

PIRAEUS BANK



PIRAEUS BANK GROUP

**Consolidated Interim Condensed
Financial Information**

31 March 2015

In accordance with the International
Financial Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on 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 Consolidated Interim Condensed Financial Information

Statements	Page
Consolidated Interim Income Statement	2
Consolidated Interim Statement of Total Comprehensive Income	3
Consolidated Interim Statement of Financial Position	4
Consolidated Interim Statement of Changes in Equity	5
Consolidated Interim Cash Flow Statement	6
Notes to the Consolidated Interim Condensed Financial Information:	
1 General information about the Group	7
2 General accounting policies, critical accounting estimates and judgements	7
3 Basis of preparation of the consolidated interim condensed financial information	11
4 Fair values of assets and liabilities	14
5 Offsetting of financial assets and liabilities	17
6 Business segments	19
7 Profit/ (loss) and balance sheet from discontinued operations	22
8 Income tax	23
9 Earnings/ (losses) per share	24
10 Analysis of other comprehensive income	25
11 Financial assets at fair value through profit or loss	26
12 Loans and advances to customers	26
13 Available for sale securities	28
14 Debt securities - receivables	28
15 Investments in subsidiaries and associate companies	29
16 Due to credit institutions	35
17 Due to customers	36
18 Debt securities in issue	36
19 Hybrid capital and other borrowed funds	37
20 Contingent liabilities and commitments	38
21 Share capital	39
22 Other reserves and retained earnings	40
23 Related parties transactions	41
24 Changes in the portfolio of subsidiaries and associates	42
25 Capital adequacy	44
26 Events subsequent to the end of the interim period	44

CONSOLIDATED INTERIM INCOME STATEMENT	Note	Period from 1 January to	
		31 March 2015	31 March 2014
Interest and similar income		796,217	876,911
Interest expense and similar charges		(295,891)	(397,896)
NET INTEREST INCOME		500,326	479,014
Fee and commission income		93,447	89,199
Fee and commission expense		(10,194)	(9,165)
NET FEE AND COMMISSION INCOME		83,253	80,033
Dividend income		477	26
Net income from financial instruments designated at fair value through profit or loss		(2,420)	(20,342)
Results from investment securities		(5,666)	5,366
Other operating income		12,848	9,149
TOTAL NET INCOME		588,817	553,246
Staff costs		(175,847)	(189,621)
Administrative expenses		(137,526)	(122,461)
Depreciation and amortisation		(30,806)	(43,404)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(344,179)	(355,486)
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		244,638	197,760
Impairment losses on loans	12	(277,982)	(480,744)
Impairment losses on other receivables		(6,813)	(33,906)
Other provisions and impairment		(1,343)	(864)
Share of profit of associates		(13,000)	(3,963)
PROFIT/ (LOSS) BEFORE INCOME TAX		(54,500)	(321,715)
Income tax	8	(14,827)	75,406
PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		(69,326)	(246,309)
Profit/ (loss) after income tax from discontinued operations	7	(8,668)	(1,974)
PROFIT/ (LOSS) AFTER TAX		(77,994)	(248,283)
From continuing operations			
Profit/ (loss) attributable to equity holders of the parent entity		(68,759)	(246,630)
Non controlling interest		(567)	321
From discontinued operations			
Profit/ (loss) attributable to equity holders of the parent entity		(8,667)	(1,973)
Non controlling interest		(1)	(1)
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):			
From continuing operations			
- Basic and Diluted	9	(0.0113)	(0.0472)
From discontinued operations			
- Basic and Diluted	9	(0.0014)	(0.0004)

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to	
		31 March 2015	31 March 2014
CONTINUING OPERATIONS			
Profit/ (loss) after tax (A)		(69,326)	(246,309)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	10	(42,069)	26,046
Change in currency translation reserve	10	1,477	(4,543)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	10	8,352	7
Other comprehensive income, net of tax (B)	10	(32,240)	21,510
Total comprehensive income, net of tax (A+B)		(101,566)	(224,799)
- Attributable to equity holders of the parent entity		(101,316)	(225,147)
- Non controlling interest		(250)	348
DISCONTINUED OPERATIONS			
Profit/ (loss) after tax (C)		(8,668)	(1,974)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	10	3,865	3,426
Change in currency translation reserve	10	18	140
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	10	(262)	-
Other comprehensive income, net of tax (D)	10	3,621	3,566
Total comprehensive income, net of tax (C+D)		(5,047)	1,592
- Attributable to equity holders of the parent entity		(5,046)	1,592
- Non controlling interest		(1)	-

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	Note	31 March 2015	31 December 2014
ASSETS			
Cash and balances with Central Banks		4,030,926	3,837,541
Loans and advances to credit institutions		185,421	297,109
Financial assets at fair value through profit or loss	11	277,172	299,562
Derivative financial instruments - assets		533,011	508,928
Reverse repos with customers		31,172	64,299
Loans and advances to customers (net of provisions)	12	55,681,505	57,143,022
Available for sale securities	13	3,032,768	2,533,587
Debt securities - receivables	14	14,439,874	14,400,421
Held to maturity		27,507	27,180
Assets held for sale		38,159	38,022
Inventories property		858,806	844,994
Investment property		1,029,699	989,504
Investments in associated undertakings		264,770	298,672
Property, plant and equipment		1,474,606	1,435,942
Intangible assets		311,682	313,072
Deferred tax assets		4,033,888	4,018,745
Other assets		1,946,472	1,934,171
Assets from discontinued operations	7	318,411	304,925
TOTAL ASSETS		88,515,849	89,289,696
LIABILITIES			
Due to credit institutions	16	31,007,191	23,690,330
Due to customers	17	46,450,415	54,732,834
Liabilities at fair value through profit or loss		-	1,853
Derivative financial instruments - liabilities		552,593	544,026
Debt securities in issue	18	592,344	661,350
Current income tax liabilities		37,924	32,566
Deferred tax liabilities		36,218	37,772
Retirement benefit obligations		213,054	211,944
Other provisions		43,776	42,733
Other liabilities		1,595,849	1,275,911
Hybrid capital and other borrowed funds	19	228,777	232,381
Liabilities from discontinued operations	7	520,127	503,753
TOTAL LIABILITIES		81,278,269	81,967,454
EQUITY			
Share capital	21	1,830,594	1,830,594
Share premium	21	11,393,315	11,393,315
Less: Treasury shares	21	(654)	-
Other reserves	22	(158,479)	(111,240)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	22	22,408	18,787
Retained earnings	22	(5,982,816)	(5,921,295)
Capital and reserves attributable to equity holders of the parent entity		7,104,367	7,210,161
Non controlling interest		133,213	112,081
TOTAL EQUITY		7,237,580	7,322,242
TOTAL LIABILITIES AND EQUITY		88,515,849	89,289,696

