate swap contracts, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement (GMRA).

Amounts in thousand euros (Unless otherwise stated)

31/03/2015	Recognized financial assets (amounts to be offset)	Financial liabilities (amounts offset)	Net amount of financial assets	Related amounts not offset in the Statement of Financial Position: Financial instruments collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	525,561	-	525,561	-	-	525,561
Total	**525,561**	**0**	**525,561**	**0**	**0**	**525,561**

31/03/2015	Recognized financial liabilities (amounts to be offset)	Financial assets (amounts offset)	Net amount of financial liabilities	Related amounts not offset in the Statement of Financial Position: Financial instruments collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	519,869	-	519,869	-	519,869	-
Repurchase agreements	215,522	-	215,522	215,322	200	-
Total	**735,391**	**0**	**735,391**	**215,322**	**520,069**	**0**

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

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

6 Business segments

Piraeus Bank has defined the following business segments:

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

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

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

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

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

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

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

Amounts in thousand euros (Unless otherwise stated)

1/1 - 31/3/2015	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	279,226	179,464	-	35,407	(51,644)	**442,453**
Net fee and commission income	43,583	8,158	15	1,720	564	**54,040**
Other income	(82)	1,456	-	12,641	21,505	**35,520**
Net income	**322,727**	**189,078**	**15**	**49,767**	**(29,575)**	**532,012**
Depreciation and amortisation	(6,001)	(20)	-	(143)	(15,680)	**(21,844)**
Other operating expenses	(216,014)	(18,663)	(723)	(15,321)	-	**(250,720)**
Results before provisions, impairment and income tax	**100,712**	**170,395**	**(708)**	**34,303**	**(45,255)**	**259,448**
Impairment losses on loans	(74,907)	(147,784)	-	-	-	**(222,690)**
Impairment losses on other receivables	-	-	-	-	(4,592)	**(4,592)**
Other provisions and impairment	(977)	(355)	-	-	-	**(1,332)**
Results before tax	**24,828**	**22,256**	**(708)**	**34,303**	**(49,847)**	**30,834**
Income tax						(7,428)
Results after tax						**23,406**
As at 31 March 2015						
Total assets	39,788,179	14,041,348	40	20,002,147	9,373,743	**83,205,457**
Total liabilities	39,955,855	1,192,738	19	32,938,428	1,744,304	**75,831,344**
Capital expenditure	3,587	46	9	327	16,798	**20,766**

Amounts in thousand euros (Unless otherwise stated)

1/1 - 31/3/2014	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	232,114	162,280	-	18,682	(25,923)	**387,154**
Net fee and commission income	33,689	13,100	1,872	436	26	**49,123**
Other income	2,588	330	(15)	1,313	1,988	**6,205**
Net income	**268,391**	**175,710**	**1,858**	**20,431**	**(23,908)**	**442,482**
Depreciation and amortisation	(21,494)	(20)	-	(55)	(11,370)	**(32,939)**
Other operating expenses	(206,760)	(16,949)	(442)	(11,343)	-	**(235,494)**
Results before provisions, impairment and income tax	**40,137**	**158,741**	**1,416**	**9,034**	**(35,278)**	**174,050**
Impairment losses on loans	(349,618)	(89,221)	-	-	-	**(438,839)**
Impairment losses on other receivables	-	-	-	-	(16,623)	**(16,623)**
Other provisions and impairment	(440)	(160)	-	-	(329)	**(929)**
Results before tax	**(309,921)**	**69,360**	**1,416**	**9,034**	**(52,230)**	**(282,341)**
Income tax						73,317
Results after tax						**(209,024)**
As at 31 December 2014						
Total assets	41,089,096	13,904,497	22	19,879,050	9,730,434	**84,603,099**
Total liabilities	46,463,251	1,842,336	257	27,039,817	1,870,571	**77,216,233**
As at 31 March 2014						
Capital expenditure	5,260	111	33	443	10,542	**16,388**

Amounts in thousand euros (Unless otherwise stated)

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

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

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

31/3/2015	Balance before allowances and adjustments	Accumulate allowances and adjustments	Balance net of allowances and adjustments
Corporate	18,137,922	(8,204,691)	9,933,231
Mortgages	4,732,534	(1,027,337)	3,705,197
Consumer	3,391,472	(1,944,942)	1,446,530
Total	**26,261,928**	**(11,176,970)**	**15,084,958**

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

Total liabilities include deposits of customers of the unit "Recovery Business Unit" (RBU) of amount € 410,579 thousand (31/12/2014: € 430,828 thousand).

