

PIRAEUS BANK



PIRAEUS BANK GROUP

**Consolidated Interim Condensed
Financial Information**

31 March 2016

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 25th 2016 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	13
4 Fair values of assets and liabilities	16
5 Business segments	20
6 Profit/ (loss) and balance sheet from discontinued operations	23
7 Income tax	24
8 Earnings/ (losses) per share	26
9 Analysis of other comprehensive income	27
10 Financial assets at fair value through profit or loss	28
11 Loans and advances to customers	28
12 Available for sale portfolio	30
13 Debt securities - receivables	30
14 Investments in subsidiaries and associate companies	31
15 Due to credit institutions	38
16 Due to customers	39
17 Debt securities in issue	39
18 Contingent liabilities and commitments	41
19 Share capital and contingent convertible securities	42
20 Other reserves and retained earnings	43
21 Related parties transactions	44
22 Changes in the portfolio of subsidiaries and associates	46
23 Capital adequacy	47
24 Restatement of comparative period	48
25 Events subsequent to the end of the interim period	50

CONSOLIDATED INTERIM INCOME STATEMENT	Note	Period from 1 January to	
		31 March 2016	31 March 2015
Interest and similar income		691,789	764,819
Interest expense and similar charges		(213,839)	(278,295)
NET INTEREST INCOME		477,950	486,524
Fee and commission income		83,214	87,115
Fee and commission expense		(9,612)	(8,655)
NET FEE AND COMMISSION INCOME		73,602	78,461
Dividend income		57	477
Net income from financial instruments designated at fair value through profit or loss		9,091	(3,498)
Results from investment securities		(3,293)	(5,925)
Other results		23,567	13,277
TOTAL NET INCOME		580,976	569,317
Staff costs		(160,024)	(166,650)
Administrative expenses		(130,608)	(133,929)
Depreciation and amortisation		(27,513)	(27,224)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(318,145)	(327,803)
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		262,831	241,513
Impairment losses on loans	11	(289,351)	(271,051)
Impairment losses on other receivables		(5,384)	(6,813)
Other provisions and impairment		(6,756)	(3,123)
Share of profit of associates		(298)	(12,760)
PROFIT/ (LOSS) BEFORE INCOME TAX		(38,958)	(52,235)
Income tax	7	1,829	(11,612)
PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		(37,129)	(63,847)
Profit/ (loss) after income tax from discontinued operations	6	(7,008)	(14,148)
PROFIT/ (LOSS) AFTER TAX		(44,137)	(77,994)
From continuing operations			
Profit/ (loss) attributable to equity holders of the parent entity		(36,779)	(63,249)
Non controlling interest		(350)	(597)
From discontinued operations			
Profit/ (loss) attributable to equity holders of the parent entity		(7,007)	(14,177)
Non controlling interest		(1)	30
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):			
From continuing operations			
- Basic and Diluted	8	(0.0042)	(0.0375)
From discontinued operations			
- Basic and Diluted	8	(0.0008)	(0.0084)

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to	
		31 March 2016	31 March 2015
CONTINUING OPERATIONS			
Profit/ (loss) after tax (A)		(37,129)	(63,847)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	9	(15,670)	(44,117)
Change in currency translation reserve	9	(12,108)	(12,243)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	9	9	8,352
Other comprehensive income, net of tax (B)	9	(27,768)	(48,009)
Total comprehensive income, net of tax (A+B)		(64,897)	(111,855)
- Attributable to equity holders of the parent entity		(64,595)	(111,342)
- Non controlling interest		(302)	(513)
DISCONTINUED OPERATIONS			
Profit/ (loss) after tax (C)		(7,008)	(14,148)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	9	(1,953)	5,913
Change in currency translation reserve	9	25	13,738
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	9	-	(262)
Other comprehensive income, net of tax (D)	9	(1,927)	19,389
Total comprehensive income, net of tax (C+D)		(8,935)	5,242
- Attributable to equity holders of the parent entity		(8,935)	4,979
- Non controlling interest		(1)	262

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	Note	31 March 2016	31 December 2015
ASSETS			
Cash and balances with Central Banks		3,511,415	3,644,821
Loans and advances to credit institutions		150,107	179,523
Financial assets at fair value through profit or loss	10	278,206	240,398
Derivative financial instruments - assets		474,320	437,678
Reverse repos with customers		16,900	641
Loans and advances to customers (net of provisions)	11	48,912,941	50,591,193
Available for sale securities	12	2,640,763	2,739,687
Debt securities - receivables	13	16,999,217	16,985,336
Held to maturity		309	182
Assets held for sale		16,688	34,089
Inventories property		872,527	847,386
Investment property		1,035,629	1,035,911
Investments in associated undertakings		298,618	297,738
Property, plant and equipment		1,458,515	1,474,160
Intangible assets		269,928	274,159
Deferred tax assets	7	5,088,178	5,074,769
Other assets		2,029,252	2,076,129
Assets from discontinued operations	6	1,628,530	1,594,414
TOTAL ASSETS		85,682,044	87,528,216
LIABILITIES			
Due to credit institutions	15	33,858,893	34,490,583
Due to customers	16	37,911,076	38,951,880
Liabilities at fair value through profit or loss		178	2,499
Derivative financial instruments - liabilities		477,547	445,819
Debt securities in issue	17	95,032	102,314
Current income tax liabilities		60,177	51,737
Deferred tax liabilities		30,010	31,499
Retirement benefit obligations		195,143	192,780
Other provisions		191,762	182,500
Other liabilities		1,414,435	1,571,196
Liabilities from discontinued operations	6	1,500,594	1,484,883
TOTAL LIABILITIES		75,734,848	77,507,690
EQUITY			
Share capital	19	2,619,955	2,619,955
Share premium	19	13,074,688	13,074,688
Contingent convertible securities	19	2,040,000	2,040,000
Less: Treasury shares	19	-	(460)
Other reserves	20	(34,790)	(7,766)
Amounts recognized directly in equity relating to non-current assets			
from discontinued operations	20	19,935	21,863
Retained earnings	20	(7,885,172)	(7,840,635)
Capital and reserves attributable to equity holders of the parent entity		9,834,616	9,907,644
Non controlling interest		112,579	112,882
TOTAL EQUITY		9,947,196	10,020,526
TOTAL LIABILITIES AND EQUITY		85,682,044	87,528,216

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Attributable to owners of the parent						Non controlling interest	TOTAL
		Share Capital	Share Premium	Contingent Convertible securities	Treasury shares	Other reserves	Retained earnings		
Opening balance as at 1 January 2015		1,830,594	11,393,314	0	0	(92,453)	(5,921,295)	112,082	7,322,242
Other comprehensive income, net of tax	9					(28,936)		317	(28,619)
Results after tax for the period 1/1/2015 - 31/3/2015	20						(77,426)	(568)	(77,994)
Total recognized income for the period 1/1/2015 - 31/3/2015		0	0	0	0	(28,936)	(77,426)	(251)	(106,613)
(Purchases)/ sales of treasury shares	19, 20				(654)		190		(464)
Transfer between other reserves and retained earnings	20					(6,857)	6,857		0
Acquisitions, disposals and movements in participating interest	20					(7,825)	8,858	21,383	22,416
Balance as at 31 March 2015		1,830,594	11,393,314	0	(654)	(136,071)	(5,982,816)	133,214	7,237,580
Opening balance as at 1 April 2015		1,830,594	11,393,314	0	(654)	(136,071)	(5,982,816)	133,214	7,237,580
Other comprehensive income, net of tax						115,781		(206)	115,575
Results after tax for the period 1/4/2015-31/12/2015	20						(1,815,422)	(2,580)	(1,818,002)
Total recognized income for the period 1/4/2015 - 31/12/2015		0	0	0	0	115,781	(1,815,422)	(2,787)	(1,702,427)
Increase of share capital		2,601,649		2,040,000					4,641,649
Share capital increase expenses			(130,915)						(130,915)
Decrease of the nominal value of ordinary shares		(1,812,288)	1,812,288						0
Prior year dividends								(95)	(95)
(Purchases)/ sales of treasury shares	19, 20				194		(1,603)		(1,409)
Transfer between other reserves and retained earnings	20					35,205	(35,205)		0
Acquisitions, disposals and movement in participating interest	20					(818)	(5,590)	(17,450)	(23,858)
Balance as at 31 December 2015		2,619,955	13,074,687	2,040,000	(460)	14,096	(7,840,635)	112,882	10,020,526
Opening balance as at 1 January 2016		2,619,955	13,074,687	2,040,000	(460)	14,096	(7,840,635)	112,882	10,020,526
Other comprehensive income, net of tax	9					(29,743)		48	(29,695)
Results after tax for the period 1/1/2016 - 31/3/2016	20						(43,786)	(350)	(44,137)
Total recognized income for the period 1/1/2016-31/3/2016		0	0	0	0	(29,743)	(43,786)	(302)	(73,832)
(Purchases)/ sales of treasury shares	19, 20				460		(88)		372
Transfer between other reserves and retained earnings	20					793	(793)		0
Acquisitions, disposals and movement in participating interest	20						130		130
Balance as at 31 March 2016		2,619,955	13,074,687	2,040,000	0	(14,854)	(7,885,172)	112,580	9,947,196

CONSOLIDATED INTERIM CASH FLOW STATEMENT	Note	Period from 1 January to	
		31 March 2016	31 March 2015
<i>Cash flows from operating activities from continuing operations</i>			
Profit/ (Loss) before tax		(38,958)	(52,234)
<i>Adjustments to profit/ loss before tax:</i>			
Add: provisions and impairment		301,490	280,987
Add: depreciation and amortisation charge		27,513	27,224
Add: retirement benefits		3,724	3,344
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss		2,221	585
(Gains)/ losses from investing activities		3,630	20,527
Cash flows from operating activities before changes in operating assets and liabilities		299,621	280,433
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Banks		262,333	(423,768)
Net (increase)/ decrease in financial instruments at fair value through profit or loss		(17,204)	4,276
Net (increase)/ decrease in debt securities - receivables		(13,881)	(22,197)
Net (increase)/ decrease in loans and advances to credit institutions		1,827	(4,680)
Net (increase)/ decrease in loans and advances to customers		1,441,285	1,180,653
Net (increase)/ decrease in reverse repos with customers		(16,259)	33,128
Net (increase)/ decrease in other assets		(45,790)	(374,775)
Net increase/ (decrease) in amounts due to credit institutions		(631,690)	7,313,714
Net increase/ (decrease) in liabilities at fair value through profit or loss		(2,332)	(1,853)
Net increase/ (decrease) in amounts due to customers		(1,040,804)	(8,297,404)
Net increase/ (decrease) in other liabilities		(152,203)	307,716
Net cash flow from operating activities before income tax payment		84,903	(4,756)
Income tax paid		(47)	(87)
Net cash inflow/ (outflow) from continuing operating activities		84,857	(4,844)
<i>Cash flows from investing activities of continuing operations</i>			
Purchases of property, plant and equipment		(35,846)	(46,555)
Sales of property, plant and equipment		13,664	5,426
Purchases of intangible assets		(4,621)	(7,850)
Purchases of assets held for sale		(784)	(2,540)
Sales of assets held for sale		18,681	3,576
Purchases of investment securities		(1,281,428)	(2,036,878)
Disposals/ maturity of investment securities		1,347,795	1,682,605
Acquisition of subsidiaries excluding cash & cash equivalents acquired		-	(28,872)
Establishments, acquisition and participation in share capital increases of associates	22	(889)	(28,543)
Sales of associates		-	30,400
Dividends received		55	381
Net cash inflow/ (outflow) from continuing investing activities		56,627	(428,849)
<i>Cash flows from financing activities of continuing operations</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(10,390)	(72,788)
Purchases/ sales of treasury shares and preemption rights		372	(464)
Other cash flows from financing activities		-	5,626
Net cash inflow/ (outflow) from continuing financing activities		(10,018)	(67,627)
Effect of exchange rate changes on cash and cash equivalents		(5,511)	9,084
Net increase/ (decrease) in cash and cash equivalents from continuing activities (A)		125,956	(492,235)
Net cash flows from discontinued operating activities		11,811	264,240
Net cash flows from discontinued investing activities		(33,680)	(200,375)
Net cash flows from discontinued financing activities		-	-
Exchange difference of cash and cash equivalents		35	(850)
Net increase/ (decrease) in cash and cash equivalents from discontinued activities (B)		(21,834)	63,015
Cash and cash equivalents at the beginning of the period (C)		2,276,758	2,664,133
Cash and cash equivalents at the end of the period (A)+(B)+ (C)		2,380,880	2,234,913