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Attributable to owners of the parent					Non controlling interest	TOTAL
		Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
Opening balance as at 1 January 2014		2,271,770	10,008,734	(113)	100,710	(3,957,191)	118,989	8,542,899
Other comprehensive income, net of tax	10				25,048		27	25,075
Results after tax for the period 1/1/2014 - 31/3/2014	22					(248,603)	320	(248,283)
Total recognised income for the period 1/1/2014 - 31/3/2014		0	0	0	25,048	(248,603)	348	(223,207)
(Purchases)/ sales of treasury shares	21, 22			(29)		(36)		(65)
Transfer between other reserves and retained earnings	22				1,194	(1,194)		0
Balance as at 31 March 2014		2,271,770	10,008,734	(142)	126,951	(4,207,024)	119,337	8,319,627
Opening balance as at 1 April 2014		2,271,770	10,008,734	(142)	126,951	(4,207,024)	119,337	8,319,627
Other comprehensive income, net of tax					(216,547)		168	(216,378)
Results after tax for the period 1/4/2014-31/12/2014	22					(1,716,484)	(7,227)	(1,723,711)
Total recognised income for the period 1/4/2014 - 31/12/2014		0	0	0	(216,547)	(1,716,484)	(7,059)	(1,940,089)
Increase of share capital		308,824	1,384,581					1,693,405
Repurchase of preferred shares		(750,000)						(750,000)
Prior year dividends							(162)	(162)
(Purchases)/ sales of treasury shares	21, 22			142		(16)		126
Transfer between other reserves and retained earnings	22				(2,857)	2,857		0
Acquisitions, disposals, absorptions, liquidation and movement in participating interest	22					(628)	(34)	(662)
Balance as at 31 December 2014		1,830,594	11,393,314	(0)	(92,453)	(5,921,295)	112,082	7,322,242
Opening balance as at 1 January 2015		1,830,594	11,393,314	(0)	(92,453)	(5,921,295)	112,082	7,322,242
Other comprehensive income, net of tax	10				(28,936)		317	(28,619)
Results after tax for the period 1/1/2015 - 31/3/2015	22					(77,426)	(568)	(77,994)
Total recognised income for the period 1/1/2015-31/3/2015		0	0	0	(28,936)	(77,426)	(251)	(106,613)
(Purchases)/ sales of treasury shares	21, 22			(654)		190		(464)
Transfer between other reserves and retained earnings	22				(6,857)	6,857		0
Acquisitions, disposals and movement in participating interest					(7,825)	8,858	21,383	22,416
Balance as at 31 March 2015		1,830,594	11,393,314	(654)	(136,071)	(5,982,816)	133,214	7,237,580

CONSOLIDATED INTERIM CASH FLOW STATEMENT	Period from 1 January to	
	31 March 2015	31 March 2014
<i>Cash flows from operating activities from continuing operations</i>		
Profit/ (Loss) before tax	(54,500)	(321,715)
<i>Adjustments to profit/ loss before tax:</i>		
Add: provisions and impairment	286,138	515,513
Add: depreciation and amortisation charge	30,806	43,404
Add: retirement benefits	3,805	3,176
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss	569	14,927
(Gains)/ losses from investing activities	20,497	(2,041)
Cash flows from operating activities before changes in operating assets and liabilities	287,316	253,264
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/ decrease in cash and balances with Central Banks	(504,995)	7,446
Net (increase)/ decrease in financial instruments at fair value through profit or loss	4,206	(68,461)
Net (increase)/ decrease in debt securities - receivables	(39,453)	(85,992)
Net (increase)/ decrease in loans and advances to credit institutions	(4,180)	436
Net (increase)/ decrease in loans and advances to customers	1,131,423	2,433,776
Net (increase)/ decrease in reverse repos with customers	33,128	(104,125)
Net (increase)/ decrease in other assets	7,796	(17,774)
Net increase/ (decrease) in amounts due to credit institutions	7,316,861	(3,177,850)
Net increase/ (decrease) in liabilities at fair value through profit or loss	(1,853)	(549)
Net increase/ (decrease) in amounts due to customers	(8,282,418)	329,959
Net increase/ (decrease) in other liabilities	311,471	(44,374)
Net cash flow from operating activities before income tax payment	259,303	(474,244)
Income tax paid	(1,566)	(674)
Net cash inflow/ (outflow) from continuing operating activities	257,737	(474,918)
<i>Cash flows from investing activities of continuing operations</i>		
Purchases of property, plant and equipment	(47,055)	(37,456)
Sales of property, plant and equipment	5,437	21,874
Purchases of intangible assets	(7,861)	(4,189)
Purchases of assets held for sale	(2,540)	(290)
Sales of assets held for sale	3,576	948
Purchases of investment securities	(2,345,185)	(1,868,433)
Disposals/ maturity of investment securities	1,792,220	2,208,900
Acquisition of subsidiaries excluding cash & cash equivalents acquired	(28,872)	-
Sales of associates	30,400	-
Establishments and participation in share capital increases of associates	(28,543)	(528)
Dividends received	381	-
Net cash inflow/ (outflow) from continuing investing activities	(628,042)	320,827
<i>Cash flows from financing activities of continuing operations</i>		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(72,788)	470,521
Prior year dividends paid	-	(1,899)
Purchases/ sales of treasury shares and preemption rights	(464)	(65)
Other cash flows from financing activities	5,626	5,465
Net cash inflow/ (outflow) from continuing financing activities	(67,627)	474,022
Effect of exchange rate changes on cash and cash equivalents	8,178	24,738
Net increase/ (decrease) in cash and cash equivalents from continuing activities (A)	(429,754)	344,670
Net cash flows from discontinued operating activities	1,660	(22,309)
Net cash flows from discontinued investing activities	(1,181)	22,982
Net cash flows from discontinued financing activities	-	-
Exchange difference of cash and cash equivalents	56	25
Net increase/ (decrease) in cash and cash equivalents from discontinued activities (B)	535	697
Cash and cash equivalents at the beginning of the period (C)	2,664,133	1,888,466
Cash and cash equivalents at the end of the period (A)+(B)+(C)	2,234,913	2,233,833

1 General information about the Group

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Law 2190/1920 on sociétés anonymes, Law 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 (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, as well as Western Europe. The Group employs in total 22,146 people of which 190 people, refer to discontinued operations (ATE Insurance S.A. and ATE Insurance Romania S.A.).

