Pre-provision profit increased 15% in FY.2015, reaching €1,125 mn
Reduction of new NPLs formation in Q4.2015
Strengthening of the balance sheet with increased provisions of €1.6 bn in Q4.2015

Management Statements

"The successful conclusion of the recapitalization of the Greek banks in December 2015, improved their capital base to a particularly high level for European standards.

Piraeus Bank's integrated policy for active management of the problem loans, led to the reduction of its NPLs ratio to 39.5% from 40.5% in September 2015 after many years of an increasing course. In addition, NPLs formation dropped significantly compared to the previous quarter (€80 mn versus €385 mn respectively). This development, in conjunction with the increased loan impairments of the last quarter, improved the coverage ratio to 65% from 61%, further strengthening the Group's balance sheet.

The positive conclusion of the critical negotiations between the Greek government and the Institutions for the 1st review of the New Program, will create positive momentum in the economy and will offer the chance to the Banks to confront even more effectively the loans in arrears issue, contributing by this way to the restart of the Greek economy."

Michalis Sallas, BoD Chairman

"Piraeus Bank, strongly commited to its business targets, achieved to increase its recurring profit before tax and provisions by 15% to €1,125 mn in full year 2015. Net recurring revenues increased by 4% and operating expenses, excluding one-off items, further dropped by 5%.

The Group's liquidity improved in Q4 2015, as deposits increased by €1.8 bn to €39.0 bn, and Eurosystem funding declined by €3.1 bn to €32.7 bn. The reduction of the uncertainty in Greece, following the agreement for the new Economic Adjustment Programme in August 2015, coupled with the conclusion of the Bank's recapitalization, contributed to this improvement.

Following the recapitalization, the Group's total equity rose to €10.0 bn at end December, 2015, while the CET-1 ratio reached the very satisfactory level of 17.8%."

Stavros Lekkakos, CEO

Group Performance Highlights

Full year 2015 Results

- ☑ **Recurring profit before tax** and provisions was €1,125 mn in FY.2015, up 15% yoy. In Q4.2015, it was €284 mn, 18% higher versus Q4.2014.
- ☑ **Group net interest income** reached €1,877 mn in FY.2015, 4% lower yoy. In Q4.2015, net interest income came in at €463 mn, flattish compared to Q3.2015.
- ☑ **Net fees & commission income** was €306 mn in FY.2015, 3% lower yoy, as it was affected by the economic uncertainty, the imposition of a bank holiday and the capital controls, whereas net fees & commission income in Q4.2015 reached €79 mn, 10% higher versus Q3.2015.
- ☑ **Net recurring operating revenues** were €2,374 mn in FY.2015, 4% higher yoy, while net operating revenues in Q4.2015 reached €608 mn, up 3% yoy.
- ☑ Recurring **operating expenses** were €1,249 mn in FY.2015, down 5% yoy, while operating expenses in Q4.2015 amounted to €324 mn, displaying a 7% reduction versus Q4.2014.
- ☑ **The loans in arrears over 90 days ratio** dropped to 39.5% at the end of December 2015 from 40.5% as at 30 September 2015. Non-performing loans formation decreased to €80 mn in Q4.2015 from €385 mn in Q3.2015 or 12 bps from 56 bps as a percentage of gross loans, respectively. The **coverage ratio** of loans in arrears over 90 days by cumulative provisions increased significantly to 65% as at 31 December 2015 versus 61% in September 2015.
- ☑ **Loan impairment charges** in FY.2015 reached €3,487 mn from €3,670 mn in FY.2014, thus further strengthening the Group's balance sheet and resulting in cumulative provisions of €17,480 mn, representing 26% of gross loans at the end of December 2015. In Q4.2015, impairment losses on loans reached €1,384 mn versus €244 mn in Q3.2015. The increased loan provisions in Greece is mainly related to changes in the domestic market conditions and further reduction in real estate properties prices. The high provisioning level enables the Bank to effectively tackle with long-term solutions the non-performing loans problem, something which has already started to be implemented through the Recovery Banking Unit.
- ☑ **Net result from continuing operations** attributable to shareholders amounted to -€1,858 mn in FY.2015, of which -€1,238 mn occurred in Q4.2015 due to the increased loan loss provisions.