7 Other operating income

"Other operating income" of the 1st quarter 2015 includes a gain of approximately € 43 million from a claim settlement (the difference between the amount finally received and the book value).

8 Income tax

	1/1-31/3/2015	1/1-31/3/2014
Current tax	(817)	(3,285)
Deferred tax	(6,611)	76,602
Total	**(7,428)**	**73,317**

In accordance with the provisions of the enacted Greek Tax Law (L.4172/2013), the income tax rate for Greek legal entities is set at 26% for the years from 1/1/2014 and thereon and at 10% for dividends distribution, which will be approved from 1/1/2014 and thereon.

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

Amounts in thousand euros (Unless otherwise stated)

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

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

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

For the fiscal year of 2014, the tax audit is being performed by PricewaterhouseCoopers S.A., and it is not expected that additional tax liabilities will arise, in excess of those already recorded and presented in the financial statements, upon the completion of the tax audit.

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

As at 31/03/2015, deferred tax assets of the Bank meeting the provisions of Law, rise up to € 3.5 billion, of which € 1.3 billion regards the remaining unamortized amount of debit difference from the participation on the Private Sector Involvement program PSI and € 2.2 billion regards on the differences on International Financial Reporting Standards accumulated provisions for loan impairments, and tax provisions respectively.

9 Earnings/ (losses) per share

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

Basic and diluted earnings/ (losses) per share	1/1-31/3/2015	1/1-31/3/2014
Profit/ (loss) attributable to ordinary shareholders	23,405	(209,024)
Weighted average number of ordinary shares in issue	6,101,979,715	5,223,223,219
Basic and diluted earnings/ (losses) per share (in €)	0.0038	(0.0400)

Amounts in thousand euros (Unless otherwise stated)

10 Analysis of other comprehensive income

1/1 - 31/3/2015	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve (note 22)	(60,148)	15,638	(44,509)
Amounts that can not be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	8,350	8,350
Other comprehensive income	**(60,148)**	**23,988**	**(36,159)**

1/1 - 31/3/2014	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	36,085	(9,382)	26,703
Amounts that can not be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income	**36,085**	**(9,382)**	**26,703**

11 Financial assets at fair value through profit or loss

	31 March 2015	31 December 2014
Greek government bonds	76,751	110,151
Corporate entities bonds	25	23
Total financial assets at fair value through profit or loss	**76,776**	**110,173**

12 Loans and advances to customers

	31 March 2015	31 December 2014
Mortgages	16,503,843	16,493,547
Consumer/ personal and other loans	3,836,381	3,865,998
Credit cards	1,037,821	1,065,755
Loans to individuals	**21,378,046**	**21,425,300**
Loans to corporate entities and Public sector	**37,735,544**	**39,310,855**
Total loans and advances to customers (before allowances for losses)	**59,113,590**	**60,736,155**
Less: Allowance for impairment on loans and advances to customers	(6,572,805)	(6,749,087)
Total loans and advances to customers (net of provisions)	**52,540,785**	**53,987,068**

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

Amounts in thousand euros (Unless otherwise stated)