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, critical accounting estimates and judgements

a. General accounting policies

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

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

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

Improvements to IFRSs 2011 - 2013 (December 2013)

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

b.1. Impairment losses on loans and other receivables

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

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

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

b.4. Investment property

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

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

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

b.5. Defined benefits obligation

The determination of the present value of defined benefits obligation is based on actuarial analysis conducted by independent actuaries at the end of each year. The basic estimates and assumptions made in the context of the actuarial analysis are the

discount rate, the pay increase rate as well as the inflation rate. The determination of the appropriate discount rate takes into account the rates of high quality corporate bonds, of the same currency and of similar maturities to that of the defined benefits obligation.

b.6. Provisions and contingent liabilities

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

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

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

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

b.7. Recoverability of Deferred Tax Assets

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

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

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

Moreover, the Group examines the nature of the temporary differences and tax losses, as well as the ability for their recovery, in accordance with the tax regulations related to their offsetting with profits generated in future periods (e.g. five years), or with other specific tax regulations, as for example the regulations set by the Greek tax legislation which allow the optional conversion of

deferred tax assets on specific temporary differences, into final and settled claims against the Greek Government, under certain terms and conditions.

b.8. Goodwill/negative goodwill

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

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

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 consolidated 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 annual financial statements of the Group for the year ended 31 December 2014.

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

Going concern basis

The consolidated interim condensed financial information has been prepared on a going concern basis. Piraeus Bank's Management estimates that the Group 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 Group.

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 the 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.

4 Fair values of assets and liabilities

a) Assets and liabilities not measured at fair value

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

Assets	Carrying Value		Fair Value	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Loans and advances to credit institutions	185,421	297,109	185,421	297,109
Loans and advances to customers (net of provisions)	55,681,505	57,143,022	54,755,538	56,297,826
Debt securities - receivables	14,439,874	14,400,421	14,915,598	14,767,831
Reverse repos with customers	31,172	64,299	31,172	64,299
Held to maturity investment securities	27,507	27,180	27,281	27,180

Liabilities	Carrying Value		Fair Value	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Due to credit institutions	31,007,191	23,690,330	31,007,191	23,690,330
Due to customers	46,450,415	54,732,834	46,450,415	54,732,834
Debt securities in issue	592,344	661,350	413,546	532,149
Hybrid capital and other borrowed funds	228,777	232,381	154,967	193,378

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

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

The fair value of 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 Group considers relevant and observable market prices in its valuations where possible. Observable inputs reflect market data obtained from independent sources. Unobservable inputs reflect the Group's market assumptions.

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

Level 1

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

Level 2

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

Level 3

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

Shares categorized in the available for sale portfolio

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

Derivative financial instruments

The embedded derivative of the convertible bond issued by Marfin Investment Group ("MIG"), is included in level 3 of derivative financial assets. The aforementioned derivative is accounted at fair value. The fair value of the embedded derivative is determined according to 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 mentioned above:

Assets & Liabilities measured at fair value	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	1	525,814	7,195	533,011
Financial instruments at fair value through profit or loss				
- Trading bonds	76,776	186,221	-	262,998
- Trading treasury bills	10,501	-	-	10,501
- Shares & other variable income securities of trading portfolio	3,038	635	-	3,673
Available for Sale Securities				
- Bonds	695,344	130,157	-	825,502
- Shares & other variable income securities	129,245	2,415	190,361	322,022
- Treasury bills	1,801,365	83,880	-	1,885,244
Liabilities				
Derivative financial instruments - liabilities	-	552,593	-	552,593

The Group 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 1st 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	184,772
Opening balance of new companies	-	135
Profit/ (loss) for the period	(11,293)	(1)
Shares purchases	-	5,021
Foreign exchange differences	-	434
Total 31/3/2015	7,195	190,361

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

Sensitivity analysis of level 3 hierarchy: (amounts in € million)	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	22
Derivative financial instruments - assets	7	(7)
Equity		
Available for sale shares & other variable income securities	23	4

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 Group based on prior experience, adjusts further where necessary, these values so as to assess the possible changes.

5 Offsetting of financial assets and liabilities

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

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

The Group has not offset any financial assets or liabilities on 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 Group from the exercise of netting rights ("net amount"). These tables include mainly the following financial instruments: a) interest rate swap contracts (IRSs) and cross currency interest rate swap contracts, for which there are ISDA contracts and b) interbank repos covered by Global Master Repurchase Agreement (GMRA).

31/03/2015	Related amounts not offset in the Statement of Financial Position					
	Recognized financial assets (amounts to be offset)	Financial liabilities (amounts offset)	Net amount of financial assets	Financial instruments collateral received	Cash collateral received	Net amount
Financial Assets						
Derivative financial instruments	525,810	-	525,810	-	201	525,610
Total	525,810	0	525,810	0	201	525,610

31/03/2015	Related amounts not offset in the Statement of Financial Position					
	Recognized financial liabilities (amounts to be offset)	Financial assets (amounts offset)	Net amount of financial assets	Financial instruments collateral pledged	Cash collateral pledged	Net amount
Financial Liabilities						
Derivative financial instruments	523,084	-	523,084	-	523,084	-
Repurchase agreements	312,593	-	312,593	215,322	640	96,631
Total	835,677	0	835,677	215,322	523,724	96,631

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

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

6 Business segments

Piraeus Bank Group has defined the following business segments:

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

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

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

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

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

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

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

1/1-31/3/2015	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	335,171	188,301	125	35,578	(58,849)	500,326
Net fee and commission income	68,337	9,894	1,146	3,198	677	83,253
Other income	8,751	2,022	931	13,087	(19,552)	5,239
Net Income	412,260	200,216	2,202	51,863	(77,723)	588,817
Depreciation and amortisation	(11,700)	(1,232)	(92)	(166)	(17,615)	(30,806)
Other operating expenses	(253,404)	(25,097)	(2,530)	(15,520)	(16,822)	(313,373)
Results before provisions, impairment and income tax	147,155	173,888	(420)	36,176	(112,161)	244,638
Impairment losses on loans	(121,177)	(156,806)	-	-	-	(277,982)
Impairment on other receivables	(2,049)	(173)	-	-	(4,592)	(6,813)
Other provisions and impairment	(918)	(355)	-	-	(70)	(1,343)
Share of profit of associates	-	-	-	-	(13,000)	(13,000)
Results before tax	23,012	16,555	(420)	36,176	(129,822)	(54,500)
Income tax						(14,827)
Results after tax from continuing operations						(69,326)
Results after income tax from discontinued operations						(8,668)
Results after tax for the period						(77,994)
As at 31 March 2015						
Total assets	45,169,479	14,149,856	43,530	18,925,928	10,227,056	88,515,849
Total liabilities	43,890,714	1,833,135	39,249	32,178,408	3,336,764	81,278,269
Capital expenditure	34,440	2,065	10	362	18,342	55,219