Volumes as of 31 December 2015

- ☑ **A capital raise of €4.6 bn** was concluded In December 2015, following ECB's Comprehensive Assessment, which significantly strengthened the Bank's CET-1 capital adequacy ratio and established it as one of the strongest capitalized banks in Europe.
- ☑ **Group total assets** amounted to €87.5 bn at the end of December 2015.
- ☑ **Group customer deposits**, following the significant decline in the 9month 2015 (-30%[1]) due to the uncertainty in the country, recovered in Q4.2015 by €1.8 bn and amounted to €39.0 bn in December 2015, 5% higher compared to September 2015 (on a comparable basis, as Piraeus Bank Cyprus has been classified as discontinued operations). This increase resulted mainly from **Greece, where deposits rose by €1.6 bn** to €36.1 bn. It is noted that the downward trend in the cost of time deposits was continued, with the cost of new time deposits standing at 0.95% in December 2015 compared to 1.11% in September 2015.
- ☑ The reversal in the negative course of deposits in Q4.2015, in conjunction with the completion of the capital raise in December 2015, led to a notable reduction in the **Eurosystem funding,** that amounted to €32.7 bn at end 2015 from €35.8 bn in September 2015. In particular, ELA mechanism financing was reduced to €16.7 bn in December 2015 from €21.2 bn in September 2015.
- ☑ **Gross loans before adjustments** amounted to €68.1 bn in December 2015, while net of provisions they reached €50.6 bn.
- ☑ **Net loans to deposits ratio** was significantly improved at 130% in December 2015 from 138%[1] in September 2015.
- ☑ **The Common Equity Tier 1 ratio** of the Group, following the capital raise of €4.6 bn in December 2015 and the recognition of increased provisions in Q4.2015, reached 17.8%[2] at the end of December 2015.
- ☑ The Group's **branch network** in Greece was reduced by 120 branches in 2015 reaching 709 units, while on a Group level it reached 989[3] units at end December 2015.
- ☑ The **Group's headcount[3]** at the end of December 2015 was 19,279 employees, of which 15,599 in Greece. International operations' headcount was 3,680.
- ☑ On November 29, 2015, the European Commission **approved the updated Restructuring Plan** of the Group. It is noted that the new commitments do not deviate from the basic commitments of the 2014 approved restructuring plan, while they are aligned with the mid-term strategic and financial targets of the Bank. Moreover, based on the amended restructuring plan, the Bank's target setting focuses on operations in Greece.

[1] On a comparable basis, that is without subsidiary banks in Egypt (sold in November 2015) and Cyprus (discontinued operations as of 31.12.15)

[2] Pro-forma excluding Cypriot operations and ATE Insurance (+35 bps cumulative impact estimate)

[3] All information referring to continuing operations

09.03.2016

Key Figures of Piraeus Bank Group

Consolidated Data (amounts in mn €)*	31.12.15	30.09.15	Δ versus Sept.15	31.12.14	Δ Dec.15 vs Dec.14	
Selected Balance Sheet Figures						
Assets	87,528	85,910	*2%*	89,290	*-2%*	
Deposits	38,952	37,113	*5%*	54,831	*-29%*	
Gross Loans before Adjustments[4]	68,071	68,046	*0%*	72,983	*-7%*	
Cumulative Provisions[4]	17,480	16,764	*4%*	15,840	*10%*	
Total Equity	10,021	6,724	*49%*	7,322	*37%*	
Selected P&L Results	**FY.2015**	**FY.2014**	**Δ yoy**	**Q4.2015**	**Q3.2015**	**Δ Q4.15 / Q3.15**
Net Interest Income	1,877	1,953	*-4%*	463	463	*0%*
Net Fees & Commission Income	306	314	*-3%*	79	71	*10%*
Net Trading Income & Gain less Losses from Investment Securities	116	(47)	-	46	54	*-15%*
Other Operating Income & Dividend Income	74	74	*0%*	20	29	*-30%*
One-off results[5]	19	120	*-84%*	(3)	23	-
Net Revenues	**2,393**	**2,413**	***-1%***	**605**	**640**	***-6%***
Recurring Net Revenues	**2,374**	**2,293**	**4%**	**608**	**617**	**-1%**
Personnel Expenses	(625)	(663)	*-6%*	(159)	(153)	*4%*
Administrative Expenses	(528)	(545)	*-3%*	(142)	(123)	*16%*
Depreciation & Other Expenses	(96)	(106)	*-9%*	(23)	(23)	*3%*
One-off costs[6]	*(224)*	*(129)*	*73%*	*(164)*	*(22)*	-
Total Operating Costs	**(1,473)**	**(1,443)**	***2%***	**(488)**	**(321)**	***52%***
Recurring Operating Costs	**(1.249)**	**(1.314)**	***-5%***	**(324)**	**(299)**	***9%***
Pre Provision Income (PPI)	**920**	**970**	***-5%***	**117**	**320**	***-63%***
PPI excluding one-off revenues-costs	***1,125***	***979***	***15%***	***284***	***318***	***-11%***
Share of Profit of Associates	(13)	5	-	1	6	*-87%*
Impairment losses on Loans	(3,487)	(3,670)	*5%*	(1,384)	(244)	-
Impairment Losses on Other Receivables & Assets	(351)	(319)	*10%*	(263)	(18)	-
Pre Tax Result	**(2,930)**	**(3,014)**	-	**(1,530)**	**64**	-
Income Tax	1,069	1,069	-	290	438	*-34%*
Net Result Attributable to Shareholders	**(1,858)**	**(1,938)**	-	**(1,238)**	**502**	-
Net Result from Discontinued Operations	**(35)**	**(27)**	-	**(31)**	**(3)**	-

