EUROBANK ERGASIAS S.A.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

31 MARCH 2015

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Company Registration No: 000223001000

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Consolidated Interim Balance Sheet

	Note	31 March 2015 € million	31 December 2014 € million
ASSETS			
Cash and balances with central banks		**2,360**	1,948
Due from credit institutions		**3,831**	3,059
Financial instruments at fair value through profit or loss		**303**	360
Derivative financial instruments		**2,246**	2,134
Loans and advances to customers	15	**42,887**	42,133
Investment securities	16	**17,847**	17,849
Property, plant and equipment		**695**	702
Investment property	17	**841**	876
Intangible assets		**150**	150
Deferred tax assets	13	**3,966**	3,894
Other assets	19	**2,170**	2,143
Assets of disposal group classified as held for sale	14	**217**	270
Total assets		**77,513**	75,518
LIABILITIES			
Due to central banks	20	**29,016**	12,610
Due to credit institutions	21	**1,350**	10,256
Derivative financial instruments		**3,171**	2,475
Due to customers	22	**34,947**	40,878
Debt issued and other borrowed funds	23	**737**	811
Other liabilities	24	**1,999**	2,020
Liabilities of disposal group classified as held for sale	14	**121**	164
Total liabilities		**71,341**	69,214
EQUITY			
Ordinary share capital	25	**4,408**	4,412
Share premium	25	**6,685**	6,682
Reserves and retained earnings		**(6,597)**	(6,485)
Preference shares	26	**950**	950
Total equity attributable to shareholders of the Bank		**5,446**	5,559
Preferred securities	27	**77**	77
Non controlling interests		**649**	668
Total equity		**6,172**	6,304
Total equity and liabilities		**77,513**	75,518

Notes on pages 6 to 32 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Income Statement

	Note	Three months ended 31 March 2015 € million	2014 € million
Net interest income		**373**	367
Net banking fee and commission income		**53**	46
Net insurance income		**10**	9
Income from non banking services		**13**	10
Dividend income		**1**	0
Net trading income		**(5)**	6
Gains less losses from investment securities		**17**	22
Net other operating income		**1**	1
Operating income		**463**	461
Operating expenses	10	**(247)**	(267)
Profit from operations before impairments and non recurring income/(expenses)		**216**	194
Impairment losses on loans and advances	11	**(302)**	(479)
Other impairment losses	12	**(23)**	(40)
Restructuring costs and other non recurring income/(expenses)	12	**(2)**	100
Share of results of associated undertakings and joint ventures		**0**	0
Profit/(loss) before tax		**(111)**	(225)
Income tax	13	**30**	77
Non recurring tax adjustments	13	**-**	77
Net profit/(loss) from continuing operations		**(81)**	(71)
Net profit/(loss) from discontinued operations	14	**(7)**	(132)
Net profit/(loss)		**(88)**	(203)
Net profit/(loss) attributable to non controlling interests		**6**	4
Net profit/(loss) attributable to shareholders		**(94)**	(207)
		€	€
Earnings/(losses) per share			
-Basic and diluted earnings/(losses) per share	9	**(0.01)**	(0.04)
Earnings/(losses) per share from continuing operations			
-Basic and diluted earnings/(losses) per share	9	**(0.01)**	(0.01)

Notes on pages 6 to 32 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Statement of Comprehensive Income

	Three months ended 31 March			
	2015		2014 Restated [1]	
	€ million		€ million	
Net profit/(loss)		**(88)**		(203)
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- net changes in fair value, net of tax	**4**		(3)	
- transfer to net profit, net of tax	**(1)**	**3**	6	3
Available for sale securities				
- net changes in fair value, net of tax [1]	**(7)**		24	
- transfer to net profit, net of tax	**(15)**	**(22)**	(15)	9
Foreign currency translation				
- net changes in fair value, net of tax	**2**	**2**	(9)	(9)
Other comprehensive income		**(17)**		3
Total comprehensive income attributable to:				
Shareholders				
- from continuing operations	**(103)**		(64)	
- from discontinued operations	**(8)**	**(111)**	(140)	(204)
Non controlling interests				
- from continuing operations	**6**		4	
- from discontinued operations	**(0)**	**6**	(0)	4
		(105)		(200)

[1] *The Other comprehensive income for the period ended 31 March 2014 has been restated by € 2.8 million income (note 16).*

Notes on pages 6 to 32 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Statement of Changes in Equity

	Total equity attributable to shareholders of the Bank							
	Ordinary share capital € million	Share premium € million	Special reserves € million	Retained earnings € million	Preference shares € million	Preferred securities € million	Non controlling interests € million	Total € million
Balance at 1 January 2014	1,641	6,669	3,658	(8,753)	950	77	281	4,523
Net profit/(loss)	-	-	-	(207)	-	-	4	(203)
Other comprehensive income (Restated, note 16)	-	-	3	-	-	-	(0)	3
Total comprehensive income for the three months ended 31 March 2014	-	-	3	(207)	-	-	4	(200)
Acquisition/changes in participating interests in subsidiary undertakings	-	-	-	(55)	-	-	267	212
(Purchase)/sale of treasury shares	(0)	(0)	-	-	-	-	-	(0)
Deferred tax on treasury shares' and preferred securities' transactions	-	-	-	11	-	-	-	11
Share-based payment:								
- Value of employee services	-	-	(0)	-	-	-	-	(0)
	(0)	(0)	(0)	(44)	-	-	267	223
Balance at 31 March 2014	1,641	6,669	3,661	(9,004)	950	77	552	4,546
Balance at 1 January 2015	**4,412**	**6,682**	**3,293**	**(9,778)**	**950**	**77**	**668**	**6,304**
Net profit/(loss)	-	-	-	(94)	-	-	6	**(88)**
Other comprehensive income	-	-	(17)	-	-	-	-	**(17)**
Total comprehensive income for the three months ended 31 March 2015	**-**	**-**	**(17)**	**(94)**	**-**	**-**	**6**	**(105)**
Acquisition/changes in participating interests in subsidiary undertakings	-	-	-	(0)	-	-	(1)	**(1)**
(Purchase)/sale of treasury shares	(4)	3	-	(1)	-	-	-	**(2)**
Dividends distributed by subsidiaries attributable to non controlling interests	-	-	-	-	-	-	(24)	**(24)**
Share-based payment:								
- Value of employee services	-	-	-	0	-	-	0	**0**
	(4)	**3**	**-**	**(1)**	**-**	**-**	**(25)**	**(27)**
Balance at 31 March 2015	**4,408**	**6,685**	**3,276**	**(9,873)**	**950**	**77**	**649**	**6,172**
	Note 25	Note 25			Note 26	Note 27		

Notes on pages 6 to 32 form an integral part of these condensed consolidated interim financial statements

Consolidated Interim Cash Flow Statement

	Note	Three months ended 31 March 2015 € million	2014 € million
Cash flows from continuing operating activities			
Profit/(loss) before income tax from continuing operations		**(111)**	(225)
Adjustments for :			
Impairment losses on loans and advances		**302**	479
Other impairment losses and provisions		**25**	(61)
Depreciation and amortisation		**23**	25
Other (income)/losses on investment securities	29	**(81)**	(80)
(Income)/losses on debt issued		**(16)**	5
Other adjustments		**(9)**	(3)
		133	140
Changes in operating assets and liabilities			
Net (increase)/decrease in cash and balances with central banks		**(48)**	212
Net (increase)/decrease in financial instruments at fair value through profit or loss		**32**	9
Net (increase)/decrease in due from credit institutions		**(458)**	(69)
Net (increase)/decrease in loans and advances to customers		**(1,063)**	368
Net (increase)/decrease in derivative financial instruments		**482**	17
Net (increase)/decrease in other assets		**(4)**	(16)
Net increase/(decrease) in due to credit institutions		**7,496**	(484)
Net increase/(decrease) in due to customers		**(5,931)**	(725)
Net increase/(decrease) in other liabilities		**(78)**	(113)
		428	(801)
Income taxes paid		**(2)**	(4)
Net cash from/(used in) continuing operating activities		**559**	(665)
Cash flows from continuing investing activities			
Purchases of property, plant and equipment and intangible assets		**(23)**	(23)
Proceeds from sale of property, plant and equipment and intangible assets		**5**	4
(Purchases)/sales and redemptions of investment securities		**187**	314
Disposal of holdings in subsidiaries, associated undertakings and joint ventures		**6**	20
Dividends from investment securities, associated undertakings and joint ventures		**0**	0
Net cash from/(used in) continuing investing activities		**175**	315
Cash flows from continuing financing activities			
(Repayments)/proceeds from debt issued and other borrowed funds		**(59)**	(277)
(Purchase)/sale of treasury shares		**(2)**	0
Dividends distributed by subsidiaries attributable to non-controlling interests (NCI)		**(24)**	-
Contribution to subsidiaries' share capital increase by NCI, net of expenses		**-**	192
Net cash from/(used in) continuing financing activities		**(85)**	(85)
Effect of exchange rate changes on cash and cash equivalents		**4**	(0)
Net increase/(decrease) in cash and cash equivalents from continuing operations		**653**	(435)
Net cash flows from discontinued operating activities		**(41)**	20
Net cash flows from discontinued investing activities		**21**	(22)
Net increase/(decrease) in cash and cash equivalents from discontinued operations		**(20)**	(2)
Cash and cash equivalents at beginning of period	29	**1,978**	1,951
Cash and cash equivalents at end of period	29	**2,611**	1,514

Notes on pages 6 to 32 form an integral part of these condensed consolidated interim financial statements

1. General information

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

These condensed consolidated interim financial statements were approved by the Board of Directors on 26 May 2015.