1 General information about the Group

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

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern and Western Europe. The Group employs in total 20,710 people of which 529 people, refer to discontinued operations (ATE Insurance S.A., ATE Insurance Romania S.A. and Piraeus Bank Cyprus Ltd group of companies).

Apart from the ATHEX General Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (All World, Emerging Europe, Mid Cap, Med 100), MSCI (Emerging Markets, EM EMEA, Greece), and S&P (Developed MidSmall Cap), 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 2015.

The following amendments and improvements in IFRSs have been issued by the IASB, have been endorsed by the European Union and they are effective from 1/1/2016.

- **IAS 19 (Amendment), "Employee Benefits" (effective for annual periods beginning on or after 1 February 2015).** The amendment allows an entity to recognize contributions as a reduction in the service cost in the period in which the related service is rendered, if the amount of such contributions is independent of the number of years of service.
 - **IFRS 11 (Amendment), "Accounting for Acquisitions of Interest in Joint Operations" (effective for annual periods beginning on or after 1 January 2016).** The amendment provides guidance on the accounting for acquisition of an interest in a joint operation, in which the activity constitutes "business".
 - **IAS 16 (Amendment) and IAS 38 (Amendment), «Clarification of Acceptable Methods of Depreciation and Amortization" (effective for annual periods beginning on or after 1 January 2016).** The amendment clarifies acceptable methods of depreciation and amortization.
 - **IAS 27 (Amendment), "Separate Financial Statements" effective for annual periods beginning on or after 1 January 2016).** The amendment allows to an entity to use the equity method to account for investments in subsidiaries, associates and joint ventures in its separate financial statements.
 - **IAS 1 (Amendment) "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 January 2016).** The aforementioned amendment provides clarifications concerning the structure of financial statements and
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the disclosures of accounting policies, as well as the presentation of items of other comprehensive income arising from equity accounted investments. Also, the amendment clarifies that the minimum required disclosures by any I.F.R.S. may not be provided in the financial statements, if they are considered immaterial.

Annual Improvements to IFRSs 2010 - 2012 Cycle (December 2013)

- **IFRS 2 (Amendment), “Share-based Payment” (effective for annual periods beginning on or after 1 February 2015).** The amendment clarifies the definition of vesting conditions in cases of benefit plans in shares.
- **IFRS 3 (Amendment), “Business Combinations” (effective for annual periods beginning on or after 1 February 2015).** The objective of this amendment is to clarify the accounting treatment of contingent consideration in a business combination.
- **IFRS 8 (Amendment), “Operating Segments” (effective for annual periods beginning on or after 1 February 2015).** The amendment requires entities to disclose the judgments made by Management when aggregating the entity’s reportable segments.
- **IFRS 13 (Amendment), “Fair Value Measurement” (effective for annual periods beginning on or after 1 February 2015).** The amendment clarifies that short-term receivables and payables with no stated interest rates can be held in the amount of the asset/ liability when the effect of discounting is immaterial.
- **IAS 16 (Amendment), “Property, Plant and Equipment” and IAS 38 (Amendment), “Intangible assets” (effective for annual periods beginning on or after 1 February 2015).** The objective of these amendments is to clarify the requirements for the revaluation method.
- **IAS 24 (Amendment), “Related Party Disclosures” (effective for annual periods beginning on or after 1 February 2015).** The amendment clarifies that an entity providing Key Management Personnel services to the reporting entity is a related party of the reporting entity.

Annual Improvements to IFRSs 2012-2014 (September 2014)

- **IFRS 5 (Amendment) “Non-current assets held for sale and discontinued operations” (effective for annual periods beginning on or after 1 January 2016).** Assets are disposed of either through sale or through distribution to owners. This amendment clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal and therefore it is not accounted for as such.
 - **IFRS 7 “Financial instruments: Disclosures” (effective for annual periods beginning on or after 1 January 2016).** The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, ‘Disclosure – Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by IAS 34.
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- **IAS 19 “Employee benefits” (effective for annual periods beginning on or after 1 January 2016).** The amendment clarifies that the determination of the discount rate for post-employment benefit obligations depends on the currency that the liabilities are denominated rather than the country where these arise.
- **IAS 34 (Amendment) “Interim financial reporting” (effective for annual periods beginning on or after 1 January 2016).** The relevant amendment clarifies that the required information according to IAS 34 shall be disclosed in the interim financial statements. In case such information is presented in sections of the interim financial report other than disclosures, cross-references shall be used.

These improvements and amendments do not significantly affect the interim condensed financial information for the period 1/1-31/3/2016.

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

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

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

b.1. Impairment losses on loans and other receivables

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

b.2. Fair value of over the counter derivative instruments

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

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

In addition, the calculation of credit adjustments is also based on loss given default (LGD) rates as well probability of default (PD) curves of the Bank and the respective counterparties, as these are derived from the purchase prices of the Credit Default Swap Market. In case that the aforementioned prices are not available from the CDS market, or the available market prices are not

reliable due to very low liquidity, the relevant calculation is based on proxy credit curves and LGD rates, approved by the Bank's management.

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

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

Available for sale portfolio

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

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

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

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

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

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

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.

On 31/12 of each financial year, for the fair value measurement of the Bank's properties, a sample of investment properties, own-use and inventory properties, is selected. The valuation of these properties is assigned to independent valuers. The results of the valuations are extrapolated to the remaining property population depending on the category, the type and the location of the property. In addition, the subsidiary companies of the Group apply the procedures of the Bank regarding the valuation of their real estate property, adjusted to the specific conditions of every company.

In case that, there is evidence for significant changes of the conditions of the real estate market in the interim reporting periods, the Bank may reassess the fair value of certain properties.

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 and its subsidiaries 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 and tax losses that can be utilized against future taxable profits 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 appropriate 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 revised Restructuring Plan approved as of 29 November 2015, by the European Commission, are based on the assumptions related to the Greek economy prospect, as well as on other actions or amendments already implemented, improving the evolution of the future profitability.

Moreover, the Group examines the nature of the temporary differences 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. Assets from discontinued operations

In "Assets from discontinued operations", the Group includes the assets of the subsidiary companies that meet the classification requirements as discontinued operations in accordance with the relevant provisions of I.F.R.S. 5. For these subsidiary companies, the Management of the Bank makes estimates regarding the potential completion of the transaction, namely the sale of the subsidiary company, within a year of initial the classification, in accordance with I.F.R.S. 5.

b.9. Greek public sector

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

As at 31 March 2016, the total carrying value of the Group's receivables from Greek Public Sector is as follows:

	31/3/2016	31/12/2015
Derivative financial instruments - assets	378,168	347,370
Bonds and treasury bills at fair value through profit or loss	31,877	50,351
Loans to corporate entities/ Public sector	297,897	1,373,825
Bonds, treasury bills and other variable income securities of investment portfolio	1,917,445	2,034,992
Other Assets	1,164,463	1,113,843
Total	3,789,851	4,920,381

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

The consolidated interim condensed financial information of the Group has been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the IASB, as adopted by the European Union and in particular with those IFRS standards and IFRIC interpretations issued and effective as at the time of preparing the consolidated interim condensed financial information.

The consolidated interim condensed financial information of Piraeus Bank Group is prepared in euro. The amounts of 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 assessing the macroeconomic and financial environment in Greece, the Group's capital adequacy and the liquidity, estimates that the Group will continue in operational existence for the foreseeable future, as described below:

Macroeconomic environment

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

- a) Significant increase of banknotes in circulation in the Greek economy, that took place in the period end November 2014 to end June 2015.
- b) Ability to conduct electronic transactions without restrictions through alternative channels and networks within the country, which was given from the first moment of the imposition of capital controls, reducing significantly the impact for the transacting parties and the economy.
- c) The majority of companies (especially the larger ones trading internationally) were prepared for the possibility of capital controls and, as a consequence, their operation was not disrupted as much as it was initially expected.
- d) Limited impact on tourism. The initial concerns about a significant impact on tourism did not materialise, as in 2015 revenues from tourism increased - for third consecutive year - by 5.5% to € 14.1 billion and the tourist arrivals increased by 7.6% to 26.1 million travellers.

In 2015, the real GDP, according to seasonally adjusted data, decreased by -0.3% (2014: 0.7%) registering a recession significantly lower than the expected according to the economic adjustment program (-2.3%). Simultaneously in 2015 a primary surplus was

reached based on the terms of the program of 0.7% of GDP against a deficit target of -0.25% of GDP. Based on the first estimate for the 1st quarter of 2016, GDP decreased by -0.4% in quarter base implying an annual decrease by -1.3%. In the first two months of 2016, based on seasonally adjusted data, the unemployment rate reached 24.3% versus 25.8% in the corresponding period of 2015.

During the year 2015, Greece made an official request for stability support – in the form of a loan facility – to the European Stability Mechanism (ESM). A separate request for financial assistance was sent to the IMF on 23 July 2015. In this context, on 19th of August 2015, the European Commission signed a Memorandum of Understanding (MoU) with Greece following approval by the ESM Board of Governors for further stability support accompanied by a third economic adjustment program. Moreover, the Greek authorities signed a Financial Assistance Facility Agreement with the ESM to specify the financial terms of the loan. The total amount of the loans from the ESM is up to € 86 billion (period: August 2015 – August 2018). The disbursement of funds is linked to progress in delivery of policy conditions, in accordance with the MoU. In total by the end of 2015, Greece through ESM had received € 21.4 billion, of which € 16 billion related to funds in order to cover financing needs and € 5.4 billion to the recapitalisation of the banking system (against an initial estimation of € 25 billion), which was completed on December 2015, following the announcement of the results of the Comprehensive Assessment conducted by ECB on 31/10/2015.