* The Egyptian operations have been classified as discontinued on 30.09.2015, and ceased to be consolidated on 31.12.2015 after the Bank concluded their sale on 10.11.15. Further, the Cyprus operations have been classified as discontinued on 31.12.2015, while the balance sheet figures of 30.09.2015 have been adjusted for comparability reasons. Income statement of all periods has also been restated accordingly. In addition, the carve out of assets and liabilities of Panellinia Bank - acquired in April 2015 - has been incorporated into the balance sheet figures for 2015, while the income statement reflects the financial performance of Panellinia for the period between 15.04.15 to 31.12.15.

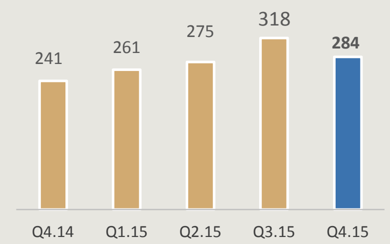
4 The amount includes the fair value adjustment related to credit risk, from the loans acquired by the "good" part of ATEbank, Geniki Bank, the domestic loans of the 3 Cypriot banks and those of Millennium Bank Greece.

5 Analysis of one-off results: FY 2015, financial loss €7 mn and other income €26 mn |FY 2014, financial profit €15 mn and other income €104 mn | Q4.2015, other income -€3 mn | Q3.2015, other income €23 mn.

6 Analysis of one-off operating costs : FY 2015, €119 mn staff expenses, €55 mn administrative costs, €13 mn depreciation, €36 mn operating costs from "Imithea SA", that was related to a loan restructuring. | FY 2014, €70 mn staff expenses, €46 mn administrative expenses, €8 mn depreciation, €6 mn operating costs from "Imithea SA" |Q4.2015, €111 mn VES programme, €42 mn administrative costs, €10 mn operating costs from "Imithea SA".| Q3.2015, €1 mn staff expenses, €5 mn administrative expenses, €7 mn depreciation, €9 mn operating costs from "Imithea SA".

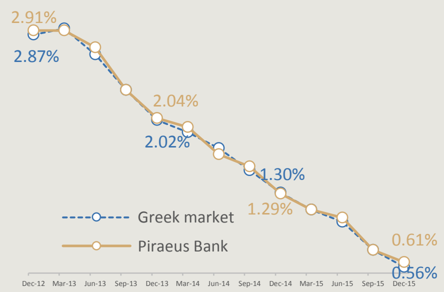
Evolution of Results

Recurring* profitability (€ mn)

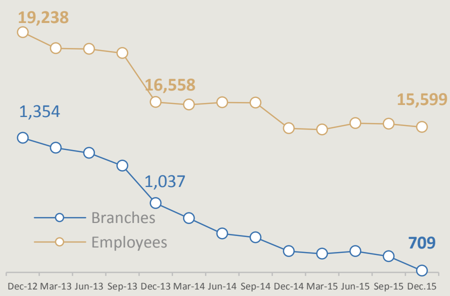


* excluding one-off income and costs

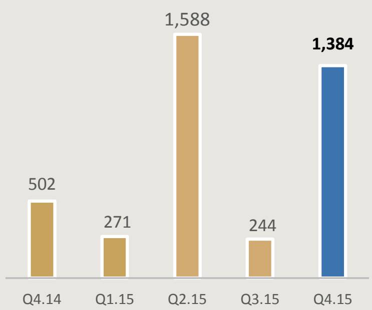
Monthly average deposit interest rate (%)



Employees and branches in Greece (#)



Impairment losses on loans (€ mn)