2. Basis of preparation of condensed consolidated interim financial statements

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

Going concern considerations

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

Macroeconomic environment

- Since May 2010, Greece has undertaken significant structural reforms to restore competitiveness and promote economic growth through a programme agreed with the European Union (EU), the European Central Bank (ECB) and the International Monetary Fund (IMF) ('the Institutions'). This had led to primary fiscal surpluses in 2013 and 2014, but also to reform fatigue and social unrest. Following the parliamentary elections of 25 January, the new government negotiated a four-month extension of the Master Financial Assistance Facility Agreement (MFFA), the purpose of which is the successful completion of the review on the basis of the conditions in the current arrangement, making best use of the given flexibility which will be considered jointly with the Greek authorities and the Institutions. This extension would also serve to bridge the time for discussions on a possible follow-up arrangement between the Euro Group, the Institutions and Greece. On 23 February, the Greek government presented to the Institutions, a first list of reform measures. The negotiations for the agreement are ongoing and a deal is expected by early June 2015. Greece's access to the last instalment of the previous arrangement and/or to further Eurozone funding is conditional, inter alia, to the Institutions approving the conclusion of the review of the extended arrangement. Until such review is satisfactorily completed, any securities issued or guaranteed by the Hellenic Republic are deemed not eligible for ECB MRO (Main Refinancing Operations) funding. These conditions create material uncertainties on the Greek macroeconomic environment, with potentially significant adverse effects on the liquidity and solvency of the Greek banking sector.

Liquidity risk

- Liquidity, of the whole Greek banking sector, was negatively affected in the beginning of 2015 due to the combined effect of deposit withdrawals, reduction of wholesale secured funding and the decision of ECB to lift the waiver of minimum credit rating requirements for marketable instruments issued or guaranteed by Hellenic Republic (i.e. Greek government bonds and Pillar 2 & 3 of the Law 3723/2008). As a result Greek banks reverted to the fallback funding source, the Emergency Liquidity Assistance (ELA) mechanism to cover their short term liquidity needs. In this context, the Greek banking system and the Bank specifically, still maintain liquidity buffers to correspond to persevering adverse liquidity conditions and the Eurosystem has demonstrated its commitment to support Greek banks as long as Greece remains within the EU support program.
- The initial Agreement reached between Greece and its European partners at the Euro Group meeting held on 20 February 2015, as well as the letter of the Minister of Finance to the President of Euro Group, dated 23 February 2015, were positive steps for lifting uncertainties and was acting positively towards the improvement of the Greek banking sector liquidity. The rate of Group's deposit outflows in Greece has slowed down since then.
- Specifically for the banking sector, it is re-affirmed that HFSF buffer funds continue to be available for the duration of MFFA extension and can only be used for bank recapitalization needs. In addition, Greek authorities expressed their strong commitment to a deeper structural reform process, ensuring stability and resilience of the financial sector.

Solvency risk

- Despite the fact that the Greek economy showed early signs of recovery during 2014 for the first time since 2007, there are significant downside risks associated with political and fiscal gap funding uncertainties (as described earlier) and the low levels of investment and consumption levels, which may undermine in the short-term the pace of recovery. In addition, increased Greek sovereign risk may further impact the capital adequacy position of the Bank, which however currently stands strong considering:

  (a) The further recapitalization of the Group with the successful completion, in April 2014, of a Share Capital Increase amounting to € 2,864 million, which enhanced CET 1 ratio by 770 basis points.

  (b) The ECB Comprehensive Assessment results, as published in October 2014, which reaffirmed the solid capital position of the Group, stating the lack of any capital shortfall, in both the base and the adverse scenarios.

  (c) The CET 1 ratio of the Group which, as of 31 March 2015 stood at 14.2%, comfortably above the minimum required in the "Prudential Requirements for Eurobank Ergasias S.A.", as notified to the Bank in the form of draft decision of ECB on 18 December 2014.
- Notwithstanding the economic and fiscal uncertainties described above, the new Greek government has re-affirmed its devotion to the implementation of necessary structural reforms and on Fiscal Budgets' primary surpluses. As a result, despite the possible short-term deceleration in asset quality and funding cost improvements and in loan growth, the macro-economic recovery trajectory and the return to profitability in the medium term, still constitute the base scenario for the Greek economy and the Group respectively.

Going concern assessment

The Board of Directors, taking into consideration the above factors relating to the adequacy of its capital position and the anticipated continuation of the liquidity support that the Bank receives from the Eurosystem, and despite the material uncertainties relating to the successful completion of the ongoing discussions between the Greek government and the Institutions which are beyond the Bank's control, have been satisfied that the Bank has the ability to continue as a going concern into the foreseeable future.

3. Principal accounting policies

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

Amendments to standards and new interpretations adopted by the Group

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

Annual Improvements to IFRSs 2011-2013 Cycle

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

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

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

IFRIC 21, Levies

IFRIC 21 Levies clarifies that an entity recognizes a liability for a levy that is not income tax when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching

a minimum threshold, for example a specified level of revenue, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.
The adoption of the interpretation had no impact on the Group's condensed consolidated interim financial statements.

4. Critical accounting estimates and judgments in applying accounting policies

In preparing these condensed consolidated interim financial statements, the significant judgments made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the published consolidated annual financial statements for the year ended 31 December 2014, which are those regarded by Management as the most important in applying the Group's accounting policies.
Further information about key assumptions and sources of estimation uncertainty are set out in the notes on the financial statements.

5. Greek Economy Liquidity Support Program

The Bank participates in the Hellenic Republic's plan to support liquidity in the Greek economy under Law 3723/2008, as amended by Laws 3844/2010, 3845/2010, 3872/2010, 3965/2011, 4021/2011 and 4093/2012 and extended, regarding the second and third stream, until 30 June 2015 by a relevant Ministerial decision issued on 14 January 2015 as follows:

(a) First stream - preference shares
345,500,000 non-voting, preference shares, with nominal value of € 950 million, were subscribed to by the Hellenic Republic on 21 May 2009 (note 26).

(b) Second stream - bonds guaranteed by the Hellenic Republic
As at 31 March 2015, the government guaranteed bonds, of face value of € 14,953 million, were retained by the Bank and its subsidiaries, with the exception of face value of € 50 million which were held by third parties. The Bank, in January 2015, issued new government guaranteed bonds of face value of € 2,736 million. Furthermore, government guaranteed bonds of face value of € 1,500 million which matured in March 2015, were replaced by bonds of equivalent face value in April 2015 (note 23).

(c) Third stream - lending of Greek Government bonds
Liquidity obtained under this stream must be used to fund mortgages and loans to small and medium-size enterprises. As at 31 March 2015, the Bank had borrowed special Greek Government bonds of face value of € 1,918 million.

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

In addition, under Law 3756/2009, as amended by Law 3844/2010 and supplemented by Laws 3965/2011, 4063/2012, 4144/2013 and 4261/2014, any distribution of profits to ordinary shareholders of the banks participating in the first stream of the Greek Economy Liquidity Support Program for the financial years 2008 to 2013 could only take place in the form of ordinary shares, other than treasury shares. In addition, under Law 3756/2009, banks participating in the Greek Economy Liquidity Support Program are not allowed to acquire treasury shares under article 16 of the Company Law.