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

	Mortgages	Consumer/ personal and other retail loans	Credit Cards	**Total Loans to individuals**	**Loans to corporate entities and Public sector**	**Total**
Opening balance at 1/1/2014	**277,721**	**624,842**	**242,219**	**1,144,782**	**3,373,376**	**4,518,158**
Charge for the period	20,452	32,016	31,637	**84,105**	354,734	**438,839**
Loans written-off	(334)	(8,928)	(12,259)	**(21,521)**	(6,966)	**(28,488)**
Foreign exchange differences and other movements	(640)	513	(426)	**(553)**	(29,885)	**(30,438)**
Balance at 31/3/2014	**297,199**	**648,442**	**261,171**	**1,206,813**	**3,691,259**	**4,898,072**
Opening balance at 1/4/2014	**297,199**	**648,442**	**261,171**	**1,206,813**	**3,691,259**	**4,898,072**
Charge for the period	560,921	186,940	(8,981)	**738,880**	2,416,086	**3,154,966**
Loans written-off	(16,622)	(64,974)	(18,166)	**(99,762)**	(745,643)	**(845,405)**
Foreign exchange differences and other movements	(65,805)	(51,194)	(7,099)	**(124,098)**	(334,447)	**(458,545)**
Balance at 31/12/2014	**775,693**	**719,215**	**226,925**	**1,721,833**	**5,027,255**	**6,749,087**
Opening balance at 1/1/2015	**775,693**	**719,215**	**226,925**	**1,721,833**	**5,027,255**	**6,749,087**
Charge for the period	15,103	24,097	24,510	**63,710**	158,981	**222,690**
Loans written-off	-	(26,289)	(11,221)	**(37,510)**	(287,227)	**(324,737)**
Foreign exchange differences and other movements	347	(5,012)	(1,946)	**(6,611)**	(67,625)	**(74,236)**
Balance at 31/3/2015	**791,144**	**712,011**	**238,267**	**1,741,422**	**4,831,383**	**6,572,804**

Amounts in thousand euros (Unless otherwise stated)

13 Available for sale securities

	31 March 2015	31 December 2014
Greek Government bonds	273,524	310,799
Foreign Government bonds	-	5,792
Greek Government treasury bills	1,800,695	1,457,146
Corporate entities bonds	521	782
Bank bonds	238	228
Total bonds and other fixed income securities (A)	**2,074,978**	**1,774,747**
Listed shares	50,979	50,082
Unlisted shares	161,203	158,027
Mutual funds	47,625	46,838
Other variable income securities	20,292	30,223
Total shares and other variable income securities (B)	**280,099**	**285,170**
Total available for sale securities (A) + (B)	**2,355,077**	**2,059,917**

14 Debt securities - receivables

	31 March 2015	31 December 2014
Corporate entities debt securities - receivables	5,577	5,152
Bank debt securities - receivables	23,846	23,846
EFSF bonds debt securities - receivables	14,290,555	14,268,783
Total debt securities - receivables	**14,319,977**	**14,297,780**
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
Total debt securities - receivables (less allowances for losses)	**14,296,132**	**14,273,935**

Amounts in thousand euros (Unless otherwise stated)

15 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiary companies

s/n	Name of Company	Activity	% holding	Country
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.49%	Egypt
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus
8.	Piraeus Leases S.A.	Finance leases	100.00%	Greece
9.	Piraeus Leasing Romania S.R.L.	Finance leases	99.85%	Romania
10.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece
11.	Tirana Leasing S.A.	Finance leases	100.00%	Albania
12.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece
13.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom
14.	Piraeus Leasing Bulgaria EAD	Finance leases	94.83%	Bulgaria
15.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom
16.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece
17.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece
18.	Picar S.A.	City Link areas management	100.00%	Greece
19.	Bulfina S.A.	Property management	100.00%	Bulgaria
20.	General Construction and Development Co. S.A.	Property development/ holding company	66.66%	Greece
21.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece
22.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece
23.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
24.	ND Development S.A.	Property management	100.00%	Greece
25.	Property Horizon S.A.	Property management	100.00%	Greece
26.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece
27.	Piraeus Development S.A.	Property management	100.00%	Greece
28.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece
29.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
30.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.85%	Cyprus
31.	Lakkos Mikelli Real Estate LTD	Property management	40.00%	Cyprus