The Group's 2015 **recurring net revenues** amounted to €1,125 mn, up 15% versus 2014. **Net interest income** (NII) stood at €1,877 mn, 4% lower versus 2014, while remaining flatish qoq in Q4.2015 at €463 mn. The negative influence on NII from further deleveraging in Q4.2015 was offset by the downward trend in the average deposit cost in Greece, which fell to 65 bps in Q4.2015 compared to 80 bps in the previous quarter. Despite the recent developments in the Greek banking sector, which led to significant deposit outflows during the 6month 2015, the downward trend in new time deposits' cost was not affected and continued to drop in Q4.2015 (95 bps in December 2015 versus 111 bps in September 2015 and 174 bps in June 2015).

The Group's Q4.2015 **net interest margin (NIM)** stood at 269 bps, versus 266 bps in the previous quarter (as a percentage of assets excluding EFSF/ESM bonds). NII of Greek operations was €1,677 mn in 2015, while NII of international activities amounted to €200 mn.

Net fee and commission income (NFI) was €306 mn in 2015 as compared to €314 mn in 2014 (-3%), mainly due to the economic uncertainty and the three week bank holiday in July that negatively impacted fees generation. In Q4.2015, NFI recovered towards the average level of the first 2 quarters of 2015 amounting to €79 mn versus €71mn in Q3.2015. Commissions (as a percentage of assets excluding EFSF/ESM bonds) stood at 43 bps in 2015. Net fees and commissions income in Greece in 2015 was €275 mn, while for international operations was €30 mn.

The Group's **operating expenses** in 2015 stood at €1,473 mn, posting 2% growth yoy. Operating costs in 2015, normalised for one-off items, were €1,249 mn, lower by 5% yoy. The **cost to income ratio** on a like-for-like basis improved to 53% in 2015 versus 57% in 2014.

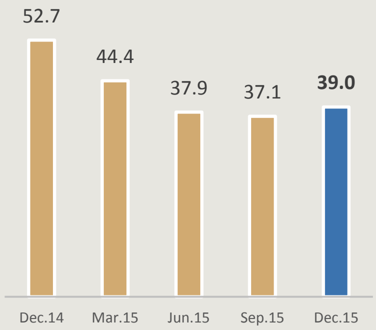
The Group's **recurring profit before tax and provisions** in 2015 was €1,125 mn versus €979 mn in 2014 (+15%), excluding one-off costs (€224 mn in 2015 and €129 mn in 2014) and other one-off results (€19 mn in 2015 and €120 mn in 2014).

In 2015, **impairment losses on loans** were €3,487 mn versus €3,670 mn in 2014, while impairment for other receivables and assets stood at €351 mn versus €319 mn in 2014. Impairment losses for Greece stood at €3,075 mn, while for international operations €412 mn.

Impairment losses on loans in Q4.2015 were €1,384 mn, while in Q3.2015 were €244 mn. Cumulative provisions represented 25.7% of gross loans at end 2015 and the coverage ratio on loans in arrears increased to 65% from 61% in September 2015. The increased impairment charges in Greece can be attributed to the volatile domestic market conditions and the further decline of real estate property prices.

The **Group's net results from continuing operations** attributable to shareholders amounted to a loss of €1,858 mn in 2015, of which a loss of €1,238 mn refers to Q4.2015.

Customer Deposits* (in € bn)



* Excluding banking operations in Egypt and Cyprus

Volume Analysis	31 Dec.2015 In € mn	Composition %
Gross loans		
Loans to Businesses	44,525	65%
Loans to individual	23,546	35%
Total Gross Loans	**68,071**	**100%**
➢ Greece	63,922	94%
➢ International	4,149	6%
Deposits		
Sight-Savings	24,780	64%
Term	14,171	36%
Total Deposits	**38,952**	**100%**
➢ Greece	36,141	93%
➢ International	2,810	7%

The Group's **customer deposits** in December 2015 amounted to €39.0 bn, posting a yoy decrease of 26% (on a like-for-like basis). This decline can be attributed to the political and economic developments in Greece, mainly during the first half of the year.

Deposit outflows in Greece, following the imposition of a bank holiday and capital controls, were initialy contained, and concenquently from August 2015 deposits were stabilized posting a mild uptrend. Specifically, in Q4.2015, Group deposits rose by €1.8 bn, of which in Greece by +1.6 bn (+5%) to €36.1 bn. Deposits related to international operations amounted to €2.8 bn at year-end 2015 (excluding Cyprus operations, which have been classified as discontinued), recording an increase of €0.2 bn or +9% versus September 2015.