In the extraordinary Eurogroup for Greece on May 9, 2016 - following the vote of the previous day of the draft legislation which included the critical measures for the social security reforms and the income tax of individuals - the other prerequisite steps for the completion of the first evaluation were determined and an initial approach about the debt was made. Following these decisions, Eurogroup on 24th May 2016 recognized that the voting of the draft legislation on 22th May 2016 and the completion of all action for the full implementation of the prerequisites, lead to the completion of the first evaluation and to the approval for a disbursement tranche of € 10.3 billion in individual sub-payments. The first sub-tranche of € 7.5 billion is placed in June, in order to repay borrowings and to repay part of the loans in arrears, aiming to the support of the economy. The disbursement of the remaining amount (€ 2.8 billion) is placed after the summer and is based on the achievement of the intermediate targets. At the same time, in relation to the sustainability of the public debt, short-term, medium-term and long-term measures were agreed, with reference to the level of the gross financing needs in relation to the GDP. The last decision is expected to contribute substantially to the restoration of the public debt sustainability.

The completion of the evaluation, in combination with the debt relief measures, is expected to lead to an improvement in the economic environment, contributing to the implementation of privatizations, to the gradual liberalization of capital movements, to a return to positive rates of GDP, to the acceptance of Greek bonds as collateral by the ECB and their participation in ECB's quantitative easing program.

In April 2016, the economic sentiment index improved to 90.3 points against 90.1 points in March 2016, due to the increase of the indexes of services and retail and the maintenance of the relevant index of manufacturing at the same level.

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

Capital adequacy

According to the Eurogroup statement on the ESM program for Greece on August 14, 2015, the total € 86 billion envelope includes a buffer of up to € 25 billion for the banking sector, in order to address capital needs and resolution costs. The first sub-tranche of € 10 billion was made available in a segregated account at the ESM, as part of the € 23 billion instalment of the program paid on 20th of August 2015. The MoU required the Comprehensive Assessment ("CA" i.e. Asset Quality Review and Stress Tests) which was

carried out by ECB/ Single Supervisory Mechanism (SSM) to quantify the capital shortfalls, which were included in the above mentioned buffer, after the legal framework is applied (i.e. transposition of the Bank Recovery and Resolution Directive).

The announcement of the outcome of the CA by the relevant European regulatory authorities (ECB/ SSM), was made on October 31, 2015.

Based on the results of the Comprehensive Assessment, the Bank completed its share capital increase of € 4.6 billion in December 2015, aiming at:

- The cover of its capital needs, as determined by the Comprehensive Assessment conducted by the ECB,
- The significant strengthening of its capital base,
- The enhancement of the image of the Bank, thus contributing towards the expected recovery for a part of deposits that were lost in Greece during the 1st semester of 2015 and the reduction of the funding from Eurosystem and more specifically from the ELA.

The Bank's management has been informed in writing by the regulator (SSM), that an onsite inspection will take place for the purpose of assessing the accuracy of the capital adequacy ratios calculation. The inspection commenced in March 2016 and is in progress. The Bank's management cannot, at present, estimate the result of the above mentioned inspection.

Liquidity

During the 1st quarter of 2016, domestic market deposits (private and public sector) decreased by 1.8% to € 131.3 billion. The exposure of all Greek banks in the Eurosystem reduced from € 108 billion at the end of December 2015 to € 101 billion at the end of March 2016, of which about € 66 billion was covered by the Emergency Liquidity Assistance ELA (the provision of liquidity support by the ELA is granted to adequately capitalized credit institutions that have acceptable assets as collateral, and is assessed on a regular basis by the ECB).

During the 1st quarter of 2016, Piraeus Bank's Group exposure to the Eurosystem reduced by € 2.3 billion to € 30.4 billion, assisted by the increased liquidity from the interbank Repo market (€ 3.2 billion on 31/3/2016 versus € 1.7 billion on 31/12/2015) but also the further deleveraging of the loan portfolio.

On 28 April 2016, the last guarantees of the Hellenic Republic (Pillar II), used by Piraeus Bank for liquidity purposes under the framework of L.3723/2008 "The strengthening of the liquidity of the Economy for offsetting the impact of the international financial crisis," were redeemed and therefore it will no longer be subject to the restrictions of the support program. It is noted that Piraeus Bank has fully repaid all the Pillars of L.3723/2008, without any loss to the Greek State as to the guarantees and capital it offered, while the Greek State has received approximately € 675 million fees from Pillars II & III.

Piraeus Bank's management, after taking into account the introduction of the new economic adjustment program, the liquidity provided by the Eurosystem to the Greek banking system, as well as the successful completion of the share capital increase, 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 2016	31 December 2015	31 March 2016	31 December 2015
Loans and advances to credit institutions	150,107	179,523	150,107	179,523
Loans and advances to customers (net of provisions)	48,912,941	50,591,193	48,248,865	48,749,756
Debt securities - receivables	16,999,217	16,985,336	17,300,626	17,286,346
Reverse repos with customers	16,900	641	16,900	641
Held to maturity investment securities	309	182	309	182

Liabilities	Carrying Value		Fair Value	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Due to credit institutions	33,858,893	34,490,583	33,858,893	34,490,583
Due to customers	37,911,076	38,951,880	37,911,076	38,951,880
Debt securities in issue	95,032	102,314	70,614	75,354
Obligations under finance leases	352,775	347,702	352,775	347,702

The fair values as at 31/3/2016 of loans and advances to credit institutions, reverse repos with customers, due to credit institutions, due to customers and obligations under finance leases which are measured at amortized cost, are not 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.

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 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 derivatives of the convertible bonds issued by Marfin Investment Group and Nireus S.A., are included in level 3 of derivative financial assets.

The aforementioned derivatives are accounted at fair value. The fair value of the embedded derivatives are determined according to valuation techniques following basic parameters: a) the relevant share price, b) the volatility of the relevant share price, c) the interest rates and d) the credit spreads.

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

Assets & Liabilities measured at fair value as at 31/3/2016	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	469,197	5,123	474,320
Financial instruments at fair value through profit or loss				
- Bonds	31,932	197,268	-	229,200
- Treasury bills	46,954	-	-	46,954
- Shares & other variable income securities	2,051	1	-	2,052
Available for Sale Securities				
- Bonds	470,700	259,585	-	730,285
- Treasury bills	1,504,970	49,393	-	1,554,362
- Shares & other variable income securities	127,293	3,044	225,779	356,116
Liabilities				
Derivative financial instruments - liabilities	1	477,546	-	477,547
Liabilities at fair value through profit or loss	178	-	-	178

Assets & Liabilities measured at fair value as at 31/12/2015	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	2	435,480	2,197	437,678
Financial instruments at fair value through profit or loss				
- Bonds	50,462	159,278	-	209,740
- Treasury bills	24,611	-	-	24,611
- Shares & other variable income securities	6,046	1	-	6,047
Available for Sale Securities				
- Bonds	468,420	224,960	-	693,380
- Treasury bills	1,621,695	47,754	-	1,669,449
- Shares & other variable income securities	142,863	3,044	230,951	376,857
Liabilities				
Derivative financial instruments - liabilities	-	445,819	-	445,819
Liabilities at fair value through profit or loss	2,499	-	-	2,499

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

For assets and liabilities valued at fair value on 31/3/2016, no transfer from level 1 to level 2 and vice versa occurred in the period 1/1-31/3/2016.

The following tables present the movement of derivative financial instruments-assets and shares of the available for sale portfolio within level 3 in the period 1/1 - 31/3/2016 and in 2015:

Reconciliation of level 3 items (31/3/2016)	Derivative financial instruments - assets	Available for sale shares & other variable income securities
Opening balance 1/1/2016	2,197	230,950
Profit/ (loss) for the period	2,926	-
Other comprehensive income	-	3
Shares purchases	-	19
Transfer to the subsidiaries' portfolio	-	(5,000)
FX differences and other movements	-	(194)
Closing balance 31/3/2016	5,123	225,778

Reconciliation of level 3 items (31/12/2015)	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	-	311
Opening balance of discontinued companies	-	(16,370)
Profit/ (loss) for the period	(17,549)	-
Other comprehensive income	-	69,452
Shares purchases	1,258	5,107
Impairment	-	(12,062)
Disposals	-	(16)
FX differences and other movements	-	(244)
Closing balance 31/12/2015	2,197	230,950

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

Sensitivity analysis of level 3 hierarchy (amounts in € million)	31/03/2016	
	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(22)
Derivative financial instruments - assets	5	(5)
Equity Statement		
Available for sale shares & other variable income securities	16	(1)

Sensitivity analysis of level 3 hierarchy (amounts in € million)	31/12/2015	
	Favourable changes	Unfavourable changes
Income Statement		
Available for sale shares & other variable income securities	-	(22)
Derivative financial instruments - assets	5	(5)
Equity Statement		
Available for sale shares & other variable income securities	16	(1)

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 31/3/2016, will range between about +88% in the scenarios of favourable changes and -107% 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 Business segments

Piraeus Bank Group has defined the following business segments:

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

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

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

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

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

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

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

1/1-31/3/2016	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	376,294	145,681	110	18,148	(62,283)	477,950
Net fee and commission income	62,114	6,805	344	3,307	1,032	73,602
Other income	13,654	255	1,031	2,655	11,828	29,423
Net Income	452,062	152,741	1,485	24,110	(49,422)	580,976
Depreciation and amortisation	(7,950)	(704)	(81)	(647)	(18,131)	(27,513)
Other operating expenses	(233,946)	(21,239)	(2,952)	(14,813)	(17,683)	(290,632)
Results before provisions, impairment and income tax	210,167	130,799	(1,549)	8,651	(85,236)	262,831
Impairment losses on loans	(198,322)	(91,029)	-	-	-	(289,351)
Impairment on other receivables	(1,760)	(30)	(3)	-	(3,591)	(5,384)
Other provisions and impairment	(5,269)	(998)	-	-	(489)	(6,756)
Share of profit of associates	-	-	-	-	(298)	(298)
Results before tax	4,815	38,743	(1,552)	8,651	(89,614)	(38,958)
Income tax						1,829
Results after tax from continuing operations						(37,129)
Results after income tax from discontinued operations						(7,008)
Results after tax for the period						(44,137)
As at 31 March 2016						
Total assets	41,085,724	12,236,294	46,115	20,935,421	11,378,490	85,682,044
Total liabilities	37,261,591	1,569,903	37,895	34,855,386	2,010,073	75,734,848
Capital expenditure	18,646	1,196	20	461	20,773	41,096

1/1-31/3/2015	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	322,960	186,741	94	35,578	(58,849)	486,524
Net fee and commission income	64,012	9,427	1,146	3,198	677	78,461
Other income	8,004	1,862	931	13,087	(19,552)	4,332
Net Income	394,975	198,031	2,171	51,863	(77,723)	569,317
Depreciation and amortisation	(8,537)	(813)	(92)	(166)	(17,615)	(27,224)
Other operating expenses	(241,900)	(23,810)	(2,528)	(15,520)	(16,821)	(300,580)
Results before provisions, impairment and income tax	144,539	173,407	(449)	36,176	(112,160)	241,513
Impairment losses on loans	(114,248)	(156,804)	-	-	-	(271,051)
Impairment on other receivables	(2,048)	(173)	-	-	(4,592)	(6,813)
Other provisions and impairment	(2,564)	(490)	-	-	(70)	(3,123)
Share of profit of associates	-	-	-	-	(12,760)	(12,760)
Results before tax	25,679	15,941	(449)	36,176	(129,582)	(52,235)
Income tax						(11,612)
Results after tax from continuing operations						(63,847)
Results after income tax from discontinued operations						(14,148)
Results after tax for the period						(77,994)
As at 31 December 2015						
Total assets	42,188,993	12,780,445	62,519	21,168,524	11,327,734	87,528,216
Total liabilities	38,280,576	1,613,651	36,393	35,642,757	1,934,313	77,507,690
As at 31 March 2015						
Capital expenditure	34,440	2,065	10	362	18,342	55,219

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 Banking Unit (RBU) that was established during 2014.