Amounts in thousand euros (Unless otherwise stated)

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

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country
65.	Trastor Real Estate Investment Company	Real estate investment company	70.88%	Greece
66.	Geniki Special Business Services S.A.	Advising, consultancy, organizational and training services.	100.00%	Greece
67.	Geniki Financial & Consulting Services S.A.	Financial & Consulting Services	100.00%	Greece
68.	Geniki Insurance Agency S.A.	Insurance Agency	80.00%	Greece
69.	Geniki Information S.A.	Assessment and collection of commercial debts	100.00%	Greece
70.	Marathon 1 Greenvale Rd LLC	Real estate development	99.95%	U.S.A.
71.	Holding Spectacles S.A.	Holding company	100.00%	Greece
72.	Piraeus ACT Services S.A. (former ACT Services S.A.)	Accounting and tax consulting	100.00%	Greece
73.	Cyprus Leasing S.A.	Finance leases	100.00%	Greece

Companies numbered 29, 41, 45, 46, 48-51 and 63 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 31, 32 and 56 are included in the Bank’s subsidiaries portfolio due to the existence of control in Group level. In addition, the companies numbered 16, 35, 36 and 71 are under liquidation as at 31/3/2015. Company numbered 58 has been classified in line "Assets held for sale" as the classification criteria IFRS 5 are met.The financial figures and results of the company numbered 73 are included in the Financial Statements of the Piraeus Bank.

B) Associate companies

s/n	Name of Company	Activity	% holding	Country
1.	Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece
2.	"Evros" Development Company S.A.	European community programs management	30.00%	Greece
3.	Project on Line S.A.	Information technology & software	40.00%	Greece
4.	APE Commercial Property Real Estate Tourist & Development S.A.	Holding Company	27.80%	Greece
5.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece
6.	Trieris Real Estate LTD	Property Management	22.94%	British Virgin Islands
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	28.65%	Greece
8.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece
9.	Sciens International Investments & Holding S.A.	Holding Company	28.10%	Greece
10.	Euroterra S.A.	Property Management	39.22%	Greece
11.	Rebikat S.A.	Property Management	40.00%	Greece
12.	Abies S.A.	Property Management	40.00%	Greece
13.	Exus S.A.	Information technology & software	49.90%	Greece
14.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece
15.	Teiresias S.A.	Inter banking company. Development, operation and management of information systems	23.53%	Greece

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country
16.	Pyrrichos S.A.	Property management	50.77%	Greece
17.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	23.42%	Greece
18.	Euroak S.A. Real Estate	Real Estate Investment	32.81%	Greece
19.	Olganos Real Estate S.A.	Property management/Electricity Production from Hydropower Stations	32.27%	Greece
20.	Exus Software Ltd.	IT products Retailer	49.90%	United Kingdom
21.	Marfin Investment Group Holdings S.A.	Holding Company	28.50%	Greece
22.	Selonda Aquaculture S.A.	Fish farming. Production and supply of sea-bass and sea-bream, in particular.	33.85%	Greece

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

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

16 Due to credit institutions

"Due to credit institutions" as at 31/3/2015, includes refinancing operations through repo transactions within the eurosystem amounting to € 30.3 billion (31/12/2014: € 14.1 billion). The increase in the refinancing raised during the first quarter of 2015, is mainly due to the reduction of domestic deposits due to economical uncertainty, the reduced access to international repo markets, as well as due to the liquidity raised from the emergency liquidity assistance (ELA) mechanism, following ECB´s decision to suspend the acceptance of securities issued or guaranteed by the Greek government for main refinancing operations.