Gross loans before adjustments stood at €68.1 bn at year-end 2015, -5% yoy on a like-for-like basis, given the contraction in domestic economic activity (GDP 2015 -0.3%). Total loans in Greece amounted to €64.0 bn, while loans from international operations stood at €4.1 bn. Net loans amounted to €50.6 bn, while Group net loan-to-deposit ratio improved to 130% versus 138% in September 2015 (on a like-for-like basis).

As of 31 December 2015, **Eurosystem funding** decreased to €32.7 bn versus €35.8 bn on 30 September 2015 (ELA: €16.7 bn and €21.2 bn respectively). This reduction reflects the improvement in overall liquidity conditions through the completion of the capital raising of €4.6 bn and the improvement in deposit balances.

Eurosystem funding for the entire Greek banking sector was reduced to €106 bn at the end of December 2015 versus €127 bn at the end of June 2015.

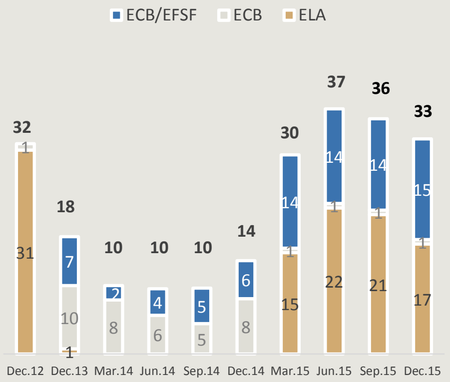
Asset quality

Group **NPLs formation**, which presented a modest uptick in Q1 and Q3.2015 due to the uncertainty and the imposition of capital controls in Greece, decelerated again in Q4.2015. More specifically, new loans in arrears as a percentage of total loans dropped to 0.12% (€80 mn) in Q4.2015 from +0.56% (€385 mn) in Q3.2015. In Greece, new NPLs in Q4 amounted to €87 mn from €332 mn in Q3.2015

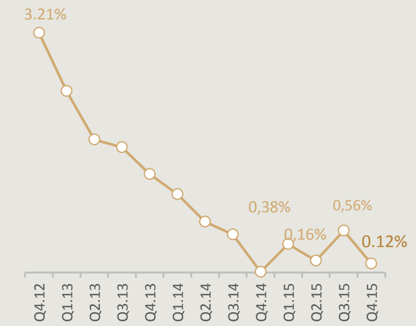
The Group's **non-performing loans** > 90 dpd ratio dropped to 39.5% at the end of December 2015 from 40.5% at the end of September 2015, thus the first reduction since the end of 2007.

Due to the higher level of impairments posted during 2015, the NPLs > 90 dpd coverage ratio increased significantly to 65.0% (Greece 64.9%) in December, from 60.6% in September 2015. If tangible collaterals and guarantees are included, the coverage ratio reaches 133%. **Loan loss allowance to total loans ratio** at the end of 2015 reached the particularly high level of 25.7% (29.4% for business loans, 10.2% for mortgage loans, 39.2% for consumer loans-cards) from 24.6% in September 2015.

Eurosystem funding (€ bn)

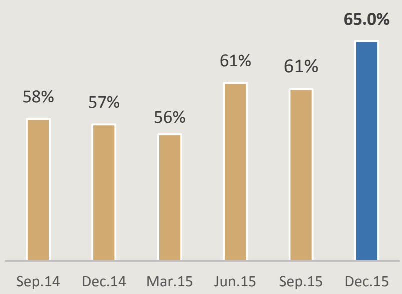


Group NPL formation (%)



pre write-off quarterly NPL formation (bps over end-quarter loans)

Group Coverage ratio (%)



Capital adequacy

As at 31 December 2015, the Group's **total equity** amounted to €10.0 bn, thus significantly stronger versus September 2015, as it incorporates the €4.6 bn capital raise, which was concluded in December. Accordingly, the Group's **leverage ratio** reached 10.7%. Respectively, the CET-1 regulatory capital amounted to €9.4 bn.

The **Group's Common Equity Tier-1 ratio** (pro-forma for the discontinued operations of Piraeus Bank Cyprus and ATE Insurance) reached 17.8% at the end of 2015, while the **fully loaded Basel III Common Equity Tier-1 ratio** reached 16.6%.

Athens, 9 March 2016

The 2015 Annual Financial Report of Piraeus Bank Group will be posted on the corporate website (www.piraeusbankgroup.com) by the end of March 2016.