31/03/2016	Balance before allowances and adjustments	Accumulate allowances and adjustments	Balance net of allowances and adjustments
Corporate	20,249,714	(10,207,215)	10,042,498
Mortgages	4,651,232	(1,403,814)	3,247,419
Consumer	3,240,906	(2,103,760)	1,137,146
Total	28,141,852	(13,714,789)	14,427,063

31/12/2015	Balance before allowances and adjustments	Accumulate allowances and adjustments	Balance net of allowances and adjustments
Corporate	19,037,227	(9,853,613)	9,183,614
Mortgages	4,748,082	(1,344,007)	3,404,075
Consumer	3,357,285	(2,161,579)	1,195,706
Total	27,142,594	(13,359,199)	13,783,394

Total liabilities include deposits of customers of RBU of amount € 408,281 thousand (31/12/2015: € 426,154 thousand).

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

In the period 1/1-31/3/2016 are included the results of ATE Insurance S.A., ATE Insurance Romania S.A. and Piraeus Bank Cyprus LTD group of companies. In the period 1/1-31/3/2015 are included the results of the aforementioned companies and Piraeus Bank Egypt S.A.E. group of companies.

Relevant reference to the sale procedure of ATE Insurance S.A. and Piraeus Bank Cyprus LTD group of companies is provided in note 14B.

	1/1-31/3/2016	1/1-31/3/2015
Net interest income	8,128	14,265
Net fee and commission income	1,973	4,792
Dividend Income	-	9
Net income from financial instruments designated at fair value through profit or loss	15	915
Results from investment securities	-	259
Other results	824	480
Total net income	10,940	20,719
Staff costs	(6,710)	(12,090)
Administrative expenses	(3,903)	(5,943)
Depreciation and amortization	(496)	(3,942)
Total operating expenses before provisions	(11,109)	(21,975)
Other provisions and impairment	(6,837)	(9,874)
Share of profit of associates	-	(239)
Profit/ (loss) before income tax	(7,006)	(11,370)
Income tax	(2)	(2,778)
Profit/ (loss) after income tax from discontinued operations	(7,008)	(14,148)

The following assets and liabilities as at 31/3/2016 and 31/12/2015 relate to the companies ATE Insurance S.A., ATE Insurance Romania S.A. and Piraeus Bank Cyprus LTD group.

	31 March 2016	31 December 2015
ASSETS		
Cash and balances with Central Banks	189,369	211,043
Loans and advances to credit institutions	8,390	10,143
Derivative financial instruments	187	5
Financial instruments at fair value through profit or loss	5,761	6,589
Loans and advances to customers	621,008	632,547
Available for sale securities	438,169	407,951
Held to maturity	22,667	23,877
Debt securities - receivables	70,204	36,518
Investment property	21,492	21,199
Property, plant and equipment	65,173	65,497
Intangible assets	1,033	872
Deferred tax assets	73,523	73,523
Other assets	111,554	104,649
Total Assets	1,628,530	1,594,414
LIABILITIES		
Due to credit institutions	1,866	1,785
Due to customers	944,678	950,150
Derivative financial instruments	87	-
Deferred tax liabilities	16	16
Current income tax liabilities	12,560	6,393
Retirement benefit obligations	4,226	4,226
Other provisions	496,912	491,691
Other liabilities	40,250	30,622
Total Liabilities	1,500,594	1,484,883

7 Income tax

	1/1-31/3/2016	1/1-31/3/2015
Current Tax	(5,768)	(6,903)
Deferred tax	7,597	(4,709)
Total	1,829	(11,612)

In accordance with the provisions of the enacted Greek Tax Law (Law 4172/2013), as amended by Law 4334/2015 (Gazette A'80/16.07.2015) and being in effect today, the income tax rate for Greek legal entities increased from 26% to 29% from the tax year 2015 and thereon. A tax rate of 10% is imposed on dividend income acquired until 31/12/2016, whereas from 1/1/2017 and thereon, the tax rate will increase to 15% after the voting of Law «Urgent provisions for the implementation of Agreement on Financial Targets, Structural Reforms and other provisions».

For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the years of 2015 and 2016 (Bulgaria: 10%, Romania: 16%, Egypt: 22.5%, Serbia: 15%, Ukraine: 18%, Cyprus: 12.5%, Albania: 15% and United Kingdom: 21% from 1/4/2014 until 31/3/2015 and 20% from 1/4/2015).

Under the provisions of Law 4172/2013, Article 27A, as added with par. 1 of Article 23 of Law 4302/2014 and replaced by then in force with Law 4340/2015, deferred tax assets of Greek financial institutions that have been recognized due to losses from the Private Sector Involvement (PSI) and accumulated provisions due to credit risk in relation to existing receivables as of 30 June 2015, will be converted from 2017 onwards into directly enforceable claims (tax credit) against the Greek State, provided that the after tax accounting result from the fiscal year 2016 onwards, is a loss. This claim will be offset against the relevant amount of income tax. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State. In this case, a special reserve equal to 100% of the above claim will be created exclusively for a share capital increase and the issuance of capital conversion rights (warrants) without consideration in favor of the Greek State. The above rights will be convertible into ordinary shares. Existing shareholders will have a call option right. The above-mentioned reserve will be capitalized and new ordinary shares will be issued in favor of the Greek State.

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 to proceed with all actions required for the implementation of the above mentioned Law provisions.

As at 31/3/2016, deferred tax assets of the Group meeting the provisions of Law, rise up to € 4.1 billion, of which € 1.4 billion regards the remaining unamortized amount of debit difference from the participation on the Private Sector Involvement program (PSI) and € 2.7 billion regards on the differences on International Financial Reporting Standards accumulated provisions for loan impairments, and tax provisions respectively.

Audit Tax certificate

For the fiscal years 2011 until 2013, the tax audit for the Bank and all Greek Societe Anonyme Companies conducted by the same statutory auditor that issues the audit opinion on the statutory financial statements, who must issue a "Tax Compliance Report". This report is submitted to the Ministry of Finance. In case of a non qualified Tax Compliance Report, a tax audit is not initially performed, but only if certain criteria defined by the Ministry of Finance, are met.

For fiscal years 2014 onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must additionally obtain an "Annual Tax Certificate" as provided by article 65A of Law 4174/2013. The Tax Administration retains its right to proceed with a tax audit, within the applicable statute of limitations in accordance with article 36 of Law 4174/2013.

Unaudited tax years

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 par.5 of Law 2238/94, the tax audit of the Bank, conducted by PricewaterhouseCoopers S.A. for the fiscal years of 2011 and 2012, has been completed and a non qualified Tax Compliance Report has been issued.

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

For the fiscal year 2014, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non qualified Tax Compliance Report has been issued. For the fiscal year of 2015, the tax audit is being performed by PricewaterhouseCoopers S.A.

Namely to the subsidiaries and associates of Piraeus Bank Group that are incorporated in Greece and which must be audited according to the applicable law in force, the tax audit of these entities for the year 2014 has been completed and the relevant Tax Compliance Reports have been issued. For the fiscal year of 2015, the tax audit is being performed by their statutory auditors.

The unaudited tax years of the Group's subsidiaries and associates, are included in note 14 of the Consolidated Financial Statements.

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

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

8 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	1/1-31/3/2016	1/1-31/3/2015
Profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(36,779)	(63,249)
Weighted average number of ordinary shares in issue	8,732,522,406	1,685,785,755
Basic and diluted earnings/ (losses) per share (in €) from continuing operations	(0.0042)	(0.0375)

Basic and diluted earnings/ (losses) per share from discontinued operations	1/1-31/3/2016	1/1-31/3/2015
Profit/ (loss) attributable to ordinary shareholders of the parent entity from discontinued activities	(7,007)	(14,177)
Weighted average number of ordinary shares in issue	8,732,522,406	1,685,785,755
Basic and diluted earnings/ (losses) per share (in €) from discontinued operations	(0.0008)	(0.0084)

According to the requirements of IAS 33, the weighted average number of shares for the comparative period 1/1-31/3/2015 has been adjusted by a 27.6294 factor, in order to adjust earnings/ (losses) per share for the discount price of the share capital increase that took place during the 4th quarter of 2015. Comparative period has been also adjusted by a factor 1/100 in order to adjust earnings/ (losses) per share for the reverse split (note 19).

9 Analysis of other comprehensive income

A. Continuing operations

1/1-31/3/2016	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(21,904)	6,234	(15,670)
Change in currency translation reserve	(12,108)	-	(12,108)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	13	(4)	9
Other comprehensive income from continuing operations	(33,998)	6,230	(27,768)

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	(59,765)	15,648	(44,117)
Change in currency translation reserve	(12,243)	-	(12,243)
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	(72,006)	23,998	(48,009)

B. Discontinued operations

1/1-31/3/2016	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(1,953)	-	(1,953)
Change in currency translation reserve	25	-	25
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income from discontinued operations	(1,927)	0	(1,927)

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	5,913	-	5,913
Change in currency translation reserve	13,738	-	13,738
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	19,297	92	19,389

10 Financial assets at fair value through profit or loss

	31 March 2016	31 December 2015
Greek government bonds	31,877	50,351
Foreign government bonds	197,323	159,333
Bank bonds	-	56
Foreign government treasury bills	46,954	24,611
Total of bonds and other fixed income securities (A)	276,153	234,351
Athens stock exchange listed shares	2,051	6,034
Foreign stock exchanges listed shares	1	12
Mutual funds	1	1
Total of shares and other variable income securities (B)	2,052	6,047
Total financial assets at fair value through profit or loss (A) + (B)	278,206	240,398

11 Loans and advances to customers

	31 March 2016	31 December 2015
Mortgages	16,103,684	16,298,876
Consumer/ personal and other loans	4,196,196	4,266,710
Credit cards	1,005,011	1,027,000
Loans to individuals	21,304,891	21,592,586
Loans to corporate entities and Public sector	36,864,974	38,357,729
Total loans and advances to customers (before allowances for losses)	58,169,864	59,950,315
Less: Allowance for impairment on loans and advances to customers	(9,256,923)	(9,359,122)
Total loans and advances to customers (net of provisions)	48,912,941	50,591,193

Please note that the amounts of loans have been amended by fair value adjustment, in the context of the purchase price allocation exercise of the operations acquired.

