



Trading Update Q2.2015

Group Highlights

- ✓ **Recurring profit before tax and provisions (PPI)** was €275 mn in Q2.2015, up 2% versus Q1.2015. For H1.2015, recurring PPI was up 11% yoy at €545 mn.
- ✓ **Net interest income** was €472 mn in Q2.2015, down 4% qoq, attributed to elevated ELA reliance (e.g. impact from Greek assets' waiver for ECB refinancing purposes: €39 mn in Q2 vs. €21 mn in Q1). **Further reduction of time deposit rates in Greece** in Q2 (front book at 174 bps in June 2015 vs. 227 bps in June 2014) contributed to offsetting the ELA burden.
- ✓ **Net fees & commissions income** was €79 mn in Q2.2015 vs. €81 mn in Q1.2015. The economic uncertainty during Q2 of this year affected fee generation, which nonetheless displayed resilience.
- ✓ **Net operating revenues** were €589 mn in Q2.2015, up 2% qoq. Recurring net revenues were €1,185 mn in H1.2015, up 4% yoy.
- ✓ **Recurring operating expenses** were €321 mn in Q2.2015, almost flat qoq, while H1.2015 recurring OpEx were down 4% yoy.
- ✓ The **loans in arrears over 90 days ratio** stood at 39.4% at the end of June 2015. Net 90dpd loans in arrears formation in Q2.2015 was lower than in Q1.2015, both for the Group (+€111 mn vs. +€264 mn) and Greece (-€7 mn vs. +€191 mn).
- ✓ **Customer deposits** totalled €38.8 bn, of which €35.1 bn in Greece. Economic and political developments triggered significant outflows throughout the first half of 2015, **with stabilization since the termination of the bank holiday in Greece on 20 July 2015 and the imposition of capital control measures**.
- ✓ **Eurosystem funding** increased from €30.3 bn at the end of March 2015 to €37.3 bn at the end of June 2015, out of which €22.2 bn in the form of ELA. Eurosystem funding has **decreased since the end of June 2015 (€35.8 bn as at the end September 2015, of which ELA €21.2 bn)**.
- ✓ **Gross loans** stood at €70.0 bn at the end of June 2015 (of which €64.2 bn in Greece) vs. €70.6 bn at the end of March 2015 (of which €64.5 bn in Greece).
- ✓ **Group branch network** comprised 1,098 units at the end of June 2015, of which 804 branches in Greece (778 at the end of September 2015) and 294 abroad (293 respectively). Greek branch network was reduced by 51 branches in 9month 2015, with the Restructuring Plan 2017 target of 870 branches having already been exceeded.
- ✓ **Group headcount** at the end of June 2015 stood at 19,895 employees, of which 15,743 related to the Group's Greek operations.

Key Figures of Piraeus Bank Group for Q2.2015

amounts in mn €			
Selected Balance Sheet Figures	30 June 2015	31 March 2015	qoq
Deposits	38,812	45,415	-15%
Gross Loans before Adjustments	70,007	70,618	-1%
Eurosystem Funding	37,265	30,283	23%
Selected P&L Results	Q2.2015	Q1.2015	qoq
Total Net Operating Revenues	589	577	2%
- o/w one-off revenues	(7)	(11)	-
Total Operating Costs	(342)	(336)	2%
- o/w one-off costs	(21)	(17)	-
Pre Provision Income (PPI)	247	241	3%
PPI excluding Non-Recurring Items	275	270	2%

Note: Egyptian operations have been classified as discontinued as of 30 June 2015 in view of their disposal, thus figures have been adjusted accordingly. In addition, Q2.2015 figures incorporate the acquisition of selected assets and liabilities of Panellinia Bank (acquired on April 17, 2015). Headcount figures refer to core and continuing operations.

Disclaimer

The financial information of the Bank included in this announcement, is extracted from our preliminary unaudited interim financial information prepared in accordance with IFRS as at and for the six months ended 30 June 2015. Further, the operational information of the Bank included in this announcement is based on preliminary results and estimates of the management of the Bank which are based on a number of assumptions that are subject to inherent uncertainties and subject to change. Such financial and operational information is not intended to be a comprehensive statement of our financial and operational results for the six months ended 30 June 2015. Such information has been prepared by our Board of Directors and senior management and has not been audited, reviewed or verified by our independent auditors. As such, you should not place undue reliance on them. By virtue of the decision No. 0001259/25.9.2015 of the Minister of Finance, the time period for the publication of the financial statements for the six months ended 30 June 2015, of Greek credit institutions with shares listed on the ATHEX has been extended to 31 October 2015. Over the course of the next weeks we will be completing our financial statements for the six months ended 30 June 2015.

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