1/1-31/3/2014	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	308,290	180,102	240	18,830	(28,448)	479,014
Net fee and commission income	57,691	15,132	4,255	2,741	214	80,033
Other income	4,114	3,134	1,299	1,433	(15,781)	(5,802)
Net Income	370,096	198,369	5,794	23,004	(44,016)	553,246
Depreciation and amortisation	(29,098)	(1,434)	(94)	(141)	(12,638)	(43,404)
Other operating expenses	(261,727)	(27,154)	(2,565)	(12,117)	(8,518)	(312,082)
Results before provisions, impairment and income tax	79,271	169,781	3,134	10,747	(65,172)	197,760
Impairment losses on loans	(388,459)	(92,239)	(46)	-	-	(480,744)
Impairment on other receivables	(10,883)	(4,571)	-	-	(18,451)	(33,905)
Other provisions and impairment	(532)	(157)	-	-	(176)	(864)
Share of profit of associates	-	-	-	-	(3,963)	(3,963)
Results before tax	(320,604)	72,815	3,089	10,747	(87,762)	(321,715)
Income tax						75,406
Results after tax from continuing operations						(246,309)
Results after income tax from discontinued operations						(1,974)
Results after tax for the period						(248,283)
As at 31 December 2014						
Total assets	45,906,984	14,001,730	43,403	18,838,195	10,499,383	89,289,696
Total liabilities	49,893,731	2,469,649	59,440	26,063,068	3,481,565	81,967,454
As at 31 March 2014						
Capital expenditure	25,579	1,240	34	446	14,653	41,953

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

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

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

31/03/2015	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 RBU of amount € 410,579 thousands (31/12/2014:€ 430,828 thousands).

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

Both periods 1/1-31/3/2015 and 1/1-31/3/2014 include the results of ATE Insurance S.A. and ATE Insurance Romania S.A. Relative reference to the sale procedure of ATE Insurance S.A. is made in note 15C.

	1/1-31/3/2015	1/1-31/3/2014
Net interest income	463	476
Net fee and commission income	-	(11)
Dividend Income	9	3
Net income from financial instruments designated at fair value through profit or loss	(162)	2,548
Results from investment securities	-	44
Other operating income	909	5,066
Total net income	1,218	8,126
Staff costs	(2,893)	(3,933)
Administrative expenses	(2,346)	(2,610)
Depreciation and amortization	(359)	(401)
Total operating expenses before provisions	(5,599)	(6,944)
Other provisions and impairment	(4,724)	(2,017)
Profit/ (loss) before income tax	(9,105)	(835)
Income tax	437	(1,138)
Profit/ (loss) after income tax from discontinued operations	(8,668)	(1,974)

The following assets and liabilities as at 31/3/2015 and 31/12/2014 relate to the companies ATE Insurance S.A and ATE Insurance Romania S.A.:

	31 March 2015	31 December 2014
ASSETS		
Cash and balances with Central Banks	373	304
Loans and advances to credit institutions	4,563	4,086
Financial instruments at fair value through profit or loss	5,940	5,687
Available for sale securities	69,408	65,243
Held to maturity	21,375	21,971
Investment property	1,848	1,848
Property, plant and equipment	42,737	42,981
Intangible assets	990	800
Deferred tax assets	64,451	63,922
Other assets	106,725	98,083
Total Assets	318,411	304,925
LIABILITIES		
Deferred tax liabilities	22	22
Current income tax liabilities	4,388	4,302
Retirement benefit obligations	5,566	5,595
Other provisions	483,381	473,266
Other liabilities	26,770	20,570
Total Liabilities	520,127	503,753

8 Income tax

	1/1-31/3/2015	1/1-31/3/2014
Current Tax	(7,829)	(8,818)
Deferred tax	(6,998)	84,224
Total	(14,827)	75,406

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.

For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the years of 2014 and 2015 (Bulgaria: 10%, Romania: 16%, Egypt: 25% and for net income exceeding 1,000,000 EGP an additional 5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15% and United Kingdom: 20% from 1/4/2015, 21% from 1/4/2014 until 31/3/2015 and 23% until 31/3/2014).

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.

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

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

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

For the fiscal year of 2014, the tax audit for the companies of the Group is being performed by the statutory auditors, 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 Group 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 of the parent entity by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares. There is no potential dilution on basic earnings/ (losses) per share.

Basic and diluted earnings/ (losses) per share from continuing operations	1/1-31/3/2015	1/1-31/3/2014
Profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(68,759)	(246,630)
Weighted average number of ordinary shares in issue	6,101,420,062	5,223,131,617
Basic and diluted earnings/ (losses) per share (in €) from continuing operations	(0.0113)	(0.0472)

Basic and diluted earnings/ (losses) per share from discontinued operations	1/1-31/3/2015	1/1-31/3/2014
Profit/ (loss) attributable to ordinary shareholders of the parent entity from discontinued activities	(8,667)	(1,973)
Weighted average number of ordinary shares in issue	6,101,420,062	5,223,131,617
Basic and diluted earnings/ (losses) per share (in €) from discontinued operations	(0.0014)	(0.0004)

10 Analysis of other comprehensive income

A. Continuing operations

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	(57,717)	15,648	(42,069)
Change in currency translation reserve	1,477	-	1,477
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	2	8,350	8,352
Other comprehensive income from continuing operations	(56,238)	23,998	(32,240)

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	35,573	(9,526)	26,046
Change in currency translation reserve	(4,543)	-	(4,543)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	7	-	7
Other comprehensive income from continuing operations	31,036	(9,526)	21,510

B. Discontinued operations

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	3,865	-	3,865
Change in currency translation reserve	18	-	18
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	(354)	92	(262)
Other comprehensive income from discontinued operations	3,529	92	3,621