It is noted that the allowance for impairment of loans of the Group of former ATEbank, the Greek banking operations of Cypriot Banks in Greece (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank), Millennium Bank S.A., Geniki Bank S.A. and Panellinia Bank S.A. at their acquisition date by Piraeus 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 1/1/2015	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
-From continuing operations	22,590	39,460	25,139	87,189	183,863	271,051
-From discontinued operations	2,287	902	6	3,195	3,736	6,931
Loans written-off	(11,310)	(51,025)	(11,744)	(74,079)	(299,657)	(373,737)
-From continuing operations	(11,310)	(50,543)	(11,592)	(73,445)	(299,626)	(373,071)
-From discontinued operations	-	(482)	(152)	(634)	(31)	(666)
Provision of derecognised loans from continuing operations	-	-	-	0	(126,452)	(126,452)
Unwinding from continuing operations	(19,240)	(14,901)	(1,946)	(36,087)	(42,512)	(78,599)
Foreign exchange differences and other movements	22,866	25,217	90	48,173	111,375	159,549
-From continuing operations	22,223	24,316	(16)	46,523	103,528	150,051
-From discontinued operations	643	902	106	1,651	7,848	9,498
Balance at 31/3/2015	761,366	961,370	273,771	1,996,508	5,693,333	7,689,841
Opening balance at 1/4/2015	761,366	961,370	273,771	1,996,508	5,693,333	7,689,841
Opening balance of discontinued operations	(23,021)	(30,940)	(1,989)	(55,950)	(186,993)	(242,943)
Opening balance of new companies	24	-	-	24	14,106	14,130
Charge for the period from continuing operations	597,974	153,399	606	751,978	2,463,777	3,215,755
Loans written-off from continuing operations	(11,255)	(133,546)	(25,078)	(169,878)	(337,268)	(507,146)
Provision of derecognised loans from continuing operations	-	(354)	(29)	(383)	(575,936)	(576,320)
Unwinding from continuing operations	(58,931)	(45,515)	(8,041)	(112,487)	(137,108)	(249,595)
Foreign exchange differences and other movements from continuing operations	(3,906)	11,265	102	7,461	7,940	15,401
Balance at 31/12/2015	1,262,251	915,680	239,342	2,417,273	6,941,849	9,359,122
Opening balance at 1/1/2016	1,262,251	915,680	239,342	2,417,273	6,941,849	9,359,122
Charge for the period	74,686	24,456	6,339	105,481	183,870	289,351
Loans written-off	(2,196)	(48,921)	(5,434)	(56,551)	(199,454)	(256,005)
Unwinding from continuing operations	(18,721)	(16,625)	(1,919)	(37,265)	(49,151)	(86,416)
Foreign exchange differences and other movements	(2,702)	962	(28)	(1,768)	(47,362)	(49,129)
Balance at 31/3/2016	1,313,318	875,552	238,300	2,427,170	6,829,753	9,256,923

12 Available for sale portfolio

	31 March 2016	31 December 2015
Greek government bonds	405,303	400,776
Foreign government bonds	320,440	287,864
Bank bonds	4,542	4,740
Greek government treasury bills	1,502,643	1,621,695
Foreign government treasury bills	51,719	47,754
Total bonds and other fixed income securities (A)	2,284,647	2,362,830
Athens stock exchange listed shares	53,914	63,639
Foreign stock exchange listed shares	1,729	1,802
Unlisted shares	231,204	233,269
Mutual funds	59,770	65,626
Other variable income securities	9,499	12,521
Total shares and other variable income securities (B)	356,116	376,857
Total available for sale securities (A) + (B)	2,640,763	2,739,687

13 Debt securities - receivables

	31 March 2016	31 December 2015
Corporate entities debt securities - receivables	16,041	16,282
Bank debt securities - receivables	28,957	28,858
Foreign government bonds debt securities - receivables, EFSF bonds and ESM bonds	16,978,064	16,964,042
Total debt securities - receivables	17,023,062	17,009,181
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
Total debt securities - receivables (less allowances for losses)	16,999,217	16,985,336

14 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⁾
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania	2014-2015
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2015
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2013-2015
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010-2015
5.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	2015
6.	Piraeus Leasing Romania IFN S.A.	Finance leases	100.00%	Romania	2003-2015
7.	Tirana Leasing S.A.	Finance leases	100.00%	Albania	2012-2015
8.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2010,2013-2015
9.	Piraeus Group Capital Ltd	Debt securities issue	100.00%	United Kingdom	-
10.	Piraeus Leasing Bulgaria EAD	Finance leases	100.00%	Bulgaria	2008-2015
11.	Piraeus Group Finance PLC	Debt securities issue	100.00%	United Kingdom	2014-2015
12.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2010,2013-2015
13.	Picar S.A.	City Link areas management	100.00%	Greece	2010,2013-2015
14.	Bulfina S.A.	Property management	100.00%	Bulgaria	2008-2015
15.	General Construction and Development Co. S.A.	Property development/ holding company	66.66%	Greece	2010,2013-2015
16.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2010,2013-2015
17.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece	2010,2013-2015
18.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2013-2015
19.	ND Development S.A.	Property management	100.00%	Greece	2010,2013-2015
20.	Property Horizon S.A.	Property management	100.00%	Greece	2010,2013-2015
21.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece	2010,2013-2015
22.	Piraeus Development S.A.	Property management	100.00%	Greece	2010,2013-2015
23.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece	2010,2013-2015
24.	Piraeus Buildings S.A.	Property development	100.00%	Greece	2010-2015
25.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
26.	Euroinvestment & Finance Public Ltd	Asset management, real estate operations	90.89%	Cyprus	2006-2015
27.	Lakkos Mikelli Real Estate Ltd	Property management	50.66%	Cyprus	2009-2015

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years ⁽¹⁾
28.	Philoktimatiki Public Ltd	Land and property development	53.31%	Cyprus	2015
29.	Philoktimatiki Ergoliptiki Ltd	Construction company	53.31%	Cyprus	2015
30.	IMITHEA S.A.	Organization, operation and management of hospital units	100.00%	Greece	2010,2013-2015
31.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2013-2015
32.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece	2008-2010, 2013-2015
33.	Sunholdings Properties Company Ltd	Land and property development	26.66%	Cyprus	2008-2015
34.	Polytropon Properties Limited	Land and property development	39.98%	Cyprus	-
35.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
36.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
37.	Piraeus Insurance Brokerage EOOD	Insurance brokerage	99.98%	Bulgaria	2007-2015
38.	Trieris Real Estate Management Ltd	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
39.	Piraeus Real Estate Consultants SRL	Construction company	100.00%	Romania	2007-2015
40.	Piraeus Leases S.A.	Finance leases	100.00%	Greece	2013-2015
41.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2015
42.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases- Rent-a-Car and long term rental of vehicles	94.00%	Greece	2009-2010, 2013-2015
43.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia	2007-2015
44.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
45.	Piraeus Leasing Doo Beograd	Finance leases	100.00%	Serbia	2007-2015
46.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2015
47.	Piraeus Real Estate Egypt LLC	Property management	100.00%	Egypt	2007-2015
48.	Piraeus Insurance Agency S.A.	Insurance - agency	100.00%	Greece	2010,2013-2015
49.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece	2010,2013-2015
50.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
51.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
52.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
53.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
54.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
55.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
56.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	-
57.	R.E Anodus Ltd	Consultancy services for real estate development and investments	100.00%	Cyprus	2009-2015
58.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010,2013-2015

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years ⁽¹⁾
59.	Solum Limited Liability Company	Property management	99.00%	Ukraine	2009-2015
60.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2010-2015
61.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010,2013-2015
62.	Piraeus Equity Partners Ltd	Holding company	100.00%	Cyprus	2011-2015
63.	Piraeus Equity Advisors Ltd	Investment advise	100.00%	Cyprus	2009-2015
64.	Achaia Clauss Estate S.A.	Property management	75.27%	Greece	2010,2013-2015
65.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2015
66.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
67.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
68.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2015
69.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2015
70.	Piraeus Clean Energy Holdings Ltd	Holding Company	100.00%	Cyprus	2010-2015
71.	Kosmopolis A' Shopping Centers S.A.	Shopping center's management	100.00%	Greece	2010,2013-2015
72.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011-2015
73.	Bulfinace E.A.D.	Property Management	100.00%	Bulgaria	2008-2015
74.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	2013-2015
75.	Asset Management Bulgaria EOOD	Travel - rental services and property management	99.98%	Bulgaria	2012-2015
76.	Arigeo Energy Holdings Ltd	Holding company in renewable energy	100.00%	Cyprus	2012-2015
77.	Proiect Season Residence SRL	Real estate development	100.00%	Romania	2012-2015
78.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of venture capital fund	100.00%	Greece	2013-2015
79.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	80.00%	Greece	2013-2015
80.	Piraeus Asset Management Europe S.A.	Mutual funds management	100.00%	Luxemburg	-
81.	Geniki Financial & Consulting Services S.A.	Financial & consulting services	100.00%	Greece	2010-2015
82.	Special Financial Solutions S.A.	Advising, consultancy, organizational and training services	100.00%	Greece	2010-2015
83.	Geniki Information S.A.	Assessment and collection of commercial debts	100.00%	Greece	2010-2015
84.	Solum Enterprise LLC	Property management	99.00%	Ukraine	2012-2015
85.	General Business Management Investitii SRL	Development of building projects	100.00%	Romania	2013-2015
86.	Centre of Sustainable Entrepreneurship Excelixi S.A.	Consulting Services - Hotel - Training & Seminars	100.00%	Greece	2010,2013-2015
87.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010,2013-2015
88.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece	2010,2013-2015
89.	Special Business Services S.A.	Advising, consultancy, organizational and training services	100.00%	Greece	2010,2013-2015
90.	Kion Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years ⁽¹⁾
91.	Kion Mortgage Finance No.3 PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
92.	Kion CLO Finance No.1 PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
93.	R.E. Anodus Two Ltd	Holding and investment company	99.09%	Cyprus	2013-2015
94.	Sinitem LLC	Sale and purchase of real estate	98.01%	Ukraine	2013-2015
95.	Beta Asset Management EOOD	Rent and management of real estate	99.98%	Bulgaria	2013-2015
96.	Linklife Food & Entertainment Hall S.A.	Operation of food and entertainment Halls	100.00%	Greece	2014-2015
97.	R.E. Anodus SRL	Real Estate development	99.09%	Romania	2013-2015
98.	Entropia Ktimatiki S.A.	Property management	66.70%	Greece	2010-2015
99.	Tellurion Ltd	Holding company	100.00%	Cyprus	2013-2015
100.	Tellurion Two Ltd	Holding company	99.09%	Cyprus	2013-2015
101.	Akinita Ukraine LLC	Real estate development	99.09%	Ukraine	2014-2015
102.	Daphne Real Estate Consultancy SRL	Real estate development	99.09%	Romania	2014-2015
103.	Rhesus Development Projects SRL	Real estate development	99.09%	Romania	2014-2015
104.	Varna Asset Management EOOD	Real estate development	99.98%	Bulgaria	2014-2015
105.	Piraeus Real Estate Tirana Sh.P.K.	Real estate development	100.00%	Albania	2014-2015
106.	Priam Business Consultancy SRL	Real estate development	99.18%	Romania	2014-2015
107.	Marathon 1 Greenvale Rd LLC	Real estate development	99.95%	U.S.A.	2012-2015
108.	Cielo Conculancy Sh.P.K.	Holding and investment company	99.09%	Albania	2014-2015
109.	Edificio Enterprise Sh.P.K.	Holding and investment company	99.09%	Albania	2014-2015
110.	Tierra Projects Sh.P.K.	Holding and investment company	99.09%	Albania	2014-2015
111.	Trastor Real Estate Investment Company	Real estate investment property	91.71%	Greece	2010,2013-2015
112.	Piraeus ACT Services S.A.	Accounting and tax consulting	100.00%	Greece	2013-2015
113.	A.C.T. B.A.S. S.A.	Counseling services for payroll and labour affairs	100.00%	Greece	2011-2015
114.	ETVA Fund Management S.A.	Management of venture capital mutual funds	65.00%	Greece	-
115.	ETVA Development S.A.	Investment and development activities, in accordance with the principles of sustainable development	65.00%	Greece	-
116.	Rembo S.A.	Real estate investment company	91.71%	Greece	2010,2013-2015
117.	Cyprus Leasing S.A.	Finance leases	100.00%	Greece	2008-2010, 2013-2015
118.	Alecsandri Estates SRL	Real Estate Development	74.32%	Romania	2009-2015
119.	Gama Asset Management EOOD	Real Estate Development	99.98%	Bulgaria	-
120.	Delta Asset Management EOOD	Real Estate Development	99.98%	Bulgaria	2015
121.	Besticar Limited	Holding Company	99.98%	Cyprus	-