6. Credit exposure to Greek sovereign debt

As at 31 March 2015, the total carrying value of Greek sovereign major exposures amounted to € 5,694 million (31 December 2014: € 5,728 million). This includes (a) Treasury Bills of € 2,444 million (31 December 2014: € 2,410 million), (b) Greek Government Bonds (GGBs) of € 1,673 million (31 December 2014: € 1,584 million), (c) derivatives with the Greek State of € 1,075 million (31 December 2014: € 1,102 million), (d) exposure of € 206 million relating with a Greek Sovereign risk financial guarantee (31 December 2014: € 204 million), (e) loans guaranteed by the Greek State of € 181 million (31 December 2014: € 198 million), (f) loans to Greek local authorities and public organizations of € 96 million (31 December 2014: € 103 million), and (g) other receivables of € 19 million (31 December 2014: € 20 million). Reverse repo agreements with public organizations matured in January 2015 (31 December 2014: € 107 million).

7. Capital management

Capital position

	31 March 2015 € million	Pro-forma 31 December 2014 [1] € million	31 December 2014 € million
Total equity attributable to shareholders of the Bank	**5,446**	5,559	5,559
Add: Regulatory non-controlling interest	**389**	532	532
Less: Goodwill	**(9)**	(4)	(4)
Less: Other regulatory adjustments	**(220)**	(158)	(193)
Common Equity Tier I Capital	**5,606**	5,929	5,894
Add: Preferred securities	**54**	62	62
Less: Other regulatory adjustments	**(54)**	(62)	(62)
Total Tier I Capital	**5,606**	5,929	5,894
Tier II capital-subordinated debt	**111**	141	141
Add: Other regulatory adjustments	**6**	15	15
Total Regulatory Capital	**5,723**	6,085	6,050
Risk Weighted Assets	**39,595**	39,062	36,430
Ratios:	%	%	%
Common Equity Tier I	**14.2**	15.2	16.2
Tier I	**14.2**	15.2	16.2
Capital Adequacy Ratio	**14.5**	15.6	16.6

[1] *pro-forma with the regulatory treatment of eligible Deferred Tax Assets (DTAs) as Deferred Tax Credits (DTCs) (note 13).*

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

During the last years the Group, apart from the share capital increase mentioned above, focused on the organic strengthening of its capital position by active derisking of lending portfolios through tighter credit policies and change in the portfolio mix in favour of more secured loans as well as by proceeding to several strategic initiatives to internally generate capital.

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

Restructuring plan

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

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

Monitoring Trustee

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

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

8. Segment information

Management has determined the operating segments based on the internal reports reviewed by the Executive Board that are used to allocate resources and to assess their performance in order to make strategic decisions. The Executive Board considers the business both from a business unit and geographic perspective. Geographically, management considers the performance of its business in Greece and other countries in Europe (International). Greece is further segregated into retail, wholesale, wealth management, global and capital markets. International is monitored and reviewed on a country basis. The Group aggregates segments when they exhibit similar economic characteristics and profile and are expected to have similar long-term economic development.

The Group is organized in the following reportable segments:

- Retail: incorporating customer current accounts, savings, deposits and investment savings products, credit and debit cards, consumer loans, small business banking and mortgages.
- Corporate: incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products to corporate entities.
- Wealth Management: incorporating private banking services, including total wealth management, to medium and high net worth individuals, insurance, mutual fund and investment savings products, and institutional asset management.
- Global and Capital Markets: incorporating investment banking services including corporate finance, merger and acquisitions advice, custody, equity brokerage, financial instruments trading and institutional finance to corporate and institutional entities, as well as, specialized financial advice and intermediation to private and large retail individuals as well as small and large corporate entities.
- International: incorporating operations in Romania, Bulgaria, Serbia, Cyprus, Ukraine and Luxembourg.

Other operations of the Group comprise mainly investing activities, including property management and investment and the management of unallocated capital.

The Group's management reporting is based on International Financial Reporting Standards (IFRS). The accounting policies of the Group's operating segments are the same with those described in the principal accounting policies.

Revenues from transactions between business segments are allocated on a mutually agreed basis at rates that approximate market prices.

Operating segments

	For the three months ended 31 March 2015						
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	International € million	Other and Elimination center € million	Total € million
Net interest income	156	87	8	27	105	(10)	373
Net commission income	7	15	11	(0)	21	(1)	53
Other net revenue	0	1	17	14	(0)	5	37
Total external revenue	163	103	36	41	126	(6)	463
Inter-segment revenue	18	4	(14)	(5)	(1)	(2)	-
Total revenue	181	107	22	36	125	(8)	463
Operating expenses	(121)	(22)	(13)	(20)	(66)	(5)	(247)
Impairment losses on loans and advances	(184)	(73)	(3)	(0)	(42)	-	(302)
Other impairment losses	0	0	0	(17)	-	(6)	(23)
Profit/(loss) before tax from continuing operations before non recurring income/(expenses)	(124)	12	6	(1)	17	(19)	(109)
Non recurring income/(expenses) (note 12)	-	-	-	-	-	(2)	(2)
Profit/(loss) before tax from continuing operations[1]	(124)	12	6	(1)	17	(21)	(111)
Profit/(loss) before tax from discontinued operations	-	-	-	-	(7)	-	(7)
Non controlling interests	-	-	0	-	(0)	(7)	(7)
Profit/(loss) before tax attributable to shareholders	(124)	12	6	(1)	10	(28)	(125)

	31 March 2015						
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	International € million	Other and Elimination center [2] € million	Total € million
Segment assets	24,397	12,481	1,983	16,238	12,857	9,557	77,513
Segment liabilities	20,517	2,556	3,102	34,622	11,646	(1,102)	71,341

The International segment is further analysed as follows:

	For the three months ended 31 March 2015						
	Romania € million	Bulgaria € million	Serbia € million	Cyprus € million	Ukraine € million	Luxembourg € million	Total € million
Net interest income	31	34	18	15	-	7	105
Net commission income	5	7	3	4	-	2	21
Other net revenue	(1)	1	0	0	-	0	(0)
Total external revenue	35	42	21	19	-	9	126
Inter-segment revenue	0	0	0	0	-	(1)	(1)
Total revenue	35	42	21	19	-	8	125
Operating expenses	(26)	(19)	(11)	(7)	-	(3)	(66)
Impairment losses on loans and advances	(10)	(16)	(13)	(3)	-	0	(42)
Profit/(loss) before tax from continuing operations[1]	(1)	7	(3)	9	-	5	17
Profit/(loss) before tax from discontinuing operations	-	-	-	-	(7)	-	(7)
Non controlling interests	(0)	(0)	(0)	-	(0)	-	(0)
Profit/(loss) before tax attributable to shareholders	(1)	7	(3)	9	(7)	5	10

	31 March 2015						
	Romania € million	Bulgaria € million	Serbia € million	Cyprus € million	Ukraine € million	Luxembourg € million	International € million
Segment assets[3]	3,304	3,296	1,304	3,574	217	1,386	12,857
Segment liabilities[3]	3,171	2,965	929	3,240	260	1,153	11,646

	For the three months ended 31 March 2014						
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	International € million	Other and Elimination center € million	Total € million
Net interest income	122	86	12	44	99	4	367
Net commission income	6	17	7	(4)	20	(0)	46
Other net revenue	0	(0)	19	10	15	4	48
Total external revenue	128	103	38	50	134	8	461
Inter-segment revenue	19	5	(14)	(6)	0	(4)	-
Total revenue	147	108	24	44	134	4	461
Operating expenses	(121)	(25)	(14)	(22)	(72)	(13)	(267)
Impairment losses on loans and advances	(271)	(150)	(1)	(0)	(57)	(0)	(479)
Other impairment losses	-	(10)	-	-	(30)	-	(40)
Profit/(loss) before tax from continuing operations before non recurring income/(expenses)	(245)	(77)	9	22	(25)	(9)	(325)
Non recurring income/(expenses) (note 12)	-	-	-	-	-	100	100
Profit/(loss) before tax from continuing operations[(1)]	(245)	(77)	9	22	(25)	91	(225)
Profit/(loss) before tax from discontinued operations	-	-	-	-	(77)	(70)	(147)
Non controlling interests	-	-	-	-	(0)	(4)	(4)
Profit/(loss) before tax attributable to shareholders	(245)	(77)	9	22	(102)	17	(376)

	31 December 2014						
	Retail € million	Corporate € million	Wealth Management € million	Global & Capital Markets € million	International € million	Other and Elimination center [(2)] € million	Total € million
Segment assets	24,107	12,367	2,166	15,527	13,106	8,245	75,518
Segment liabilities	23,508	2,903	4,240	27,381	11,667	(485)	69,214