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	3,426	-	3,426
Change in currency translation reserve	140	-	140
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income from discontinued operations	3,566	0	3,566

11 Financial assets at fair value through profit or loss

	31 March 2015	31 December 2014
Greek government bonds	76,751	110,151
Foreign government bonds	186,221	174,584
Corporate entities bonds	25	23
Foreign government treasury bills	10,501	13,498
Total of bonds and other fixed income securities (A)	273,499	298,255
Athens stock exchange listed shares	3,028	915
Foreign stock exchanges listed shares	9	8
Mutual funds	635	384
Total of shares and other variable income securities (B)	3,673	1,307
Total financial assets at fair value through profit or loss (A) + (B)	277,172	299,562

12 Loans and advances to customers

	31 March 2015	31 December 2014
Mortgages	17,001,716	16,983,421
Consumer/ personal and other loans	4,789,693	4,815,884
Credit cards	1,110,745	1,139,086
Loans to individuals	22,902,154	22,938,392
Loans to corporate entities and Public sector	40,469,192	42,035,727
Total loans and advances to customers (before allowances for losses)	63,371,346	64,974,118
Less: Allowance for impairment on loans and advances to customers	(7,689,841)	(7,831,096)
Total loans and advances to customers (net of provisions)	55,681,505	57,143,022

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

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

	Mortgages	Consumer/ personal and other loans	Credit cards	Total loans to individuals	Loans to corporate entities and Public sector	Total
Opening balance at 1/1/2014	308,904	1,033,400	273,678	1,615,982	4,092,791	5,708,773
Charge for the period	23,359	35,104	32,313	90,776	389,968	480,744
Loans written-off	(334)	(9,333)	(12,262)	(21,929)	(14,229)	(36,158)
Foreign exchange differences and other movements	296	502	(102)	696	(38,030)	(37,334)
Balance at 31/3/2014	332,225	1,059,673	293,627	1,685,524	4,430,501	6,116,025
Opening balance at 1/4/2014	332,225	1,059,673	293,627	1,685,524	4,430,501	6,116,025
Charge for the period	498,863	183,682	2,220	684,766	2,591,360	3,276,126
Loans written-off	(22,069)	(227,223)	(24,926)	(274,218)	(809,772)	(1,083,990)
Foreign exchange differences and other movements	(64,846)	(54,415)	(8,695)	(127,955)	(349,110)	(477,065)
Balance at 31/12/2014	744,173	961,718	262,226	1,968,117	5,862,979	7,831,096
Opening balance at 1/1/2015	744,173	961,718	262,226	1,968,117	5,862,979	7,831,096
Charge for the period	24,876	40,362	25,145	90,383	187,599	277,982
Loans written-off	(11,310)	(51,025)	(11,744)	(74,079)	(299,657)	(373,737)
Foreign exchange differences and other movements	3,626	10,316	(1,856)	12,087	(57,588)	(45,501)
Balance at 31/3/2015	761,366	961,370	273,771	1,996,508	5,693,333	7,689,841

13 Available for sale securities

	31 March 2015	31 December 2014
Greek government bonds	273,524	310,799
Foreign government bonds	551,219	272,335
Corporate entities bonds	521	782
Bank bonds	238	228
Greek government treasury bills	1,800,695	1,526,530
Foreign government treasury bills	84,549	102,521
Total bonds and other fixed income securities (A)	2,710,746	2,213,195
Athens stock exchange listed shares	50,387	49,530
Foreign stock exchange listed shares	26,032	24,938
Unlisted shares	169,799	166,205
Mutual funds	55,511	49,495
Other variable income securities	20,292	30,223
Total shares and other variable income securities (B)	322,022	320,392
Total available for sale securities (A) + (B)	3,032,768	2,533,587

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
Foreign government bonds debt securities - receivables and EFSF bonds	14,434,297	14,395,269
Total debt securities - receivables	14,463,719	14,424,266
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
Total debt securities - receivables (less allowances for losses)	14,439,874	14,400,421