17 Due to customers

	31 March 2015	31 December 2014
Corporate		
Current and sight deposits	5,186,334	6,161,212
Term deposits	3,215,248	4,980,518
Blocked deposits, guarantee deposits and other accounts	162,348	101,221
Repurchase agreements	168	1,476
Total (A)	**8,564,098**	**11,244,427**
Retail		
Current and sight deposits	2,164,015	2,402,931
Savings account	12,443,477	12,897,426
Term deposits	18,928,809	23,599,427
Blocked deposits, guarantee deposits and other accounts	9,113	8,688
Total (B)	**33,545,414**	**38,908,471**
Cheques payable and remittances (C)	**91,759**	**87,446**
Total Due to Customers (A)+(B)+(C)	**42,201,271**	**50,240,344**

The decrease in «Due to customers» in the first quarter of 2015, is due to the observed decrease in deposits in Greece during this period.

18 Debt securities in issue

	31 March 2015	31 December 2014
Euro Medium Term Note		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 500 m. fixed rate notes due 2017	410,682	447,805
Accrued interest and other expenses	587	17,928
Total (A)	**471,269**	**525,733**
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	35,606	46,600
€ 1,250 m. floating rate notes due 2054	58,803	59,916
€ 600 m. floating rate notes due 2051	26,086	29,092
Total (B)	**120,495**	**135,607**
Total debt securities in issue (A)+(B)	**591,765**	**661,341**

It should be noted that, apart from the debt securities in the table above, as of 31/03/2015 liabilities arising from securitisations of loans are retained by Piraeus Bank. These issues are the first and third securitisation of corporate loans in the amount of € 1,750 million and € 2,352 million respectively as well as the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively.

As of 31/03/2015 a total of € 2,000 million Covered Bonds, issued by Piraeus Bank, are retained by Piraeus Bank. These covered bonds are one issue of € 1,250 million and one issue of € 750 million, due February 2017 and December 2016 respectively, under Piraeus Bank's Global Covered Bond Programme.

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

In January 2015, Piraeus Bank issued a € 3,100 million senior bond, due April 2015, with the unconditional and irrevocable guarantee of the Hellenic Republic, under Art. 2 of Law 3723/2008, through Piraeus Bank's EMTN programme. The bond pays a floating rate coupon of 3M Euribor plus 600 bps and is retained by Piraeus Bank. In March 2015, bonds of € 4,500 million and € 1,750 million, issued in 2014 by Piraeus Bank with the unconditional and irrevocable guarantee of the Hellenic Republic (art. 2 of Law 3723/2008) and retained by Piraeus Bank, matured and were not renewed.

As at 31/03/2015, face value of € 87.5 million of the € 500 milion fixed coupon, senior unsecured notes due 2017 were retained by Piraeus Bank.

Piraeus Bank, during the period 01/01/2015 – 31/03/2015, proceeded to the buy back of bonds of securitised loans of total amount after amortization of € 10.4 million.

19 Hybrid capital and other borrowed funds

	31 March 2015	31 December 2014
Hybrid Capital (Tier I)		
€ 200 m. floating rate notes due 2034	16,279	16,373
	16,279	**16,373**
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	211,668	215,132
Accrued interest and other expenses	830	876
	212,498	**216,008**
Total hybrid capital and other borrowed funds	**228,777**	**232,381**

Amounts in thousand euros (Unless otherwise stated)

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

Piraeus Bank, during the period 01/01/2015 – 31/03/2015, proceeded to the buy back of hybrid securities and subordinated securities of total amount € 3.6 million.

20 Contingent liabilities and commitments

A) Legal procedures

It is noted that the Bank as at 31/3/2015 has raised a provision for outstanding litigations of amount € 12.5 million against € 11.2 million at 31/12/2014.The legal proceedings outstanding against the Bank as at 31/3/2015, for which no provisions were recorded, are not expected to have any significant impact on the financial statements of the Bank.