	For the three months ended 31 March 2014						
	Romania € million	Bulgaria € million	Serbia € million	Cyprus € million	Ukraine € million	Luxembourg € million	Total € million
Net interest income	32	30	19	14	-	4	99
Net commission income	6	6	3	4	-	1	20
Other net revenue	14	1	0	0	-	0	15
Total external revenue	52	37	22	18	-	5	134
Inter-segment revenue	0	0	0	0	-	0	0
Total revenue	52	37	22	18	-	5	134
Operating expenses	(31)	(21)	(12)	(6)	-	(2)	(72)
Impairment losses on losses and advances	(25)	(19)	(9)	(4)	-	0	(57)
Other impairment losses	(12)	(18)	-	-	-	-	(30)
Profit/(loss) before tax from continuing operations before non recurring income/(expenses)	(16)	(21)	1	8	-	3	(25)
Profit/(loss) before tax from continuing operations[(1)]	(16)	(21)	1	8	-	3	(25)
Profit/(loss) before tax from discontinuing operations	-	-	-	-	(77)	-	(77)
Non controlling interests	(0)	(0)	(0)	-	(0)	-	(0)
Profit/(loss) before tax attributable to shareholders	(16)	(21)	1	8	(77)	3	(102)

	31 December 2014						
	Romania € million	Bulgaria € million	Serbia € million	Cyprus € million	Ukraine € million	Luxembourg € million	International € million
Segment assets[(3)]	3,257	2,998	1,355	3,915	270	1,458	13,106
Segment liabilities[(3)]	2,986	2,677	975	3,487	305	1,229	11,667

[(1)] *Income/(loss) from associated undertakings and joint ventures is included.*

[(2)] *Interbank eliminations between International and the other Group's segments are included. As at 31 December 2014, segment assets and segment liabilities of Global & Capital Markets have been adjusted by € 2.5 bn and € 1.1 bn respectively, equally affecting the elimination center.*

[(3)] *Intercompany balances among the Countries have been excluded from the reported assets and liabilities of International segment.*

9. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders 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.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The categories of Group's potentially dilutive ordinary shares are as follows: a) convertible, subject to certain conditions, preferred securities (Series D, note 27) and b) share options (until December 2014).

		Three months ended 31 March	
		2015	2014
Net profit/(loss) for the period attributable to shareholders	*€ million*	**(94)**	(207)
Net profit/(loss) for the period from continuing operations attributable to shareholders	*€ million*	**(87)**	(75)
Weighted average number of ordinary shares in issue for basic and diluted earnings/(losses) per share	*Number of shares*	***14,701,730,686***	*5,469,002,993*
Earnings/(losses) per share			
- Basic and diluted earnings/(losses) per share	€	**(0.01)**	(0.04)
Earnings/(losses) per share from continuing operations			
- Basic and diluted earnings/(losses) per share	€	**(0.01)**	(0.01)

Basic and diluted losses per share from discontinued operations for the period ended 31 March 2015 amounted to € 0.001 (31 March 2014: € 0.024 losses).

The Series D of preferred securities (note 27), were not included in the calculation of diluted earnings/ (losses) per share, as their effect would have been anti-dilutive. Share options did not have an effect on the diluted earnings/ (losses) per share for the first quarter of 2014, as their exercise price exceeded the average market price of the Bank's shares for the period.

10. Operating expenses

	31 March 2015 € million	31 March 2014 € million
Staff costs	**(135)**	(147)
Administrative expenses	**(76)**	(80)
Depreciation of property, plant and equipment	**(16)**	(17)
Amortisation of intangible assets	**(7)**	(8)
Operating lease rentals	**(13)**	(15)
Total from continuing operations	**(247)**	(267)

The average number of employees of the Group during the period was 17,831 of which the employees of Ukraine subsidiaries was 738 (March 2014: 18,630 of which the employees of Ukraine subsidiaries was 855). As at 31 March 2015, the number of branches of the Group was 995 of which the branches of Ukraine subsidiaries was 46.

11. Impairment allowance for loans and advances to customers

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

	31 March 2015				
	Wholesale € million	**Mortgage € million**	**Consumer [(1)] € million**	**Small business € million**	**Total € million**
Balance at 1 January	**4,063**	**1,477**	**2,465**	**1,743**	**9,748**
Impairment loss for the period	**87**	**72**	**67**	**76**	**302**
Recoveries of amounts previously written off	**0**	**0**	**3**	**0**	**3**
Amounts written off	**(3)**	**(22)**	**(4)**	**(3)**	**(32)**
NPV unwinding	**(23)**	**(20)**	**(2)**	**(26)**	**(71)**
Foreign exchange differences and other movements	**29**	**19**	**(8)**	**15**	**55**
Balance at 31 March	**4,153**	**1,526**	**2,521**	**1,805**	**10,005**

[(1)] *Credit cards balances are included.*

12. Other impairment and non recurring income/(expenses)

	31 March 2015 € million	31 March 2014 € million
Impairment and valuation losses on investment and repossessed properties	(6)	(30)
Impairment losses on bonds	(17)	(10)
Other impairment losses	**(23)**	(40)
Reversal of provision for claims in dispute	-	103
Integration costs relating with the operational merger of NHPB and New Proton	(0)	(3)
Restructuring costs	(2)	-
Restructuring costs and other non recurring income/(expenses)	**(2)**	100
Total	**(25)**	60

In the first quarter of 2015, the Bank recognised € 17 million impairment losses for the Ukrainian government bonds included in its held-to-maturity portfolio, due to the continuing uncertainty in the economic and political conditions in the country.

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

13. Income tax and non recurring tax adjustments

	31 March 2015 € million	31 March 2014 € million
Current tax	(16)	(13)
Deferred tax	46	90
Income tax	**30**	77
Recognition of DTA following Circular 1143/15.05.2014	-	34
Reversal of provision of withholding tax claims	-	43
Tax (charge)/income from continuing operations	**30**	154

According to Law 4172/2013, the nominal Greek corporate tax rate is 26% for income generated in accounting years 2014 and onwards. In addition, dividends distributed, other than intragroup dividends which under certain preconditions are relieved from both income and withholding tax, are subject to 10% withholding tax.

In May 2014, the Ministry of Finance with its Circular 1143/15.05.2014 provided clarifications for the application of tax Law 4172/2013. In particular, with the said Circular, it was clarified that the accumulated losses from shares and derivatives which had been recognised in accordance with the former tax Law 2238/1994 can be utilised for tax purposes (i.e. are added to carried forward tax losses). Hence, during the first quarter of 2014, the Group recognised in income statement a one off tax income of € 34 million. In addition, as at 31 March 2014, following a favourable Supreme Court decision, the Group recognised a non recurring tax income of € 43 million due to reversal of provisions in relation to withholding tax claims against the State.

For the year ended 31 December 2011 and onwards, the Greek sociétés anonymes and limited liability companies whose annual financial statements are audited compulsorily, are required to obtain an 'Annual Tax Certificate' provided for in article 82 of Law 2238/1994 (article 65a of Law 4174/2013 applies for the years commencing from 1 January 2014), which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. 18 months after the issuance of a tax unqualified certificate, provided that no tax issues have been identified from the tax authorities' potential re-audits, the tax audit is considered finalised. Further tax audits may be effected only in cases of tax offences that have been identified by the Ministry of Finance audits (i.e. breaches of the money laundering legislation, forged or fictitious invoices, transactions with non-existent companies or breaches of transfer pricing rules).

The Bank has been audited by tax authorities up to 2009, has not been audited for 2010 and has obtained by external auditors unqualified tax certificates for years 2011 – 2013, while tax audit from external auditors is in progress for 2014. In addition, New TT Hellenic Postbank and New Proton Bank, which were merged with the Bank in 2013, have obtained by external auditors unqualified tax certificate with a matter of emphasis for their unaudited by tax authorities periods/tax years 18/1-30/6/2013 and 9/10/2011-

31/12/2012, respectively, with regards to potential tax obligations resulting from their carve out. For both cases the Bank has formed adequate provisions. Greek subsidiaries which are subject to statutory audit by external auditors have obtained unqualified tax certificates for years 2011 – 2013 while tax audit for 2014 is in progress. In accordance with the aforementioned tax legislation and considering related preconditions, tax audit for the years 2011 and 2012 for the Bank and the said subsidiaries is considered finalized.