15 Investments in subsidiaries and associate companies

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

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

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania	2012-2014
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2014
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2013-2014
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010-2014
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.49%	Egypt	2005-2014
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	2011-2014
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus	2007-2014
8.	Piraeus Leasing Romania S.R.L.	Finance leases	100.00%	Romania	2003-2014
9.	Tirana Leasing S.A.	Finance leases	100.00%	Albania	2012-2014
10.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2010,2013-2014
11.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom	-
12.	Piraeus Leasing Bulgaria EAD	Finance leases	100.00%	Bulgaria	2008-2014
13.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom	2014
14.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2010,2013-2014
15.	Picar S.A.	City Link areas management	100.00%	Greece	2010,2013-2014
16.	Bulfina S.A.	Property management	100.00%	Bulgaria	2008-2014
17.	General Construction and Development Co. S.A.	Property development/ holding company	66.66%	Greece	2010,2013-2014
18.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2010,2013-2014
19.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece	2010,2013-2014
20.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2013-2014
21.	ND Development S.A.	Property management	100.00%	Greece	2010,2013-2014
22.	Property Horizon S.A.	Property management	100.00%	Greece	2010,2013-2014
23.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece	2010,2013-2014
24.	Piraeus Development S.A.	Property management	100.00%	Greece	2010,2013-2014
25.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece	2010,2013-2014
26.	Piraeus Buildings S.A.	Property development	100.00%	Greece	2010-2014
27.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
28.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.89%	Cyprus	2006-2014
29.	Lakkos Mikelli Real Estate LTD	Property management	50.66%	Cyprus	2009-2014
30.	Philoktimatiki Public LTD	Land and property development	53.31%	Cyprus	2009-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
31.	Philoktimatiki Ergoliptiki LTD	Construction company	53.31%	Cyprus	2008-2014
32.	IMITHEA S.A.	Organization, operation and management of hospital units	100.00%	Greece	2010,2013-2014
33.	EMF Investors Limited	Investment company	100.00%	Cyprus	2008-2014
34.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2013-2014
35.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece	2008-2010, 2013-2014
36.	Sunholdings Properties Company LTD	Land and property development	26.66%	Cyprus	2008-2014
37.	Polytropon Properties Limited	Land and property development	39.98%	Cyprus	2008-2014
38.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
39.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
40.	Piraeus Insurance Brokerage EOOD	Insurance brokerage	99.98%	Bulgaria	2007-2014
41.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
42.	Piraeus Egypt Leasing Co.	Finance leases	98.46%	Egypt	2007-2014
43.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and reinsurance brokerage	100.00%	Romania	2009-2014
44.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007-2014
45.	Piraeus Leases S.A.	Finance leases	100.00%	Greece	2007-2010, 2013-2014
46.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2014
47.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases- Rent-a-Car and long term rental of vehicles	94.00%	Greece	2009-2010, 2013-2014
48.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia	2007-2014
49.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
50.	Piraeus Leasing Doo Beograd	Finance leases	100.00%	Serbia	2007-2014
51.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2014
52.	Piraeus Real Estate Egypt LLC	Property management	100.00%	Egypt	2007-2014
53.	Piraeus Bank Egypt Investment Company	Investment company	98.47%	Egypt	2007-2014
54.	Piraeus Insurance Agency S.A.	Insurance - agency	100.00%	Greece	2010,2013-2014
55.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece	2010,2013-2014
56.	Integrated Services Systems Co.	Warehouse & mail distribution management	98.48%	Egypt	2004-2014
57.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
58.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
59.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
60.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
61.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
62.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
63.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	-
64.	R.E Anodus LTD	Consultancy services for real estate development and investments	100.00%	Cyprus	2009-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
65.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010,2013-2014
66.	Solum Limited Liability Company	Property management	99.00%	Ukraine	2009-2014
67.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance brokerage	100.00%	Cyprus	2009-2014
68.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2010-2014
69.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010,2013-2014
70.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus	2011-2014
71.	Piraeus Equity Advisors Ltd.	Investment advise	100.00%	Cyprus	2009-2014
72.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece	2010,2013-2014
73.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2014
74.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
75.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
76.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2014
77.	Curdart Holding Ltd	Holding company	100.00%	Cyprus	2009-2014
78.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2014
79.	Piraeus Clean Energy Holdings LTD	Holding Company	100.00%	Cyprus	2010-2014
80.	Visa Rent A Car S.A.	Rent A Car company	94.00%	Greece	2010,2013-2014
81.	Adflikton Investments LTD	Property management	100.00%	Cyprus	2009-2014
82.	Costpleo Investments LTD	Property management	100.00%	Cyprus	2010-2014
83.	Cutsofiar Enterprises LTD	Property management	100.00%	Cyprus	2010-2014
84.	Gravieron Company LTD	Property management	100.00%	Cyprus	2008-2014
85.	Kaihur Investments LTD	Property management	100.00%	Cyprus	2007-2014
86.	Pertanam Enterprises LTD	Property management	100.00%	Cyprus	2007-2014
87.	Rockory Enterprises LTD	Property management	100.00%	Cyprus	2010-2014
88.	Alarconaco Enterprises LTD	Property management	100.00%	Cyprus	2011-2014
89.	Kosmopolis A' Shopping Centers S.A.	Shopping center's management	100.00%	Greece	2010,2013-2014
90.	Parking Kosmopolis S.A.	Parking Management	100.00%	Greece	2010,2013-2014
91.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011-2014
92.	Bulfinace E.A.D.	Property Management	100.00%	Bulgaria	2008-2014
93.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	2013-2014
94.	Asset Management Bulgaria EOOD	Travel - rental services and property management	100.00%	Bulgaria	2012-2014
95.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	100.00%	Cyprus	2012-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
96.	Proiect Season Residence SRL	Real estate development	100.00%	Romania	2012-2014
97.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	100.00%	Greece	2013-2014
98.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	80.00%	Greece	2013-2014
99.	Piraeus Asset Management Europe S.A.	Mutual funds management	100.00%	Luxemburg	-
100.	Geniki Financial & Consulting Services S.A.	Financial & consulting Services	100.00%	Greece	2010-2014
101.	Geniki Insurance Agency S.A.	Insurance agency	100.00%	Greece	2010-2014
102.	Geniki Information S.A.	Assessment and collection of commercial debts	100.00%	Greece	2010-2014
103.	Solum Enterprise LLC	Property management	99.00%	Ukraine	2012-2014
104.	General Business Management Investitii S.R.L.	Development of building projects	100.00%	Romania	2013-2014
105.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	100.00%	Greece	2010,2013-2014
106.	Piraeus Bank (Cyprus) Nominees Limited	Defunct	100.00%	Cyprus	2012-2014
107.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010,2013-2014
108.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece	2010,2013-2014
109.	Geniki Special Business Services S.A.	Advising, consultancy, organizational and training services	100.00%	Greece	2010,2013-2014
110.	Kion Mortgage Finance Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
111.	Kion Mortgage Finance No.3 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
112.	Kion CLO Finance No.1 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
113.	Re Anodus Two Ltd	Holding and investment company	99.09%	Cyprus	2013-2014
114.	Sinitem Llc	Sale and purchase of real estate	98.01%	Ukraine	2013-2014
115.	Beta Asset Management Eood	Rent and management of real estate	99.98%	Bulgaria	2013-2014
116.	Linklife Food & Entertainment Hall S.A.	Operation of food and entertainment Halls	100.00%	Greece	2014
117.	R.E. Anodus SRL	Real Estate development	99.09%	Romania	2013-2014
118.	Entropia Ktimatiki S.A.	Property management	66.70%	Greece	2010-2014
119.	Tellurion Ltd	Holding company	100.00%	Cyprus	2013-2014
120.	Tellurion Two Ltd	Holding company	99.09%	Cyprus	2013-2014
121.	Akinita Ukraine LLC	Real estate development	99.09%	Ukraine	2014
122.	Daphne Real Estate Consultancy SRL	Real estate development	99.09%	Romania	2014
123.	Rhesus Development Projects SRL	Real estate development	99.09%	Romania	2014
124.	Varna Asset Management EOOD	Real estate development	99.98%	Bulgaria	2014
125.	Piraeus Real Estate Tirana Sh.P.K.	Real estate development	100.00%	Albania	2014
126.	Priam Business Consultancy SRL	Real estate development	99.18%	Romania	2014
127.	Marathon 1 Greenvale Rd LLC	Real estate development	99.95%	U.S.A.	2012-2014
128.	Holding Spectacles S.A.	Holding company	100.00%	Greece	2011-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
129.	Cielo Consultancy Sh.p.k.	Holding and investment company	99.09%	Albania	2014
130.	Edificio Enterprise Sh.p.k.	Holding and investment company	99.09%	Albania	2014
131.	Tierra Projects Sh.p.k.	Holding and investment company	99.09%	Albania	2014
132.	Trastor Real Estate Investment Company	Real estate investment property	70.88%	Greece	2010,2013-2014
133.	Piraeus ACT Services S.A. (former ACT Services S.A.)	Accounting and tax consulting	100.00%	Greece	2013-2014
134.	P - Payroll S.A.	Counseling services for payroll and labour affairs	100.00%	Greece	2011-2014
135.	ETVA Fund Management S.A.	Management of venture capital mutual funds	65.00%	Greece	-
136.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	65.00%	Greece	-
137.	Rembo S.A.	Real estate investment company	70.88%	Greece	2010,2013-2014
138.	Cyprus Leasing S.A.	Finance leases	100.00%	Greece	2008-2010, 2013-2014

Companies numbered 27, 49, 57-62 and 110-112 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 36 and 37 although presenting less than 50% holding percentage, are included in the Group's subsidiaries' portfolio due to existence of control.