B) Credit commitments

As at 31/3/2015 the Bank had the following capital commitments:

	31 March 2015	31 December 2014
Letters of guarantee	3,089,855	3,123,380
Letters of credit	30,658	30,861
Commitments to extent credit	1,382,604	1,443,145
	4,503,117	**4,597,386**

C) Assets pledged

	31 March 2015	31 December 2014
Cash and balances with Central Bank	1,316,266	1,028,484
Financial instruments at fair value through profit or loss	-	74,330
Investment securities	793,674	1,081,727
Loans and advances to customers	20,451,585	4,046,740
Debt securities - receivables	14,043,271	5,738,198
	36,604,796	**11,969,479**

The above mentioned assets pledged are mainly used for liquidity purposes. Apart from the aforementioned assets, the Bank also pledges debt securities of own issue amounting to € 10,003 million as at 31/3/2015 (31/12/2014: € 6,284 million). The amount of €10,003 million includes securities of amount € 3,140 million, that had been issued with the unconditional and irrecoverable guarantee of the Hellenic Republic, securities of amount € 4,862 million issued under the securitization of consumer and corporate loans of the Bank and securities of amount € 2,001 million from the issuance of covered bonds of the Bank. The aforementioned securities are not included in the Bank's assets. Additionally, under interbank repurchase agreement (repo) transactions, EFSF debt securities amounting to € 227 million (31/12/2014: € 8,531 million) are also used for liquidity purposes.

It is also noted that the "Loans and advances to customers" include loans of €3,104 million (31/12/2014: € 2,998 million) which have been pledged under Law 3723 / 2008 for liquidity purposes and loans amounting to €16,185 million, which have been pledged under financing from the E.L.A..

Amounts in thousand euros (Unless otherwise stated)

D) Operating lease commitments

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

	31 March 2015	31 December 2014
Up to 1 year	57,700	65,673
From 1 to 5 years	235,049	267,155
More than 5 years	433,454	496,204
	726,204	**829,032**

21 Share capital

	Share Capital	Share premium	Total
Opening balance at 1 January 2014	**2,271,770**	**10,008,734**	**12,280,504**
Increase of share capital	308,824	1,384,581	1,693,404
Repurchase of preferred shares	(750,000)	-	(750,000)
Balance at 31 December 2014	**1,830,594**	**11,393,315**	**13,223,909**
Balance at 31 March 2015	**1,830,594**	**11,393,315**	**13,223,909**

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

Following the share capital increase and the redemption of preference shares that took place in 2014, the share capital of the Bank on 31/12/2014 and 31/3/2015 amounted to € 1,830,593,914.50 divided into 6,101,979,715 ordinary registered shares with a nominal value of € 0.30 each. The amendment to the articles of association of the Bank, related to the cancellation of the preference shares of the Hellenic Republic, has been resolved by the Bank's Extraordinary General Meeting of Shareholders dated 30/10/2014 and it is subject to the approval by the supervising authority.

For fiscal year 2014 there is no distributable profit or relevant amounts related to distributable reserves, according to the requirements of the Article of Association and the Law. Therefore, article 44a of Law 2190/1920 applies and consequently payment of dividends by cash or shares is not allowed. For this reason, the Board of Directors of Piraeus Bank will propose the non – distribution of dividends for the fiscal year 2014 in the Annual Ordinary General Meeting of Shareholders, which will take place within 2015.

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

Amounts in thousand euros (Unless otherwise stated)

22 Other reserves and retained earnings

	31 March 2015	31 December 2014
Legal reserve	69,442	69,442
Available for sale reserve	(89,286)	(44,777)
Reserve of defined benefit obligations	(23,764)	(32,114)
Total other reserves	**(43,608)**	**(7,449)**

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

Available for sale reserve	31 March 2015	31 December 2014
Opening balance for the period	(44,777)	108,039
Opening balance of acquired banking activities	-	798
Gains/ (losses) from the valuation of bonds and Greek government treasury bills	(59,034)	(95,331)
Gains/ (losses) from the valuation of shares and mutual funds	15	(74,568)
Recycling to income statement of shares and mutual funds impairment	-	34,772
Recycling of the accumulated fair value adjustment of disposed securities	(1,128)	(72,179)
Deferred income taxes	15,638	53,692
Closing balance for the period	**(89,286)**	**(44,777)**