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years ⁽¹⁾
122.	Besticar Bulgaria EOOD	Collects receivables	99.98%	Bulgaria	2012-2015
123.	Besticar EOOD	Collects receivables from problematic clients	99.98%	Bulgaria	2012-2015
124.	Hellenic Fund for Sustainable Development	Close end Venture capital fund	65.00%	Greece	-
125.	Trieris Two Real Estate LTD	Holding, Investment and Real Estate Portfolio Management	100.00%	Cyprus	2007-2015

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

Companies numbered 25, 44, 50-55 and 90-92 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 33 and 34 although presenting less than 50% holding percentage, are included in the Group's subsidiaries' portfolio due to majority presence in the Board of Directors of these companies.

Also, as at 31/3/2016 the companies numbered 24, 34, 35, 36, 41 and 91-92 were under liquidation. The financial results of the companies numbered 91 and 92 are included in the Financial Statements of the Bank. The financial results of the company numbered 117 are included in the Financial Statements of the Bank for the period 1/1-31/7/2015, whereas for the period 1/8-31/12/2015 the company was consolidated as a subsidiary.

The subsidiaries that are excluded from the consolidation are as follows: a) "ELSY S.A.", b) "Blue Wings Ltd", c) "The Museum Ltd", d) "Piraeus Bank Group Cultural Foundation", e) "Procas Holding Ltd", f) "Phoebe Investments SRL", g) "Core Investments Project SRL", h) "Amaryllis Investments Consultancy SRL", i) "Torborg Maritime Inc.", j) "Isham Marine Corp.", k) "Cybele Management Company", l) "Alegre Shipping Ltd", m) "Maximus Chartering Co.", n) "Lantana Navigation Corp.", o) "Pallas Shipping S.A.", p) "Zephyros Marine INC", q) "Bayamo Shipping Co.", r) "Sybil Navigation Co.", s) "Axia III Holdings Ltd", t) "Praxis II Holdings Ltd" and u) "Kion Holdings Ltd". The company numbered (a) is fully depreciated, under liquidation status. The company numbered (b) is under idle status. The companies numbered (e) - (h) have not started operating yet. The companies numbered (i)-(j) have been inactivated and will be set under dissolution. The companies numbered (k)-(r) have been dissolved and set under liquidation. The companies numbered (s)-(u) have as exclusive scope the participation in special purpose vehicles for the securitization of loans and the issuance of debt securities, which are consolidated within the Group through the full consolidation method. The consolidation of the above mentioned companies does not have significant effect on the financial position and result of the Group.

B) Subsidiaries from discontinued operations

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

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years ⁽¹⁾
1.	ATE Insurance S.A.	Insurance	100.00%	Greece	2008-2010, 2013-2015
2.	ATE Insurance Romania S.A.	Insurance	99.49%	Romania	2007-2015
3.	Piraeus Bank Cyprus Ltd	Banking activities	100.00%	Cyprus	2007-2015
4.	EMF Investors Limited	Investment company	100.00%	Cyprus	2008-2015
5.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance brokerage	100.00%	Cyprus	2009-2015
6.	Adflikton Investments Ltd	Property management	100.00%	Cyprus	2009-2015
7.	Costpleo Investments Ltd	Property management	100.00%	Cyprus	2010-2015
8.	Cutsofiar Enterprises Ltd	Property management	100.00%	Cyprus	2010-2015
9.	Gravieron Company Ltd	Property management	100.00%	Cyprus	2008-2015
10.	Kaihur Investments Ltd	Property management	100.00%	Cyprus	2007-2015
11.	Pertanam Enterprises Ltd	Property management	100.00%	Cyprus	2007-2015
12.	Rockory Enterprises Ltd	Property management	100.00%	Cyprus	2010-2015
13.	Alarconaco Enterprises Ltd	Property management	100.00%	Cyprus	2011-2015

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

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 completion of the transaction is delayed due to factors beyond the Bank's control. The Bank continues to maintain its commitment for the implementation of the sales plan of the above mentioned company.

On 31/3/2016, Piraeus Bank's subsidiary Piraeus Bank Cyprus LTD and its subsidiaries are presented as discontinued operations. For this group of companies there is an ongoing sale process which is expected to be concluded in 2016.

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

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years ⁽¹⁾
1.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece	2010-2015
2.	Evros' Development Company S.A.	European community programs management	30.00%	Greece	2010-2015
3.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010-2015

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years ⁽¹⁾
4.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding company	27.80%	Greece	2010,2013-2015
5.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010,2013-2015
6.	Trieris Real Estate LTD	Property management	22.94%	British Virgin Islands	-
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	28.65%	Greece	2013-2015
8.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010,2013-2015
9.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2010,2013-2015
10.	Euroterra S.A.	Property management	39.22%	Greece	2010-2015
11.	Rebikat S.A.	Property management	40.00%	Greece	2010-2015
12.	Abies S.A.	Property management	40.00%	Greece	2010-2015
13.	Exodus S.A.	Information technology & software	49.90%	Greece	2010,2013-2015
14.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece	-
15.	Teiresias S.A.	Interbanking company of development, operation and management of information systems	23.53%	Greece	2010,2013-2015
16.	PJ Tech Catalyst Fund	Close end Venture capital fund	30.00%	Greece	-
17.	Pyrrichos S.A.	Property management	50.77%	Greece	2010,2012-2015
18.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	40.18%	Greece	2013-2015
19.	Euroak S.A. Real Estate	Real estate investment	32.81%	Greece	2010-2015
20.	Gaia S.A.	Software services	26.00%	Greece	2015
21.	Olganos Real Estate S.A.	Property management/electricity production from hydropower stations	32.27%	Greece	2014-2015
22.	Exus Software Ltd	IT products retailer	49.90%	United Kingdom	2015
23.	Marfin Investment Group Holdings S.A.	Holding company	28.43%	Greece	2013-2015
24.	Litus Advisory S.A.	Consulting in the fields of European Programmes, Communication Strategy and International Affairs	50.00%	Belgium	-
25.	Selonda Aquaculture S.A.	Fish farming	33.16%	Greece	2008-2015
26.	Nireus Aquaculture S.A.	Fish farming	32.71%	Greece	2009-2010, 2013-2015

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

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

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

– The companies numbered 17 and 24 are included in the associate companies portfolio as Piraeus Bank Group exercises significant influence.

The changes in the portfolio of subsidiaries and associates are included in note 22.

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 have significant effect to the financial position and results of the Group.

15 Due to credit institutions

"Due to credit institutions" as at 31/3/2016, includes refinancing operations through repo transactions within the eurosystem amounting to € 30.4 billion (31/12/2015: € 32.7 billion). The decrease in the refinancing raised is mainly due to the further improvement of access to international repo markets, following the stabilization of the Greek banking sector since the end of 2015, as well as due to the further deleveraging of the loan portfolio in the 1st quarter of 2016.

16 Due to customers

	31 March 2016	31 December 2015
Corporate		
Current and sight deposits	5,840,568	6,547,701
Term deposits	2,011,008	1,981,200
Blocked deposits, guarantee deposits and other accounts	207,053	207,150
Repurchase agreements	-	-
Total (A)	8,058,629	8,736,052
Retail		
Current and sight deposits	2,685,117	2,686,930
Savings account	14,635,940	15,248,955
Term deposits	12,447,436	12,190,183
Blocked deposits, guarantee deposits and other accounts	15,311	16,872
Repurchase agreements	-	-
Total (B)	29,783,804	30,142,940
Cheques payable and remittances (C)	68,642	72,888
Total Due to Customers (A)+(B)+(C)	37,911,076	38,951,880

17 Debt securities in issue

A) Securitisation of mortgage loans

	31 March 2016	31 December 2015
€ 750 million floating rate notes due 2040	20,230	25,756
€ 1,250 million floating rate notes due 2054	55,566	56,196
€ 600 million floating rate notes due 2051	19,236	20,361
Total debt securities in issue	95,032	102,314

From the above mentioned securitisation of mortgage loans issues, Piraeus Bank possesses as at 31/3/2016 bonds of nominal value amounting € 107.9 million from the issuance of € 750 million, € 624.9 million from the issuance of € 1,250 million and € 41 million from the issuance of € 600 million.

Piraeus Bank, during the period 1/1/2016 - 31/3/2016, proceeded with the buy back of bonds of securitised loans of total amount after amortization of € 4.8 million.

B) Euro Medium Term Note

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

During the period 1/1/2016 - 31/3/2016, there were no outstanding senior unsecured notes from the issuance of € 500 million fixed coupon due 2017, issued by Piraeus Bank, following the Liability Management Exercise which was completed on December 7, 2015.