The open tax years of foreign Group's bank subsidiaries are as follows: (a) Bancpost S.A. (Romania), 2011-2014, (b) Eurobank Cyprus Ltd, 2012-2014, (c) Eurobank Bulgaria A.D., 2013-2014, (d) Eurobank A.D. Beograd (Serbia), 2009-2014, and (e) Eurobank Private Bank Luxembourg S.A., 2009-2014. The remaining of the Group's subsidiaries (including Greek subsidiaries), associates and joint ventures (notes 18 and 19), which operate in countries where a statutory tax audit is explicitly stipulated by law, have 1 to 10 open tax years.

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

The movement on deferred income tax is as follows:

	31 March 2015 € million
Balance at 1 January	**3,872**
Income statement credit/(charge) from continued operations	**46**
Available for sale investment securities and cash flow hedges	**9**
Balance at 31 March	**3,927**

Deferred income tax assets/(liabilities) are attributable to the following items:

	31 March 2015 € million
PSI+ tax related losses	**1,200**
Loan impairment	**2,025**
Unused tax losses	**291**
Valuations through the income statement	**253**
Costs directly attributable to equity transactions	**46**
Cash flow hedges	**36**
Valuations directly to available-for-sale revaluation reserve	**22**
Fixed assets	**(7)**
Defined benefit obligations	**10**
Other	**51**
Net deferred income tax	**3,927**

The net deferred income tax is analysed as follows:

	31 March 2015 € million
Deferred income tax assets	**3,966**
Deferred income tax liabilities (note 24)	**(39)**
Net deferred income tax	**3,927**

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

	31 March 2015 € million
Loan impairment	**45**
Unused tax losses	**8**
Tax deductible PSI+ losses	**(11)**
Change in fair value and other temporary differences	**4**
Deferred income tax (charge)/credit	**46**

As at 31 March 2015, the Group recognised net deferred tax assets amounting to € 3.9 bn as follows:

(a) € 1,200 million refer to losses resulted from the Group's participation in PSI+ and the Greek's state debt buyback program which are subject to amortization (i.e. 1/30 of losses per year starting from year 2012 and onwards) for tax purposes;
(b) € 2,025 million refer to temporary differences arising from loan impairment that can be utilized in future periods with no specified time limit and according to current tax legislation of each jurisdiction;
(c) € 291 million refer to unused tax losses. The ability to utilize tax losses carried forward mainly expires in 2018;
(d) € 46 million mainly refer to costs directly attributable to Bank's share capital increases, subject to 10 years' amortization for tax purposes starting from the year they have been incurred;
(e) € 365 million refer to other temporary differences the majority of which can be utilized in future periods with no specified time limit and according to the applicable tax legislation of each jurisdiction.

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

According to article 5 of Law 4303/2014 (a new article 27A was incorporated in the L. 4172/2013), which is applicable to Greek financial institutions, including leasing and factoring companies, deferred tax assets that have been or will be recognised due to losses from the Private Sector Involvement ('PSI') and the Greek State Debt Buyback Program, accumulated provisions and other general losses due to credit risk in relation to existing receivables as of 31 December 2014 (excluding any receivables raised for Group companies or connected parties), will be converted into directly enforceable claims (tax credit) against the Greek State, provided that the after tax accounting result for the period, is a loss. As at 31 March 2015, deferred tax assets eligible for conversion to tax credits amounted to € 3,238 million.

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

The claim will arise upon approval of the financial statements and will be offset against the relevant amount of income tax. When the amount of income tax is insufficient to offset the above claim, any remaining claim will give rise to a direct refund right against the Greek State. For this purpose, a special reserve equal to 110% of the above claim will be created exclusively for a share capital increase and the issuance of capital conversion rights (warrants) without consideration in favor of the Greek State. The above rights will be convertible into ordinary shares and will be freely transferable. Existing shareholders will have a call option within a reasonable period based on their participation in the share capital at the time of issuance of those rights.

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

14. Discontinued operations and disposal groups

Operations in Ukraine classified as held for sale

In March 2014, management committed to a plan to sell the Group's operations in Ukraine (including Public J.S.C. Universal Bank and ERB Property Services Ukraine LLC). The sale was considered probable, therefore, the Group's operations in Ukraine were classified as a disposal group held for sale. The Group's operations in Ukraine are presented in the International segment.

Following the classification of the disposal group as held for sale, in accordance with IFRS 5, the Group has measured it at the lower of its carrying amount and fair value less costs to sell. This is a non-recurring fair value measurement, categorized as Level 3 in the fair value hierarchy due to the significance of the unobservable inputs. The fair value less cost to sell has been determined using the bid offers received from third parties for the sale of the Group's operations in Ukraine, where the Group did not perform any further significant adjustments.

The continuing adverse economic, geopolitical and political conditions in the country escalating during 2014 led to an extension of the period to complete the sale beyond one year. The Group's operations in Ukraine continue to be classified as a disposal group held for sale, as the Group remains committed to its plan to sell that disposal group. As at 31 March 2015, cumulative losses (mainly currency translation differences) related to the Ukrainian held for sale operations recognised in other comprehensive income amounted to € 67 million (31 March 2014: € 56 million).

The results of the Group's held for sale and discontinued operations are set out below.

	Three months ended 31 March	
	2015	2014
	€ million	€ million
Net interest income	1	5
Net banking fee and commission income	1	1
Other income/(loss) [(1)]	(5)	3
Operating expenses	(4)	(7)
Impairment and remeasurement losses on loans and advances	(0)	(74)
Profit/(loss) before tax from discontinued operations	(7)	(72)
Income tax	(0)	(3)
Profit/(loss) after tax from discontinued operations	(7)	(75)
Gain/(loss) on disposal before tax [(2)]	-	(70)
Loss on the remeasurement of non-current assets of disposal group	-	(5)
Income tax on gain/(loss) on disposal [(2)]	-	18
Net profit/(loss) from discontinued operations	(7)	(132)
Net profit from discontinued operations attributable to non controlling interests	(0)	(0)
Net Profit/(loss) from discontinued operations attributable to shareholders	(7)	(132)

[(1)] *Mainly referring to FX losses for the first quarter of 2015*

[(2)] *As at 31 March 2014 the gain on the disposal of Polish operations was adjusted with € 70 million losses, before tax (€ 52 million losses, after tax), while the relating provision recognised in 2013 based on management's estimates of the final amount of the consideration to be received was released accordingly (note 12).*

The major classes of assets and liabilities classified as held for sale are as follows:

	31 March 2015 € million	31 December 2014 € million
Cash and balances with central banks	15	29
Due from credit institutions	1	1
Trading and investment securities	11	44
Loans and advances to customers	188	194
Other assets	2	2
Total assets of disposal group classified as held for sale	217	270
Due to credit institutions	0	4
Due to customers	119	157
Other liabilities	2	3
Total liabilities of disposal group classified as held for sale	121	164
Net Group funding associated with Ukraine assets held for sale	139	141
Net assets of disposal group classified as held for sale	(43)	(35)

15. Loans and advances to customers

	31 March 2015 € million	31 December 2014 € million
Wholesale lending	**19,983**	19,475
Mortgage lending	**18,846**	18,355
Consumer lending [1]	**6,688**	6,768
Small business lending	**7,375**	7,283
	52,892	51,881
Less: Impairment allowance (note 11)	**(10,005)**	(9,748)
	42,887	42,133
Included in gross loans and advances are:		
Past due more than 90 days	**17,987**	17,302

[1] *Credit cards balances are included.*

In the first quarter of 2015, gross loans have increased by €1 bn, mainly due to the appreciation of CHF and USD against Euro.

As of 30 September 2014, in accordance with IAS 39, the Group has elected to reclassify certain impaired corporate bond loans from the 'Available-for-sale' portfolio to 'Loans and advances to customers' portfolio that meet the definition of loans and receivables and the Group has the intention and ability to hold them for the foreseeable future or until maturity. The reclassifications were made with effect from 30 September 2014 at the loans' fair value of € 150 million (gross amount of € 592 million less fair value adjustment of € 442 million), which became their amortised cost at the reclassification date. Considering that the reclassified bond loans are impaired, the fair value adjustment of € 442 million represented incurred credit losses already recognised by the Group as of the reclassification date.

As at 31 March 2015, the carrying amount of these loans is € 126 million which approximates their fair value and impairment losses of € 1 million were recognised in the consolidated income statement for the three months ended 31 March 2015. No amounts would have been recognised in the OCI had these financial assets not been reclassified.