Also, as at 31/3/2015 the companies numbered 26, 38, 39, 46, 111-112 and 128 were under liquidation. The financial figures and results of the company numbered 138 are included in the Financial Statements of the Bank.

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

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

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece	2010-2014
2.	Evros' Development Company S.A.	European community programs management	30.00%	Greece	2010-2014
3.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010-2014
4.	Alexandria for Development & Investment	Investment company	21.67%	Egypt	2008-2014
5.	Nile Shoes Company	Footwear seller- manufacturer	38.74%	Egypt	2003-2014
6.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	27.80%	Greece	2010,2013-2014

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
7.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010,2013-2014
8.	Trieris Real Estate LTD	Property management	22.94%	British Virgin Islands	-
9.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	28.65%	Greece	2013-2014
10.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010,2013-2014
11.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2010,2013-2014
12.	Euroterra S.A.	Property management	39.22%	Greece	2010-2014
13.	Rebikat S.A.	Property management	40.00%	Greece	2010-2014
14.	Abies S.A.	Property management	40.00%	Greece	2010-2014
15.	Exus S.A.	Information technology & software	49.90%	Greece	2010,2013-2014
16.	Piraeus - TANEQ Capital Fund	Close end Venture capital fund	50.01%	Greece	-
17.	Teiresias S.A.	Inter banking company. development, operation and management of information systems	23.53%	Greece	2010,2013-2014
18.	PJ Tech Catalyst Fund	Close end Venture capital fund	30.00%	Greece	-
19.	Pyrrichos S.A.	Property management	50.77%	Greece	2010,2012-2014
20.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	23.42%	Greece	2007-2011, 2013-2014
21.	Euroak S.A. Real Estate	Real estate investment	32.81%	Greece	2010-2014
22.	Gaia S.A.	Software services	30.00%	Greece	2014
23.	Olganos S.A.	Property management/electricity production from hydropower stations	32.27%	Greece	2014
24.	Exus Software Ltd.	IT products retailer	49.90%	United Kingdom	2014
25.	Marfin Investment Group Holdings S.A.	Holding company	28.50%	Greece	2013-2014
26.	Litus Advisory S.A.	Consulting in the fields of European Programmes, Communication Strategy and International Affairs	50.00%	Belgium	-
27.	Selonda aquaculture S.A.	Fish farming. Production and supply of sea-bass and sea-bream, in particular	33.85%	Greece	2008-2014

The company numbered 16 is included in the associate companies' portfolio, due to the fact that Piraeus Bank Group exercises significant influence on the investment committee of the fund, which takes the investment decisions.

The companies numbered 19 and 26 are included in the associate companies' portfolio since the Group has significant influence and not control.

The changes in the portfolio of subsidiaries and associates are included in note 24.

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

C) Subsidiaries from discontinued operations

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

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	ATE Insurance S.A.	Insurance	100.00%	Greece	2008-2010, 2013-2014
2.	ATE Insurance Romania S.A.	Insurance	99.47%	Romania	2007-2014

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

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 economic 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	5,865,455	6,788,337
Term deposits	3,776,351	5,738,682
Blocked deposits, guarantee deposits and other accounts	207,161	148,738
Repurchase agreements	168	22,885
Total (A)	9,849,135	12,698,642
Retail		
Current and sight deposits	2,374,957	2,605,089
Savings account	12,859,780	13,297,822
Term deposits	21,245,537	26,009,845
Blocked deposits, guarantee deposits and other accounts	25,627	30,757
Repurchase agreements	255	260
Total (B)	36,506,156	41,943,773
Cheques payable and remittances (C)	95,124	90,419
Total Due to Customers (A)+(B)+(C)	46,450,415	54,732,834

The decrease in «Due to customers» in the 1st 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	411,256	448,239
Accrued interest and other expenses	579	17,503
Total (A)	471,835	525,743
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	26,100	29,092
Total (B)	120,509	135,607
Total debt securities in issue (A)+(B)	592,344	661,350

It should be noted that, apart from the debt securities in the table above, as of 31/3/2015 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 31/3/2015 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 31/3/2015, face value of € 87.5 million of the € 500 million fixed coupon, senior unsecured notes due 2017 were retained by Piraeus Bank.

Piraeus Bank, during the period 1/1/2015 – 31/3/2015, 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

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

Piraeus Bank, during the period 1/1/2015 – 31/3/2015, 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

The Group's provision for outstanding litigations amounts to € 15.8 million from continuing operations and € 5.1 million from discontinued operations, against € 14.6 million and € 4.0 million respectively as at 31/12/2014. The legal proceedings outstanding against the Group as at 31/3/2015, for which no provisions have been recorded, are not expected to have any significant impact on the financial statements of the Group.

B) Credit commitments

As at 31/3/2015 the Group had undertaken the following commitments:

	31 March 2015	31 December 2014
Letters of guarantee	3,117,886	3,142,020
Letters of credit	55,430	50,710
Commitments to extent credit	2,050,083	2,143,044
	5,223,399	5,335,775

C) Assets pledged

	31 March 2015	31 December 2014
Cash and balances with Central Banks	1,316,785	1,029,003
Financial instruments at fair value through profit or loss	73,523	117,624
Investment securities	824,595	1,140,238
Loans and advances to customers	20,451,585	4,046,740
Debt securities - receivables	14,043,271	5,738,198
	36,709,760	12,071,803

The above mentioned assets pledged are mainly used for liquidity purposes. Apart from the aforementioned assets, the Group also pledges debt securities of own issue amounting to € 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 to € 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 Group'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.