Piraeus Bank has not issued any bonds under its EMTN Programme during the period 1/1/2016 - 31/3/2016. In February 2016, Piraeus Bank cancelled a € 3,100 million senior bond and a € 1,050 million senior bond, both due May 2016, which were issued in August 2015. A € 2,000 million bond, which was issued in October 2015, matured in February 2016 and a € 2,500 million bond, issued in October 2015, matured in March 2016. As at 31/3/2016, the only outstanding EMTN bond was a 1,750 million bond due April 2016, which was issued in July 2015. All the bonds mentioned above are issued by Piraeus Bank, through Piraeus Bank's EMTN programme, bearing the unconditional and irrevocable guarantee of the Hellenic Republic, pursuant to Article 2 of Law 3723/2008, pay a floating rate coupon of 3M Euribor plus 600 bps and are retained by Piraeus Bank.

C) Debt securities' issuances retained by Piraeus Bank

It should be noted that, apart from the debt securities in the table above, as of 31/3/2016 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 at 31/3/2016, a total amount of € 10 million Covered Bonds, issued by Piraeus Bank, are retained by Piraeus Bank. These covered bonds come from two separate issues, with original amount € 1,250 million (Series 1), due February 2017, and € 750 million (Series 2), due December 2016, issued under Piraeus Bank's Global Covered Bond Programme. On July 3, 2015, Piraeus Bank proceeded with the partial cancellation of € 1,990 million of two Series of Covered Bonds (€ 1,245 million from Series 1 and € 745 million from Series 2) and the total outstanding Covered Bonds are currently € 5 million per Series.

18 Contingent liabilities and commitments

A) Legal procedures

The Group's provision for outstanding litigations as at 31/3/2016 amounts to € 24.8 million from continuing operations and € 8.2 million from discontinued operations, against € 19.3 million and € 8.2 million respectively as at 31/12/2015. The legal proceedings outstanding against the Group as at 31/3/2016, 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 31/3/2016 the Group had undertaken the following commitments:

	31 March 2016	31 December 2015
Letters of guarantee	2,861,197	2,964,431
Letters of credit	32,799	30,316
Undrawn committed credit facilities	345,601	368,064
	3,239,596	3,362,810

C) Assets pledged

	31 March 2016	31 December 2015
Cash and balances with Central Banks	1,152,020	1,173,061
Financial instruments at fair value through profit or loss	70,974	41,790
Investment securities	262,502	1,223,063
Loans and advances to customers	25,062,166	24,766,404
Debt securities - receivables	13,731,430	15,252,624
Loans and advances to credit institutions	2,555	2,562
	40,281,647	42,459,504

The above mentioned assets pledged are mainly used for liquidity purposes. Apart from the aforementioned assets, the Bank also pledges debt securities of own issue amounting to € 6,769 million as at 31/3/2016 (31/12/2015: € 16,092 million) and are not included in the Bank's assets. The amount of € 6,769 million includes securities of amount € 1,768 million, that had been issued with the unconditional and irrecoverable guarantee of the Hellenic Republic, securities of amount € 4,990 million issued under the securitization of consumer, mortgage and corporate loans of the Bank and securities of amount € 10.0 million from the issuance of covered bonds of the Bank. Additionally, under interbank repurchase agreement (repo) transactions, EFSF debt securities amounting to € 3,226 million (31/12/2015: € 1,666 million) and debt securities of own issue amounting to € 165 million are also used for liquidity purposes.

It is also noted that the "Loans and advances to customers" include loans of € 24,029 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 2016	31 December 2015
Up to 1 year	53,819	60,010
From 1 to 5 years	195,178	216,827
More than 5 years	290,324	330,706
	539,321	607,544

19 Share capital and contingent convertible securities

	Share Capital	Share Premium	Contingent convertible securities	Treasury Shares	Total
Opening balance at 1 January 2015	1,830,594	11,393,314	0	0	13,223,909
Increase of share capital	2,601,649	-	2,040,000	-	4,641,649
Share capital increase expenses		(130,915)			(130,915)
Decrease of the nominal value of ordinary shares	(1,812,288)	1,812,288	-	-	0
Purchases/ shares of treasury shares	-	-	-	(460)	(460)
Balance at 31 December 2015	2,619,955	13,074,687	2,040,000	(460)	17,734,183
Opening balance at 1 January 2016	2,619,955	13,074,687	2,040,000	(460)	17,734,183
Purchases/ sales of treasury shares	-	-	-	460	460
Balance at 31 March 2016	2,619,955	13,074,687	2,040,000	0	17,734,643

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 2015	6,101,979,715	0	6,101,979,715
Adjustment (decrease) in the number of ordinary shares due to reverse split (100:1)	(6,040,959,917)	-	(6,040,959,917)
Adjusted opening balance at 1 January 2015	61,019,798	0	61,019,798
Increase of share capital	8,672,163,482	-	8,672,163,482
Purchases of treasury shares	-	(21,039,684)	(21,039,684)
Sales of treasury shares	-	19,361,054	19,361,054
Balance at 31 December 2015	8,733,183,280	(1,678,630)	8,731,504,650
Opening balance at 1 January 2016	8,733,183,280	(1,678,630)	8,731,504,650
Purchases of treasury shares	-	(6,604,258)	(6,604,258)
Sales of treasury shares	-	8,282,888	8,282,888
Balance at 31 March 2016	8,733,183,280	0	8,733,183,280

The share capital of the Bank on 31/12/2015 and 31/3/2016 amounts to € 2,619,954,984.00, divided into 8,733,183,280 ordinary registered shares with a nominal value of € 0.30 each.

Following the 5th warrant exercise that took place on 4/1/2016 and in which no warrants were exercised, the issued warrants currently outstanding amount to 843,637,022 and correspond to 37,759,281 shares of the Bank owned by the HFSF.

It is noted that within the frame of the Single Supervisory Mechanism (SSM) and according to the Regulation (EU) No 1024/2013, credit institutions are subject to the provisions of the ECB Recommendations (ECB/2015/49) on dividend distribution policies for the fiscal year 2015, in the context of the aim of strengthening the safety and soundness of the euro – area banking system, as well as to the respective provisions of the Regulation (EU) No 575/2013 and those of the Directive 2013/36/EU, transposed in the national legal order by the Law 4261/2014.

For the fiscal year 2015 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. As a result, the Board of Directors of the Bank will propose the non – distribution of dividends for the fiscal year 2015 in the Annual Ordinary General Meeting of Shareholders, which will take place in the 1st semester of 2016.

According to article 28 of 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, without the approval of HFSF, for as long as the HFSF is a shareholder of the Bank. The purchases and sales of treasury shares during 2015 and the 1st semester of 2016, as well as the treasury shares owned as at 31/12/2015, are related to transactions that are carried out by the Group's subsidiary Piraeus Securities S.A. through its activities which are derived from its role as a market maker.

20 Other reserves and retained earnings

	31 March 2016	31 December 2015
Legal reserve	112,713	111,965
Extraordinary reserve	13,897	13,897
Available for sale reserve	6,415	22,098
Currency translation reserve	(200,276)	(188,134)
Other reserves	38,807	38,761
Reserve of defined benefit obligations	(6,346)	(6,355)
Other reserves from continuing operations (A)	(34,790)	(7,766)
Amounts recognized directly in equity relating to non-current assets from discontinued operations (B)	19,935	21,863
Total other reserves (A) + (B)	(14,854)	14,096

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 2016	31 December 2015
Opening balance for the period	14,096	(92,453)
Movement of available for sale reserve	(15,683)	78,906
Transfer from other reserves to retained earnings	793	27,581
Acquisitions, disposals and movement in participating interest	-	(7,877)
Change in reserve of defined benefit obligations	9	27,427
Amounts recognized directly in equity relating to non-current assets from discontinued operations	(1,927)	3,076
Foreign exchange differences and other adjustments	(12,142)	(22,564)
Closing balance for the period	(14,854)	14,096

Available for sale reserve movement	31 March 2016	31 December 2015
Opening balance for the period	22,098	(56,808)
Opening balance of discontinued companies	-	140
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	(12,531)	28,893
Gains/ (losses) from the valuation of shares and mutual funds	(12,385)	66,579
Recycling to income statement of shares and mutual funds impairment	-	11,424
Recycling of the accumulated fair value adjustment of disposed securities	3,293	(6)
Deferred income taxes	6,443	(28,753)
Foreign exchange differences and adjustments	(503)	630
Closing balance for the period	6,415	22,098

Retained earnings movement	31 March 2016	31 December 2015
Opening balance for the period	(7,840,634)	(5,921,295)
Profit/ (loss) after tax attributable to the owners of the parent entity	(43,786)	(1,892,848)
Profit/ (loss) from sales of treasury shares	(88)	(1,412)
Transfer between other reserves and retained earnings	(793)	(28,347)
Acquisitions, disposals and movements in participating interest	130	3,268
Closing balance for the period	(7,885,172)	(7,840,634)

21 Related parties transactions

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

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

Transactions with the Board of Directors members and the key management personnel and the Other related parties, that include related parties mentioned in points (b) and (c) above, are presented in the table below. It is noted that there were no transactions with the HFSF during the periods 1/1-31/3/2016 and 1/1-31/3/2015 respectively.

	31/03/2016		31/12/2015	
	Board of Directors' members and key management personnel	Other related parties	Board of Directors' members and key management personnel	Other related parties
Loans	18,346	31,683	22,148	41,898
Deposits	5,487	13,904	7,484	13,383
Letters of guarantee and letters of credit	-	2,974	-	3,474

	1/1-31/3/2016		1/1-31/3/2015	
	Board of Directors' members and key management personnel	Other related parties	Board of Directors' members and key management personnel	Other related parties
Income	60	330	156	427
Expense	11	130	46	334

Members of the Board of Directors and key management personnel benefits	1/1-31/3/2016	1/1-31/3/2015
Short term benefits	1,491	1,678
Post employment benefits	(413)	272

Short term benefits for the members of the Board of Directors and the key management personnel include wages, salaries, employers' share of social contributions and other charges. Line "Post employment benefits" includes the cost of programs for the post employment benefits and for the 1st quarter of 2016, it has been positively affected from the reversal of part of the formed provisions as at 31/12/2015.

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel amount to € 25.9 million instead of € 26.5 million as at 31/12/2015. 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 2016	31 December 2015
Deposits and other liabilities	64,976	78,523
Loans and other receivables	1,121,059	1,105,488
Debt securities	10,771	10,771
Derivatives financial assets	5,123	2,197

The aggregate provisions on loans to associate companies amount to € 60.3 million instead of € 65.6 million as at 31/12/2015.

	Associates	
	1/1-31/3/2016	1/1-31/3/2015
Total expense & capital expenditure	(4,944)	(4,801)
Total income	20,214	13,293

Letters of guarantee to associates of the Group as at 31/3/2016 are € 14.0 million (31/12/2015: € 17.3 million).