16. Investment securities

	31 March 2015 € million	31 December 2014 € million
Available-for-sale investment securities	**5,647**	5,626
Debt securities lending portfolio	**11,557**	11,566
Held-to-maturity investment securities	**643**	657
	17,847	17,849

The investment securities per category are analysed as follows:

	31 March 2015			
	Available-for-sale securities € million	Debt securities lending portfolio € million	Held-to-maturity securities € million	Total € million
Debt securities				
- EFSF bonds	-	10,073	-	10,073
- Greek government bonds	681	981	-	1,662
- Greek government treasury bills	2,439	-	-	2,439
- Other government bonds	1,950	315	370	2,635
- Other issuers	258	188	273	719
	5,328	11,557	643	17,528
Equity securities	319	-	-	319
Total	5,647	11,557	643	17,847

	31 December 2014			
	Available--for-sale securities € million	Debt securities lending portfolio € million	Held-to--maturity securities € million	Total € million
Debt securities				
- EFSF bonds	-	10,061	-	10,061
- Greek government bonds	683	891	-	1,574
- Greek government treasury bills	2,377	-	-	2,377
- Other government bonds	2,013	411	372	2,796
- Other issuers	259	203	285	747
	5,332	11,566	657	17,555
Equity securities	294	-	-	294
Total	5,626	11,566	657	17,849

In 2008 and 2010, in accordance with the amendments to IAS 39, the Group reclassified eligible debt securities from the 'Available-for-sale' portfolio to 'Debt securities lending' portfolio carried at amortized cost. Interest on the reclassified securities continued to be recognised in interest income using the effective interest rate method. As at 31 March 2015, the carrying amount of the reclassified securities was € 1,152 million. If the financial assets had not been reclassified, changes in the fair value for the period from the reclassification date until 31 March 2015 would have resulted in € 428 million losses net of tax, which would have been recognised in the available-for-sale revaluation reserve.

Restatement of first quarter 2014 Greek Government treasury bills

As of 30 June 2014, the Group proceeded with a restatement of certain Greek Government treasury bills, which were acquired in the first quarter 2014 and were presented within the Debt securities lending portfolio as of 31 March 2014, so that they are appropriately classified and presented within the Available for sale portfolio in line with the Group's designation. As a result, the interim financial information for the three month period ended 31 March 2014, is restated as follows: the carrying amount of the Available for sale portfolio as of 31 March 2014 increased by € 996 million with a respective decrease in the carrying amount of the Debt securities lending portfolio by € 992 million, an increase in the AFS reserve by € 2.8 million net of tax and a decrease in the net deferred tax asset by € 1 million. The above restatement had no impact on the annual financial statements of 2014 as a whole.

17. Investment property

The movement of investment property (net book value) is as follows:

	31 March 2015 € million
Cost:	
Balance at 1 January	**937**
Transfers from/(to) repossessed assets	**(39)**
Additions	**12**
Disposals and write-offs	**(5)**
Exchange adjustments	**1**
Balance at 31 March	**906**
Accumulated depreciation:	
Balance at 1 January	**(61)**
Charge for the year	**(3)**
Exchange adjustments	**(1)**
Balance at 31 March	**(65)**
Net book value at 31 March	**841**

18. Shares in subsidiary undertakings

The following is a listing of the Bank's subsidiaries at 31 March 2015, included in the condensed consolidated interim financial statements for the period ended 31 March 2015:

Name	Note	Percentage holding	Country of incorporation	Line of business
Be-Business Exchanges S.A. of Business Exchanges Networks and Accounting and Tax Services		98.01	Greece	Business-to-business e-commerce, accounting and tax services
Cloud Hellas S.A.		20.48	Greece	Real estate
ERB Insurance Services S.A.		100.00	Greece	Insurance brokerage
Eurobank Asset Management Mutual Fund Mngt Company S.A.		100.00	Greece	Mutual fund and asset management
Eurobank Business Services S.A.		100.00	Greece	Payroll and advisory services
Eurobank Equities S.A.		100.00	Greece	Capital markets and advisory services
Eurobank Ergasias Leasing S.A.		100.00	Greece	Leasing
Eurobank Factors S.A.		100.00	Greece	Factoring
Eurobank Financial Planning Services S.A.		100.00	Greece	Management of overdue loans
Eurobank Household Lending Services S.A.		100.00	Greece	Promotion/management of household products
GRIVALIA PROPERTIES R.E.I.C.		20.48	Greece	Real estate
Eurobank Property Services S.A.		100.00	Greece	Real estate services
Eurobank Remedial Services S.A.		100.00	Greece	Notification to overdue debtors
Eurolife ERB General Insurance S.A.		100.00	Greece	Insurance services
Eurolife ERB Life Insurance S.A.		100.00	Greece	Insurance services
Hellenic Post Credit S.A.		50.00	Greece	Credit card management and other services
Hellenic Postbank - Hellenic Post Mutual Funds Mngt	a	100.00	Greece	Mutual fund management
T Credit S.A.		100.00	Greece	Vehicle and equipment leasing
Eurolife ERB Insurance Group Holdings S.A.		100.00	Greece	Holding company
Herald Greece Real Estate development and services company 1		100.00	Greece	Real estate
Herald Greece Real Estate development and services company 2		100.00	Greece	Real estate
Eurobank Bulgaria A.D.		99.99	Bulgaria	Banking
Bulgarian Retail Services A.D.		100.00	Bulgaria	Rendering of financial services and credit card management
ERB Property Services Sofia A.D.		100.00	Bulgaria	Real estate services
ERB Leasing E.A.D.		100.00	Bulgaria	Leasing
IMO 03 E.A.D.		100.00	Bulgaria	Real estate services
IMO Central Office E.A.D.		100.00	Bulgaria	Real estate services
IMO Property Investments Sofia E.A.D.		100.00	Bulgaria	Real estate services
IMO Rila E.A.D.		100.00	Bulgaria	Real estate services
ERB Hellas (Cayman Islands) Ltd		100.00	Cayman Islands	Special purpose financing vehicle
Berberis Investments Ltd		100.00	Channel Islands	Holding company
ERB Hellas Funding Ltd		100.00	Channel Islands	Special purpose financing vehicle
Eurobank Cyprus Ltd		100.00	Cyprus	Banking
CEH Balkan Holdings Ltd		100.00	Cyprus	Holding company
Chamia Enterprises Company Ltd		100.00	Cyprus	Special purpose investment vehicle
ERB New Europe Funding III Ltd		100.00	Cyprus	Finance company
Foramonio Ltd		100.00	Cyprus	Real estate
NEU 03 Property Holding Ltd		100.00	Cyprus	Holding company
NEU II Property Holdings Ltd		100.00	Cyprus	Holding company
NEU BG Central Office Ltd		100.00	Cyprus	Holding company
NEU Property Holdings Ltd		100.00	Cyprus	Holding company
Eurobank Private Bank Luxembourg S.A.		100.00	Luxembourg	Banking
Eurobank Fund Management Company (Luxembourg) S.A.		100.00	Luxembourg	Fund management
Eurobank Holding (Luxembourg) S.A.		100.00	Luxembourg	Holding company
ERB New Europe Funding B.V.		100.00	Netherlands	Finance company
ERB New Europe Funding II B.V.		100.00	Netherlands	Finance company
ERB New Europe Holding B.V.		100.00	Netherlands	Holding company
Bancpost S.A.		99.11	Romania	Banking
Eliade Tower S.A.		20.48	Romania	Real estate
ERB IT Shared Services S.A.		100.00	Romania	Informatics data processing
ERB Leasing IFN S.A.		100.00	Romania	Leasing
ERB Retail Services IFN S.A.		100.00	Romania	Credit card management
ERB ROM Consult S.A.		100.00	Romania	Consultancy services
Eurobank Finance S.A.		100.00	Romania	Investment banking
Eurobank Property Services S.A. (Romania)	b	100.00	Romania	Real estate services
Eurolife ERB Asigurari De Viata S.A.		100.00	Romania	Insurance services