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	58,577	71,370
From 1 to 5 years	213,926	264,654
More than 5 years	339,375	437,184
	611,878	773,208

21 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
Opening balance at 1 January 2014	2,271,770	10,008,733	(113)	12,280,391
Increase of share capital	308,824	1,384,581	-	1,693,405
Repurchase of preferred shares	(750,000)	-	-	(750,000)
Purchases/ shares of treasury shares	-	-	113	113
Balance at 31 December 2014	1,830,594	11,393,314	0	13,223,908
Opening balance at 1 January 2015	1,830,594	11,393,314	0	13,223,908
Purchases/ shares of treasury shares	-	-	(654)	(654)
Balance at 31 March 2015	1,830,594	11,393,314	(654)	13,223,254

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

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1 January 2014	6,416,802,751	(15,715)	6,416,787,036
Increase of share capital	1,029,411,764	-	1,029,411,764
Repurchase of preferred shares	(1,344,234,800)	-	(1,344,234,800)
Purchases of treasury shares	-	(1,430,960)	(1,430,960)
Sales of treasury shares	-	1,446,675	1,446,675
Balance at 31 December 2014	6,101,979,715	0	6,101,979,715
Opening balance at 1 January 2015	6,101,979,715	0	6,101,979,715
Purchases of treasury shares	-	(3,732,777)	(3,732,777)
Sales of treasury shares	-	2,356,451	2,356,451
Balance at 31 March 2015	6,101,979,715	(1,376,326)	6,100,603,389

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. Treasury shares transactions are carried out by the Group subsidiary Piraeus Securities S.A. through its activities which are derived from its role as a market maker.

22 Other reserves and retained earnings

	31 March 2015	31 December 2014
Legal reserve	110,225	74,809
Extraordinary reserve	13,940	13,940
Available for sale reserve	(98,904)	(56,808)
Currency translation reserve	(164,382)	(165,570)
Other reserves	6,073	56,171
Reserve of defined benefit obligations	(25,430)	(33,782)
Other reserves from continuing operations (A)	(158,479)	(111,240)
Amounts recognized directly in equity relating to non-current assets from discontinued operations (B)	22,408	18,787
Total other reserves (A) + (B)	(136,071)	(92,453)

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

Other reserves movement	31 March 2015	31 December 2014
Opening balance for the period	(92,453)	100,709
Movement of available for sale reserve	(42,097)	(151,298)
Transfer from other reserves to retained earnings	(6,857)	(1,663)
Acquisitions, disposals, absorptions and movement in participating interest	(7,825)	-
Change in reserve of defined benefit obligations	8,352	(40,975)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	3,621	682
Foreign exchange differences and other adjustments	1,188	93
Closing balance for the period	(136,071)	(92,453)

Available for sale reserve movement	31 March 2015	31 December 2014
Opening balance for the period	(56,808)	94,490
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	(57,541)	(92,630)
Gains/ (losses) from the valuation of shares and mutual funds	209	(78,705)
Recycling to income statement of shares and mutual funds impairment	-	37,466
Recycling of the accumulated fair value adjustment of disposed securities	(1,384)	(75,051)
Deferred income taxes	15,648	53,443
Foreign exchange differences and adjustments	970	4,180
Closing balance for the period	(98,904)	(56,808)

Retained earnings movement	31 March 2015	31 December 2014
Opening balance for the period	(5,921,295)	(3,957,191)
Profit/ (loss) after tax attributable to the owners of the parent entity	(77,426)	(1,965,087)
Profit/ (loss) from sales of treasury shares	190	(52)
Transfer between other reserves and retained earnings	6,857	1,664
Acquisitions, disposals, absorption, liquidation and movements in participating interest	8,858	(628)
Closing balance for the period	(5,982,816)	(5,921,295)

23 Related parties transactions

Related parties include: a) Members of the Bank Board of Directors and key management personnel of the Bank, b) Close family and financially dependants (husbands, wives, children etc) of the Board of Directors members and key management personnel, c) Companies having transactions with Piraeus Bank Group, if the total cumulative participating interest (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds cumulatively 20% 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.

The transactions with related parties are analysed as follows:

Board of Directors members and key management personnel	31 March 2015	31 December 2014
Loans	94,643	101,131
Deposits	15,688	34,595

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 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 to key management personnel for the period from 1/1 - 31/3/2015 is € 0.6 million (1/1 - 31/3/2014: € 1.0 million). The total expense that relates to the prementioned related parties for the period 1/1 - 31/3/2015 is € 0.4 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 Group, respectively. Loans and letters of guarantee have been issued to related parties in the normal course of business, within the approved credit policies and Group procedures, adequately collateralised. 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 instead of € 29.7 million at 31/12/2014. The full amount of the above provisions has been included in the retirement benefit obligations.

The transactions with associate companies are analysed as follows:

	Associates	
	31 March 2015	31 December 2014
Deposits and other liabilities	89,173	125,463
Loans and other receivables	1,036,490	936,575

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

	Associates	
	1/1-31/3/2015	1/1-31/3/2014
Total expense & capital expenditure	(4,801)	(5,103)
Total income	13,293	2,831

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

Letters of guarantee to associates of the Group as at 31/3/2015 are € 16.7 million (31/12/2014: € 13.9 million).

24 Changes in the portfolio of subsidiaries and associates

During the period 1/1 - 31/3/2015, Piraeus Bank and its subsidiaries paid for the acquisition, establishment and participation in share capital increases of subsidiaries, a total amount of € 29.5 million. Additionally, Piraeus Bank and its subsidiaries paid for the establishment and participation in share capital increases of associates, a total amount of € 28.5 million. The analysis of changes of subsidiaries' and associates' portfolio is presented below:

a) Gain of control or significant influence:

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

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

b) Establishments:

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

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

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

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

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

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

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

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

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

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

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

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

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

d) Liquidation and disposal:

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

25 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)	6,722,920	6,884,722
Tier 2 Capital (T2)	44,625	75,603
Total Capital (TC)	6,767,545	6,960,325
Total risk weighted assets (on and off-balance sheet items)	57,951,311	55,719,654
Common Equity Tier 1 ratio	11.6%	12.4%
Tier 1 ratio	11.6%	12.4%
Total Capital ratio	11.7%	12.5%

The determination of capital for 31/3/2015, 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 31st March 2015, the abovementioned ratios are fully complying with the regulatory demands confirming the strong capital base of the Group.

26 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

MICHALIS G. SALLAS

MANAGING DIRECTOR
& C.E.O.

ANTHIMOS K. THOMOPOULOS

CHIEF FINANCIAL
OFFICER

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