22 Changes in the portfolio of subsidiaries and associates

During the period 1/1 - 31/3/2016, Piraeus Bank and its subsidiaries didn't pay any amount for the acquisition, establishment and participation in share capital increases of subsidiaries. Additionally, Piraeus Bank and its subsidiaries paid for the participation in share capital increases of associates a total amount of € 0.9 million. The analysis of changes of subsidiaries' and associates' portfolio is presented below:

a) Gain of control or significant influence:

On 30/3/2016, Piraeus Bank acquired from its 22.94% associate company Trieris Real Estate LTD, the 100% of the share capital of the company Trieris Two Real Estate LTD with the amount of € 500. The company was classified in the subsidiaries' portfolio of the Bank.

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

During the period 17/2-1/3/2016, Piraeus Bank acquired an additional 0.58% of the share capital of its associate company Hellenic Seaways Maritime S.A. with the amount of € 681 thousand. As a result, Piraeus Bank owns 40.18% of the company.

During the 1st quarter of 2016, PJ Tech Catalyst Fund, 30% associate company of the Group, increased its assets by € 694 thousand. As a result, Piraeus Equity Partners LTD, 100% subsidiary company of Piraeus Bank, covered its ratio by paying in total € 208 thousand, without altering its shareholding percentage in the company.

c) Liquidation:

On 11/1/2016, Curdart Holdings Ltd, 100% subsidiary of the Group, was deleted from the relevant Company Registry.

On 28/3/2016, Polytropon Properties Ltd, 39.98% subsidiary of the Group, was set under liquidation

d) Further changes – Transfers:

On 2/3/2016, Piraeus Bank Bulgaria A.D., 99.98% subsidiary of Piraeus Bank, acquired from its 100% direct subsidiary Besticar Ltd, the 100% of the share capital of Besticar Bulgaria EOOD by paying € 1, without altering the Group's shareholding percentage in the company.

The Venture Capital Fund with the name "Hellenic Fund for Sustainable Development", which is fully owned by ETVA Industrial Parks S.A., 65% subsidiary of Piraeus Bank, and which was included in the list of companies excluded from the consolidation as at 31/12/2015, started operating within the 1st quarter of 2016. As a result, it was classified in the subsidiaries' portfolio of the Group with the full consolidation method.

23 Capital adequacy

From January 2014 and onwards, Piraeus Bank Group applies the regulatory framework CRD IV (Basel III implementation under EU rules), which came into force with Directive 2013/36/EU and Regulation (EU) No. 575/2013 (CRR). For the transposition of Directive 2013/36/EU, Greece adopted Law 4261/2014.

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

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

Presented below, are the year-end capital adequacy ratios as at 31/3/2016 and 31/12/2015 for Piraeus Bank Group as calculated under the existing regulatory framework, taking into account all relevant transitional period provisions applicable under Regulation (EU) No. 575/2013.

	31 March 2016	31 December 2015
Common Equity Tier 1 Capital	9,225,691	9,449,455
Tier 1 Capital	9,225,691	9,449,455
Total regulatory capital	9,225,691	9,449,455
Total risk weighted assets (on and off-balance sheet items)	53,301,845	54,035,697
CET1 Capital ratio	17.3%	17.5%
T1 Capital ratio	17.3%	17.5%
Total capital ratio	17.3%	17.5%

As of 31st March 2016, the abovementioned ratios are far exceeding minimum regulatory requirements, confirming the strong capital base of Piraeus Bank Group.

24 Restatement of comparative period

The restatement in consolidated interim income statement and consolidated cash flow statement of the comparative period 1/1-31/3/2015 is due to the transfer of Piraeus Bank Egypt S.A.E. group of companies and Piraeus Bank Cyprus LTD group of companies to discontinued operations, and also of the restatement of amount € 2 million in the "Impairment of tangible and intangible assets" from "Depreciation and amortisation" due to interruptions of Group's branches operations.

Consolidated interim income statement	From 1 January to 31 March 2015		
	Published amounts	Restatements	Restated amounts
Interest and similar income	796,217	(31,397)	764,819
Interest expense and similar charges	(295,891)	17,596	(278,295)
Net interest income	500,326	(13,802)	486,524
Fee and commission income	93,447	(6,331)	87,115
Fee and commission expense	(10,194)	1,539	(8,655)
Net fee and commission income	83,253	(4,792)	78,461
Dividend income	477	-	477
Net income from financial instruments designated at fair value through profit or loss	(2,420)	(1,077)	(3,498)
Results from investment securities	(5,666)	(259)	(5,925)
Other results	12,848	429	13,277
Total net income	588,817	(19,501)	569,317
Staff costs	(175,847)	9,197	(166,650)
Administrative expenses	(137,526)	3,597	(133,929)
Depreciation and amortization	(30,806)	3,582	(27,224)
Total operating expenses before provisions	(344,179)	16,376	(327,803)
Profit before provisions, impairment and income tax	244,638	(3,125)	241,513
Impairment losses on loans	(277,982)	6,931	(271,051)
Impairment losses on other receivables	(6,813)	-	(6,813)
Other provisions and impairment	(1,343)	(1,780)	(3,123)
Share of profit of associates	(13,000)	239	(12,760)
Profit/ (loss) before income tax	(54,500)	2,265	(52,235)
Income tax	(14,827)	3,215	(11,612)
Profit/ (loss) after income tax from continuing operations	(69,326)	5,480	(63,847)
Profit/ (loss) after income tax from discontinued operations	(8,668)	(5,480)	(14,148)
Profit/ (loss) after tax	(77,994)	0	(77,994)
From continuing operations			
Profit/ (loss) attributable to equity holders of the parent entity	(68,760)	5,511	(63,249)
Non controlling interest	(567)	(31)	(597)
From discontinued operations			
Profit/ (loss) attributable to equity holders of the parent entity	(8,667)	(5,511)	(14,177)
Non controlling interest	(1)	31	30
Earnings/ (losses) per share attributable to equity holders of the parent entity (in €):			
From continuing operations			
- Basic and Diluted	(0.0113)	(0.0262)	(0.0375)
From discontinued operations			
- Basic and Diluted	(0.0014)	(0.0070)	(0.0084)

Consolidated interim statement of total comprehensive income	From 1 January to 31 March 2015		
	Published amounts	Restatements	Restated amounts
CONTINUING OPERATIONS			
Profit/ (loss) after tax (A)	(69,326)	5,480	(63,847)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(42,069)	(2,048)	(44,117)
Change in currency translation reserve	1,477	(13,720)	(12,243)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	8,352	-	8,352
Other comprehensive income, net of tax (B)	(32,240)	(15,769)	(48,009)
Total comprehensive income, net of tax (A+B)	(101,566)	(10,289)	(111,855)
- Attributable to equity holders of the parent entity	(101,316)	(10,026)	(111,342)
- Non controlling interest	(250)	(263)	(513)
DISCONTINUED OPERATIONS			
Profit/ (loss) after tax (C)	(8,668)	(5,480)	(14,148)
Other comprehensive income, net of tax:			
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	3,865	2,048	5,913
Change in currency translation reserve	18	13,720	13,738
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	(262)	-	(262)
Other comprehensive income, net of tax (D)	3,621	15,769	19,389
Total comprehensive income, net of tax (C+D)	(5,047)	10,289	5,242
- Attributable to equity holders of the parent entity	(5,046)	10,026	4,979
- Non controlling interest	(1)	263	262

Consolidated interim cash flow statement	1/1-31/3/2015		
	Published amounts	Restatements	Restated amounts
Net cash inflow/ (outflow) from operating activities	257,737	(262,581)	(4,844)
Net cash inflow/ (outflow) from investing activities	(628,042)	199,194	(428,849)
Net cash inflow/ (outflow) from financing activities	(67,627)	-	(67,627)
Total cash inflows/ (outflows) for the period	(437,932)	(63,387)	(501,319)
Effect of exchange rate fluctuations on cash and cash equivalents	8,178	906	9,084
Net increase/ (decrease) in cash and cash equivalents of the period from continuing operations (A)	(429,754)	(62,481)	(492,235)
Net increase/ (decrease) in cash and cash equivalents of the period from discontinued operations (B)	535	62,481	63,015
Cash and cash equivalents at the beginning of the period (C)	2,664,133	0	2,664,133
Cash and cash equivalents at the end of the period (A)+(B)+(C)	2,234,913	0	2,234,913

25 Events subsequent to the end of the interim period

- The last remaining guarantees of the Hellenic Republic under Pillar II issued under the framework of L.3723/2008 and used by Piraeus Bank for liquidity purposes were redeemed on April 28, 2016. Piraeus Bank already repaid the Preferred Shares (Pillar I) held by the Government in the Bank's share capital in May 2014, while it returned the "Special Bonds" (Pillar III) to the Government in September 2015. Upon redemption of Pillar II, the Bank no longer has any reliance on L.3723/2008, and therefore it will no longer be subject to the restrictions of the support program, that, among others, required the appointment of a Greek State Representative in its Board of Directors, as was the case in the last 7 years. It is noted that Piraeus Bank has fully repaid all the Pillars of L.3723/2008, without any loss to the Greek State as to the guarantees and capital it offered, while the Greek State has earned approximately € 675 million fees from Pillars II & III.
- In April 2016, the European Financial Stability Facility (EFSF) allowed Greek banks, that have received EFSF notes in previous years in the framework of their recapitalization and the concentration of the banking sector, to sell the respective notes to the members of the Eurosystem, in accordance with the conditions applicable to the quantitative easing program (QE), established by the European Central Bank. By May 25, 2016, within the framework of the QE program, Piraeus Bank has proceeded to the sale of EFSF notes of € 1.3 billion face value.
- On May 11, 2016, Piraeus Bank disposed to European Bank for Reconstruction and Development (EBRD) a 15% stake in the share capital of European Reliance General Insurance Co. S.A. The stake is part of the 28.7% previously held by Piraeus Bank and sold as part of the Bank's disposal of non-core assets in the implementation framework of its Restructuring Plan following the successful recapitalization in December 2015. The remaining stake will be acquired by the insurer's management and two other legal entities.
- The Eurogroup's meeting of May 24th, 2016, noted that following the adoption by the Greek parliament of the required measures and the full implementation of the outstanding prior actions from the Greek authorities, the completion of the first review is expected, in addition to the approval for disbursement of a tranche amounting to € 10.3 billion in several sub-disbursements. The first sub-tranche disbursement (€ 7.5 billion) is projected to take place in June, while the subsequent disbursements (€ 2.8 billion) will be made after the summer, subject to the achievement of specific targets. Regarding the sustainability of Greek public debt, a set of short-term, medium-term and long-term measures were agreed, with benchmark in mind being the country's gross financing needs as a percentage of GDP. For more details please see note 3.

Athens, May 25th, 2016

CHAIRMAN
OF THE BOARD OF DIRECTORS

MICHALIS G. SALLAS

MANAGING DIRECTOR
& C.E.O.

STAVROS M. LEKKAKOS

CHIEF FINANCIAL
OFFICER

GEORGE I. POULOPOULOS

DEPUTY
CHIEF FINANCIAL
OFFICER

KONSTANTINOS S. PASCHALIS