Retained earnings movement	31 March 2015	31 December 2014
Opening balance for the period	(5,829,593)	(4,195,148)
Profit/ (loss) after tax	23,405	(2,065,200)
Absorbtion of company	-	430,755
Closing balance for the period	**(5,806,188)**	**(5,829,593)**

23 Related parties transactions

Related parties include: a) Members of the Bank Board of Directors and key management personnel of the Bank, b) Close family and financially dependants (husbands, wives, children etc) of the Board of Directors members and key management personnel, c) Companies having transactions with Piraeus Bank, if the total cumulative participating interest (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds cumulatively 20% and d) HFSF, which in accordance with IAS 24 is related party of Piraeus Bank, after the recapitalization in the context of the law 3864/2010. There are no material transactions with companies related to HFSF.

Amounts in thousand euros (Unless otherwise stated)

Transactions with related parties are the following:

Board of Directors members and key management personnel	31 March 2015	31 December 2014
Loans	94,596	101,100
Deposits	14,303	23,720

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 31/3/2015 are € 3.5 million (31/12/2014: € 3.4 million). The total income that relates to members of the Board of Directors and the key management personnel for the period 1/1-31/3/2015 is € 0.6 million (1/1-31/3/2014: € 0.8 million). The total expense that relates to the prementioned related parties for the period 1/1-31/3/2015 is € 0.3 million (1/1-31/3/2014: € 0.1 million).

Loans and letters of guarantee issued to related parties represent an insignificant part of total loans and letters of guarantee issued by the Bank, respectively. Loans and letters of guarantee have been issued to related parties in the normal course of business, within the approved credit policies and Bank procedures, adequately collateralized. Loans to related parties are performing and no provision has been raised for their balances.

Members of the Board of Directors and key management personnel remuneration	1/1 - 31/3/2015	1/1 - 31/3/2014
Wages, salaries, employer's share of social contributions and charges	1,678	2,371
Provisions for compensation and retirement programs	272	236

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel amount to € 29.9 million, from € 29.7 million at 31/12/2014. The full amount of the above provisions has been included in the retirement benefit obligations.

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

I. Subsidiaries

	31 March 2015	31 December 2014
Assets		
Cash and balances with Central Bank	45,276	16,844
Loans and advances to credit institutions	786,873	806,975
Loans and advances to customers	2,068,040	2,092,153
Other assets	314,711	316,671
Total	**3,214,901**	**3,232,644**
Liabilities		
Due to credit institutions	111,537	1,051,396
Due to customers	847,192	842,169
Debt securities in issue	624,870	731,367
Hybrid capital and other borrowed funds	228,777	232,381
Other liabilities	8,913	11,871
Total	**1,821,290**	**2,869,184**

Amounts in thousand euros (Unless otherwise stated)

	1/1 - 31/3/2015	1/1 - 31/3/2014
Revenues		
Interest and similar income	16,379	18,757
Fee and commission income	2,167	3,231
Other income	179	353
Total	**18,726**	**22,342**
Expenses		
Interest expense and similar charges	(18,395)	(21,829)
Fee and commission expense	(4,639)	(1,145)
Operating expenses	(9,353)	(7,879)
Total	**(32,387)**	**(30,853)**

Letters of guarantee to subsidiaries of the Group as at 31/3/2015 are € 155.7 million (31/12/2014: 181.9 million).

II. Associates

	31 March 2015	31 December 2014
Deposits and other liabilities	88,358	124,661
Loans and other receivables	1,008,606	908,522

The increase in the balance of loans and other receivables as at 31/3/2015 versus 31/12/2014 is mainly due to the inclusion of "Selonda Aquaculture S.A." in the portfolio of associated companies.

	1/1 - 31/3/2015	1/1 - 31/3/2014
Total expense and capital expenditure	(2,290)	(2,606)
Total income	11,971	1,978

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

Letters of guarantee to associates of the Group as at 31/03/2015 are € 16.7 million (31/12/2014: € 13.9 million).