Name	Note	Percentage holding	Country of incorporation	Line of business
Eurolife ERB Asigurari Generale S.A.		100.00	Romania	Insurance services
IMO Property Investments Bucuresti S.A.		100.00	Romania	Real estate services
IMO-II Property Investments S.A.		100.00	Romania	Real estate services
Retail Development S.A.		20.48	Romania	Real estate
Seferco Development S.A.		20.48	Romania	Real estate
Eurobank A.D. Beograd		99.98	Serbia	Banking
ERB Asset Fin d.o.o. Beograd		100.00	Serbia	Asset management
ERB Leasing A.D. Beograd		99.99	Serbia	Leasing
ERB Property Services d.o.o. Beograd		80.00	Serbia	Real estate services
IMO Property Investments A.D. Beograd		100.00	Serbia	Real estate services
Reco Real Property A.D.		20.48	Serbia	Real estate
EFG Istanbul Holding A.S.		100.00	Turkey	Holding company
Public J.S.C. Universal Bank		99.97	Ukraine	Banking
ERB Property Services Ukraine LLC		100.00	Ukraine	Real estate services
ERB Hellas Plc		100.00	United Kingdom	Special purpose financing vehicle
Anaptyxi II Plc		-	United Kingdom	Special purpose financing vehicle
Anaptyxi SME I Plc		-	United Kingdom	Special purpose financing vehicle
Byzantium Finance Plc		-	United Kingdom	Special purpose financing vehicle
Daneion 2007-1 Plc		-	United Kingdom	Special purpose financing vehicle
Daneion APC Ltd		-	United Kingdom	Special purpose financing vehicle
Karta II Plc		-	United Kingdom	Special purpose financing vehicle
Themeleion II Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle
Themeleion III Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle
Themeleion IV Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle
Themeleion Mortgage Finance Plc		-	United Kingdom	Special purpose financing vehicle

The following entities are not included in the condensed consolidated interim financial statements mainly due to immateriality:

(i) Holding entities of Group's special purpose financing vehicles: Anaptyxi II Holdings Ltd, Anaptyxi SME I Holdings Ltd, Daneion Holdings Ltd, Karta II Holdings Ltd, Themeleion III Holdings Ltd and Themeleion IV Holdings Ltd

(ii) Dormant/under liquidation entities: Enalios Real Estate Development S.A., Global Fund Management S.A., Hotels of Greece S.A., Athens Insurance Brokerage Ltd, Security Services Systems Ltd, Proton Mutual Funds Management Company S.A

(iii) Entities controlled by the Group pursuant to the terms of the relevant share pledge agreements: Finas S.A., Rovinvest S.A, Provet S.A and Promivet S.A.

(a) **Hellenic Postbank - Hellenic Post Mutual Funds Mngt Company S.A., Greece**

In January 2015, the Group acquired from Hellenic Post (ELTA) 49% of Hellenic Postbank – Hellenic Post Mutual Funds Management Company S.A. and thus the total Group participation to the company amounts to 100%.

(b) **Eurobank Property Services S.A., Romania**

In March 2015, the Group acquired from Lamda Development S.A 19.995% of Eurobank Property Services S.A. and thus the total Group participation to the company amounts to 100%.

Post balance sheet events

In April 2015, the Group acquired from Lamda Development S.A 20% of ERB Property Services d.o.o. Beograd and thus the total Group participation to the company amounts to 100%.

In April 2015, the liquidation process of Global Fund Management S.A was completed.

19. Other assets

	31 March 2015 € million	31 December 2014 € million
Receivable from Deposit Guarantee and Investment Fund	**669**	668
Repossessed properties and relative prepayments	**560**	526
Pledged amount for a Greek sovereign risk financial guarantee	**258**	257
Income tax receivable	**246**	243
Prepaid expenses and accrued income	**37**	57
Investments in associated undertakings and joint ventures (see below)	**6**	6
Other assets	**394**	386
	2,170	2,143

As at 31 March 2015, other assets amounting to € 394 million mainly consist of receivables from (a) settlement balances with customers, (b) guarantees, (c) public entities, (d) fraudulent and legal cases, net of provisions and (e) insurance and brokerage activity.

The following is a listing of the Group's associated undertakings and joint ventures as at 31 March 2015:

Name	Country of incorporation	Line of business	Percentage Holding
Femion Ltd	Cyprus	Special purpose investment vehicle	66.45
Tefin S.A. [1]	Greece	Motor vehicle sales financing	50.00
Sinda Enterprises Company Ltd	Cyprus	Special purpose investment vehicle	48.00
Unitfinance S.A. [1]	Greece	Financing company	40.00
Rosequeens Properties Ltd	Cyprus	Special purpose investment vehicle	33.33
Rosequeens Properties SRL	Romania	Real estate company	33.33
Odyssey GP S.a.r.l.	Luxembourg	Special purpose investment vehicle	20.00

[1] In December 2013, the Extraordinary General Meeting of shareholders of the companies decided their liquidation.

Note: Filoxenia S.A. is a dormant and under liquidation associated undertaking not consolidated due to immateriality.

The Group's only associated undertaking is Odyssey GP S.a.r.l.

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

20. Due to central banks

	31 March 2015 € million	31 December 2014 € million
Secured borrowing from ECB and BoG	**29,016**	12,610

As at 31 March 2015, the Bank has increased its dependency on Eurosystem financing facilities to € 29 bn (of which € 19.9 bn funding from ELA) as a result of deposit withdrawals and reduction of wholesale secured funding.

21. Due to credit institutions

	31 March 2015 € million	31 December 2014 € million
Secured borrowing from other banks	**815**	9,695
Borrowing from international financial institutions	**389**	398
Interbank takings	**33**	80
Current accounts and settlement balances with banks	**14**	83
Other borrowings	**99**	-
	1,350	10,256

As at 31 March 2015, other borrowings refer to funds received by the Bank from IFG – Greek SME Finance S.A., in order to provide financing to Small & Medium-Sized Enterprises (SMEs). The funds originated from the German and Greek Public and are under the management of KFW (German government-owned development bank) and ETEAN S.A. (Hellenic fund for entrepreneurship and development) respectively.

22. Due to customers

	31 March 2015 € million	31 December 2014 € million
Term deposits	**19,540**	24,505
Savings and current accounts	**14,791**	15,258
Repurchase agreements	**81**	515
Unit linked products	**429**	494
Other term products	**106**	106
	34,947	40,878

23. Debt issued and other borrowed funds

	31 March 2015 € million	31 December 2014 € million
Medium-term notes (EMTN)	**355**	409
Subordinated	**220**	218
Securitised	**111**	131
Government guaranteed bonds	**51**	53
	737	811

Medium-term notes (EMTN)

During the period, the Group proceeded with the repurchase of medium term notes of face value of € 56 million, recognizing a gain of € 15 million.

Asset Backed Securities

In March 2015, the Group proceeded with the redemption of residential mortgage backed securities of face value of € 26 million, € 10 million of which were held by third parties.

Government guaranteed and Covered bonds

As at 31 March 2015, the government guaranteed bonds under the second stream of the Greek Economy Liquidity Support Program (note 5), as well as the covered bonds, of face value of € 14,953 million and € 3,150 million respectively, were retained by the Bank and its subsidiaries, with the exception of face value of € 50 million government guaranteed bonds which were held by third parties.

In January 2015, the Bank issued new government guaranteed bonds of face value of € 2,736 million. In addition, government guaranteed bonds of face value of € 1,500 million which matured in March 2015, were replaced by bonds of equivalent face value in April 2015.

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

24. Other liabilities

	31 March 2015 € million	31 December 2014 € million
Insurance reserves	**1,293**	1,267
Deferred income and accrued expenses	**97**	88
Other provisions	**86**	97
Settlement balances with customers [1]	**57**	48
Sovereign risk financial guarantee	**52**	52
Standard legal staff retirement indemnity obligations	**42**	41
Deferred tax liabilities (note 13)	**39**	22
Income taxes payable	**22**	17
Other liabilities	**311**	388
	1,999	2,020

[1] *Including balances from brokerage activities*

As at 31 March 2015, other liabilities amounting to € 311 million mainly consist of payables relating with (a) suppliers and creditors, (b) bank checks and remittances, (c) contributions to insurance organisations, (d) duties and other taxes, (e) credit card transactions under settlement and (f) liabilities from insurance activity.

As at 31 March 2015, other provisions amounting to € 86 million consist of amounts for (a) outstanding litigations and claims in dispute of € 60 million (note 30), and (b) other provisions for operational risk events of € 15 million, untaken vacation indemnity of € 3 million and other of € 8 million.

25. Ordinary share capital, share premium and treasury shares

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

	Ordinary share capital € million	Treasury shares € million	Net € million	Share premium € million	Treasury shares € million	Net € million
Balance at 1 January 2015	**4,412**	**(0)**	**4,412**	**6,682**	**(0)**	**6,682**
Purchase of treasury shares	-	(4)	(4)	-	3	3
Sale of treasury shares	-	0	0	-	(0)	(0)
Balance at 31 March 2015	**4,412**	**(4)**	**4,408**	**6,682**	**3**	**6,685**

The following is an analysis of the movement in the number of shares issued by the Bank:

	Number of shares		
	Issued ordinary shares	Treasury shares	Net
Balance at 1 January 2015	**14,707,876,542**	**(1,241,629)**	**14,706,634,913**
Purchase of treasury shares	-	(15,325,936)	(15,325,936)
Sale of treasury shares	-	1,233,134	1,233,134
Balance at 31 March 2015	**14,707,876,542**	**(15,334,431)**	**14,692,542,111**

Treasury shares

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

In the ordinary course of business, subsidiaries of the Group may acquire and dispose of treasury shares.