24 Capital adequacy

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

	31 March 2015	31 December 2014
Common Equity Tier 1 Capital (CET1)	6,965,659	7,049,559
Tier 2 Capital (T2)	44,625	75,603
Total Capital (TC)	7,010,284	7,125,162
Total risk weighted assets (on and off-balance sheet items)	53,229,683	51,105,375
Common Equity Tier 1 ratio	13.1%	13.8%
Tier 1 ratio	13.1%	13.8%
Total Capital ratio	13.2%	13.9%

The determination of capital for 31/03/2015, as referred to in the above table, takes into account the voluntary conversion of deferred tax assets arising from temporary differences into directly enforceable claims against the Greek State, as provided by Article 27A of Greek Law 4172/2013 and as replaced by Article 5 of N.4303 / 2014.

As of 31th March 2015, the abovementioned ratios are fully complying with the regulatory demands confirming the strong capital base of the Bank.

Amounts in thousand euros (Unless otherwise stated)

25 Events subsequent to the end of the interim period

• On April 17, 2015, Piraeus Bank announced the acquisition of the "good" part of Panellinia Bank S.A. ("Panellinia"), following a tender offer launched by the Bank of Greece ("BoG"). The "good" assets and liabilities of Panellinia absorbed by Piraeus Bank refer to the acquisition perimeter identified by the BoG and comprise of (based on 31 December 2014 data):

- € 645 million in liabilities, of which € 504 million customer deposits
- € 372 million in assets, of which € 370 million gross loans
- 26 branches and 163 employees

The difference of € 0.3 billion between the preliminary valuation of the transferred assets and liabilities will be fully covered in cash by the Hellenic Deposit and Investment Guarantee Fund. The difference between the value of the transferred liabilities and assets will be finalized within six months, after the valuation report draw from the auditing firm appointed by the BoG.

• On May 15, 2015, Piraeus Bank announced the approval, by the Hellenic Capital Market Commission dated from May 14, 2015, of the International Offering Memorandum of Mandatory Tender Offer that Piraeus Bank had sent on October 9, 2014, to shareholders of the company "TRASTOR REAL ESTATE INVESTMENT COMPANY SA". The acceptance period of the Tender Offer commenced on May 19, 2015 and ends on June 16, 2015, while the offer price paid by the Bank for the purchase of each share amounts to € 1.40.

• On May 21, 2015 Piraeus Bank announced that it has entered into a definitive agreement with Al Ahli Bank of Kuwait K.S.C.P. to dispose its stake (98.5%) in Piraeus Bank Egypt S.A.E., its Egyptian subsidiary, to a consideration of $ 150 million. The finalization of the agreement is subject to Central Bank of Egypt and other regulatory approvals in Egypt, Greece and Kuwait, including the Hellenic Financial Stability Fund.

The transaction has a positive and accretive impact on Piraeus' financials, as it results in an increase of the pro-forma 31 March 2015 CET-1 ratio by c.30 bps and enhance the liquidity for the Group by c. € 200 million.

• Following the prolonged economic uncertainty in the country, deposit outflows continued after the end of March 2015 but at a slower pace. This decline in deposits is replenished by increasing liquidity through the Eurosystem, which in mid-May 2015 amounted to € 33.2 billion versus € 30.3 billion at the end of March 2015. The largest deposit outflow, that was recorded until the release of Piraeus Group Q1.2015 Financial Results, was in April 2015 (€ 2.2 billion). However, in May 2015 a monthly c.50% decline in deposits outflows was observed. It should be noted that since March 2015, the outflows' mix has shifted towards Government related deposits. Moreover, a large part of deposits outflows is channelled to currency in circulation and only a small portion is money transferred abroad, which is significant for the gradual return of deposits into the banking system once the market conditions stabilize. Finally, despite the deposits' outflows, the cost of new time deposits remains almost stable.

Athens, May 27th, 2015

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR & C.E.O.	CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
MICHALIS G. SALLAS	ANTHIMOS K. THOMOPOULOS	GEORGE I. POULOPOULOS	KONSTANTINOS S. PASCHALIS