26. Preference shares

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

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

The preference shares pay a non-cumulative coupon, subject to meeting minimum capital adequacy requirements, set by Bank of Greece, availability of distributable reserves in accordance with article 44a of Company Law 2190/1920 and the approval of the Annual General Meeting. Five years after the issue of the preference shares, the Bank may redeem the preference shares at their nominal value. In case of non redemption at the expiration of the five year period, the coupon is increased by 2% each year, following relevant decision by the Minister of Finance, upon recommendation of the Bank of Greece.

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

27. Preferred securities

The outstanding amount of preferred securities issued by the Group through its Special Purpose Entity, ERB Hellas Funding Limited, as at 31 March 2015 is analysed as follows:

	Series A € million	Series B € million	Series C € million	Series D € million	Total € million
At 31 March 2015	**2**	**5**	**49**	**21**	**77**

The rate of preferred dividends for the Tier I Issue series A has been determined at 0.754% for the period 18 March 2015 to 17 March 2016.

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

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

28. Fair value of financial assets and liabilities

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

Financial instruments carried at fair value

Trading assets, derivatives and other transactions undertaken for trading purposes, as well as available-for-sale securities and assets and liabilities designated at fair-value-through-profit-or-loss are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, the fair values are estimated using valuation techniques. These financial instruments carried at fair value are categorised into the three levels of the fair value hierarchy as at 31 March 2015 based on whether the inputs to the fair values are observable or unobservable, as follows:

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

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

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

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

	31 March 2015			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Financial assets measured at fair value:				
Financial instruments held for trading	120	0	1	121
Financial instruments designated at fair value through profit or loss	182	-	-	182
Derivative financial instruments	0	2,222	24	2,246
Available-for-sale investment securities	5,539	56	52	5,647
Total financial assets	5,841	2,278	77	8,196
Financial liabilities measured at fair value:				
Derivative financial instruments	2	3,169	-	3,171
Due to customers:				
- Structured deposits	-	35	-	35
- Unit linked products	186	243	-	429
Debt issued and other borrowed funds:				
- Structured notes	-	35	-	35
Trading liabilities	11	-	-	11
Total financial liabilities	199	3,482	-	3,681

	31 December 2014			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Financial assets measured at fair value:				
Financial instruments held for trading	116	1	0	117
Financial instruments designated at fair value through profit or loss	243	-	-	243
Derivative financial instruments	-	2,132	2	2,134
Available-for-sale investment securities	5,506	69	51	5,626
Total financial assets	5,865	2,202	53	8,120
Financial liabilities measured at fair value:				
Derivative financial instruments	1	2,474	-	2,475
Due to customers:				
- Structured deposits	-	32	-	32
- Unit linked products	248	246	-	494
Debt issued and other borrowed funds:				
- Structured notes	-	37	-	37
Trading liabilities	16	-	-	16
Total financial liabilities	265	2,789	-	3,054

The Group recognises transfers into and out of the fair value hierarchy levels at the beginning of the quarter in which a financial instrument's transfer was effected. There were no transfers between Level 1 and 2 and vice versa, as well as, no changes in valuation techniques used, during the period ended 31 March 2015.

In the first quarter of 2015 the Group transferred derivative financial instruments of € 23 million from Level 2 to Level 3, which are valued using valuation techniques, where the CVA calculation is based on unobservable inputs that result in a CVA adjustment significant to the entire fair value of the derivative (2014: € 7 million).

Reconciliation of Level 3 fair value measurements

	31 March 2015 € million
Balance at 1 January	**53**
Transfers into Level 3	**23**
Transfers out of Level 3	**(0)**
Total gain/(loss) for the period included in profit or loss	**0**
Total gain/(loss) for the period included in other comprehensive income	**1**
Balance at 31 March	**77**

Group's valuation processes

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

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

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

Valuation techniques

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

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

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

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

Financial instruments not carried at fair value

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

	31 March 2015	
	Carrying amount € million	**Fair value € million**
Loans and advances to customers	**42,887**	**42,760**
Investment securities		
- Debt securities lending portfolio	**11,557**	**11,290**
- Held-to-maturity securities	**643**	**624**
Total financial assets	**55,087**	**54,674**
Debt issued and other borrowed funds	**702**	**478**
Total financial liabilities	**702**	**478**

	31 December 2014	
	Carrying amount € million	Fair value € million
Loans and advances to customers	42,133	42,060
Investment securities		
- Debt securities lending portfolio	11,566	11,046
- Held-to-maturity securities	657	623
Total financial assets	54,356	53,729
Debt issued and other borrowed funds	774	639
Total financial liabilities	774	639

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

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

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

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

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

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

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than 90 days original maturity:

	31 March 2015 € million	31 December 2014 € million
Cash and balances with central banks (excluding mandatory and collateral deposits with central banks)	**1,456**	1,092
Due from credit institutions	**1,136**	823
Financial instruments at fair value through profit or loss	**-**	25
Cash and cash equivalents presented within assets of disposal group classified as held for sale	**19**	38
	2,611	1,978

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

	31 March 2015 € million	31 March 2014 € million
Amortisation of premiums/discounts and accrued interest	**(64)**	(59)
(Gains)/losses from sales	**(17)**	(21)
Dividends	**(0)**	(0)
	(81)	(80)

30. Contingent liabilities and commitments

Credit related commitments are analysed as follows:

	31 March 2015 € million	31 December 2014 € million
Guarantees [1] and standby letters of credit	**625**	605
Other guarantees (medium risk) and documentary credits	**501**	471
Commitments to extend credit	**391**	498
	1,517	1,574

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

Legal Proceedings

As at 31 March 2015 there were a number of legal proceedings outstanding against the Group for which a provision of € 60 million was recorded (31 December 2014: € 60 million).

31. Board of Directors

The Board of Directors was elected by the Annual General Meeting held on 27 June 2013 for a three years term of office, expiring at the Annual General Meeting that will take place in 2016. Further to the changes already reported up to the publication of the Annual Financial Report for the year ended 31 December 2014, the below changes in the composition of the Board of Directors have taken place since then:

- On 28 April 2015, the Extraordinary General Meeting elected two new Board members, Mr. Stavros Ioannou and Mr. Theodoros Kalantonis.
- On 13 May 2015, following the resignation of Mr. Josh Seegopaul, the Board appointed Mr. Stephen L. Johnson as new Board member.

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

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

32. Post balance sheet events

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

Note 5- Greek Economy Liquidity Support program
Note 18-Shares in subsidiary undertakings
Note 23-Debt issued and other borrowed funds
Note 31-Board of Directors

33. Related parties

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

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

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

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

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

	31 March 2015			31 December 2014		
	Key management personnel (KMP)[(1)] € million	**Entities controlled or jointly controlled by KMP, associates & joint ventures € million**	**HFSF € million**	Key management personnel (KMP)[(1)] € million	Entities controlled or jointly controlled by KMP, associates & joint ventures € million	HFSF € million
Loans and advances to customers, net of provision [(3)]	**8**	**4**	**0**	6	4	0
Other assets [(2)]	**0**	**-**	**3**	0	-	3
Due to customers	**6**	**8**	**0**	5	9	0
Other liabilities	**0**	**-**	**-**	0	-	9
Guarantees received	**0**	**-**	**-**	0	-	-
	Three months ended 31 March 2015			Three months ended 31 March 2014		
Net interest income	**0**	**(1)**	**-**	(0)	-	-
Net banking fee and commission income	**0**	**-**	**-**	0	-	-
Other operating income/(expense)	**(0)**	**(0)**	**-**	(0)	(0)	-

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

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

[(3)] Including an impairment allowance of 16.8 million against loans balances with a Group's joint venture

In addition, as at 31 March 2015 the loans, net of provisions, granted to non consolidated entities controlled by the Bank pursuant to the terms of the relevant share pledge agreements (note 18) amounted to € 3 million (31 December 2014: 3 million).

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

Key management personnel are entitled to compensation in the form of short-term employee benefits of € 1.63 million (31 March 2014: € 1.3 million) and long-term employee benefits (excluding share-based payments) of € 0.26 million (31 March 2014: € 0.14 million). Additionally, the Group has recognised € 0.19 million expense relating with equity settled share based payments (31 March 2014: € 0.13 million income relating with forfeited share options).

Athens, 26 May 2015

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