Company Registration Number: 06828528

PRAXIS I FINANCE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

PRAXIS I FINANCE PLC

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PRAXIS I FINANCE PLC

OFFICERS AND PROFESSIONAL ADVISERS

Directors	Mr M H Filer Miss M Clarke Wilmington Trust SP Services (London) Limited
Company secretary	Wilmington Trust SP Services (London) Limited
Company number	06828528
Registered office	c/o Wilmington Trust SP Services (London) Limited Third Floor 1 King's Arms Yard London EC2R 7AF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

PRAXIS I FINANCE PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the audited financial statements of Praxis I Finance PLC (the "Company" or the "Issuer") for the year ended 31 December 2014 with comparatives for the year ended 31 December 2013.

The Company is incorporated as a public limited company and domiciled in the United Kingdom. In accordance with IFRSs, the Company is considered to be controlled by Piraeus Bank S.A. (the "Transferor" or the "Originator" or the "Servicer"), a bank incorporated in Greece. In addition to the information in the strategic report regarding the Securitisation Transaction, the directors manage the Company's affairs in accordance with the Transaction Documents as summarised in the Offering Circular dated 29 April 2009 as amended by the Deed of Amendment dated 15 April 2011 which can be obtained from the Originator at www.piraeusbank.gr.

The principal activities of the Company, results, future developments, KPIs, principal risks and uncertainties, and going concern are detailed in the Strategic Report.

CORPORATE GOVERNANCE STATEMENT

The Directors are responsible for the Company's internal control environment and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, errors, losses or fraud. The procedures enable the Company to comply with its regulatory obligations. For further details, refer to notes to the financial statements particularly note 12 on financial risk management.

DIRECTORS

The directors who served the Company during the year and up to the date of signing the financial statements were:
Mr M H Filer
Miss M Clarke
Wilmington Trust SP Services (London) Limited

DIVIDENDS

The directors have not recommended a dividend (2013: nil).

PRAXIS I FINANCE PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors confirms that:

- so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Andreas Demosthenous
On behalf of Wilmington Trust SP Services (London) Limited
Director
29 September 2015

PRAXIS I FINANCE PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report of Praxis I Finance Plc for the year ended 31 December 2014.

GENERAL

PRINCIPAL ACTIVITY

The Company is a special purpose entity, set up to acquire a portfolio of amortising consumer loans in Greece (the "Receivables Portfolio") originated by Piraeus Bank S.A., financed primarily through the issue of €725m Asset Backed Fixed and Floating Rate Notes due 2026 (the "Notes" or the "Liabilities evidenced by paper").

The Originator has retained substantially all the risks and rewards of ownership of the Receivables Portfolio and therefore its transfer to the Company was accounted for as a financing transaction ("a deemed loan"), notwithstanding that it was a sale from a legal perspective.

The Notes were issued by the Company on 29 April 2009 as described in the Offering Circular and are listed on the Irish Stock Exchange. The Notes are in bearer form and comprise of €493,000,000 Class A Notes and €232,000,000 Class B Notes. On 18 January 2011, certain parts of the transactions were restructured. The restructuring included €22,000,000 in face amount of Class A Notes held by Class A Notes holder being re-designated as Class B Notes and having all rights attaching to the Class B Notes.

Interest on the Notes is paid monthly in arrears on the 28th of each month (each an "Interest Payment Date"):

(i) on the Class A Notes, at an annual rate of 2.90%; and

(ii) on the Class B Notes, at an annual rate of one-month EURIBOR.

The Company only retains revenue receipts from its interest in the Receivables Portfolio to the extent that is necessary to cover its expenses and make a small profit as determined by the Offering Circular.

REVIEW OF THE BUSINESS

RESULTS

The Company's results for the year and its financial position at the year-end are shown in the attached financial statements.

The Company's only sources of funds for the payment of principal and interest due on the Notes are the principal and interest collections which the Company is entitled to receive from the Receivables Portfolio. The directors have reviewed information relating to the credit quality of the assets underlying the deemed loan to the Originator up to the date of approval of the financial statements and are satisfied that the level of impairment does not exceed the amount of credit enhancement supplied to the Company by the Originator.

FUTURE DEVELOPMENTS

The future performance of the Company depends on the performance of the Receivables Portfolio. The directors do not expect there to be any significant change in the Company's principal activity in the foreseeable future.

KEY PERFORMANCE INDICATORS

As all the notes are held by the Originator, the Directors consider the key financial performance indicators of the business to be the net interest margin of 8.3% (2013: 6.6%) and the credit quality of the underlying Receivables as detailed in note 6. Details of other performance indicators are included in the Investor reports which are publicly available on the following website: www.piraeusbank.com. The directors of the Company monitor compliance with the performance criteria on a monthly basis.

Under the terms of the securitisation transaction, the Company is able to purchase additional portfolio of loans during a revolving period under certain conditions. During 2014, €49,109,733 (2013: €91,470,529) of additional portfolio of loans was acquired. Loans purchased during the year have all met the eligibility criteria as defined by transaction documents. In addition, during 2014 the Originator repurchased €45,446,890 (2013: €51,842,248) of non – performing loans from the Originator in order to protect credit enhancement.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks affecting the Company and its management are set out in Note 12 to the financial statements. Market liquidity constraints, limited availability of credit and difficult trading conditions continue to pose challenges to the borrowers with whom the Company has exposure through the deemed loan to the Originator. A detailed consideration of the risk factors relevant to the securitisation transaction is included in the section "Risk Factors" of the Offering Circular.

GOING CONCERN
As explained in more detail in note 1 to the financial statements, the directors have undertaken a detailed assessment of the Company and have made extensive enquiries of the management of the Originator. Given the details set out in note 1, the directors believe it is appropriate to prepare these financial statements on the assumption that the Company will be able to continue as a going concern for the foreseeable future.

On behalf of the Board

Andreas Demosthenous
On behalf of Wilmington Trust SP Services (London) Limited
Director
29 September 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRAXIS I FINANCE PLC

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Praxis I Finance plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The current conditions in Greece could result in significant disruption in the Greek economy which may impact the profitability, capital adequacy and liquidity of Piraeus Bank S.A. and therefore adversely impact the quality and servicing of the underlying Receivables, raising uncertainties about the future timing and level of collections in relation to these Receivables, resulting in significant doubt about the Company's ability to fully repay the Notes. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

What we have audited

The financial statements comprise:

- the statement of financial position as at 31 December 2014;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.
In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRAXIS I FINANCE PLC (continued)

Other matters on which we are required to report by exception (continued)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Andrew Batty (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2015

PRAXIS I FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

CONTINUING OPERATIONS	Note	2014 €	2013 €
Interest income	2	**7,275,053**	10,715,883
Interest expense	3	**(6,668,165)**	(10,003,489)
Net interest income		**606,888**	712,394
Administrative expenses		**(603,026)**	(707,464)
Profit before tax	4	**3,862**	4,930
Income tax charge	5	**(679)**	(1,146)
Profit for the year		**3,183**	3,784
Total comprehensive income for the year		**3,183**	3,784

There is no comprehensive income other than the profit for the year. All the Company's income is derived from continuing activities.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	Share Capital €	Retained Earnings €	Total equity €
At 1 January 2013	13,479	18,657	32,136
Profit for the year and total comprehensive income	-	3,784	3,784
At 31 December 2013	13,479	22,441	35,920
Profit for the year and total comprehensive income	-	**3,183**	**3,183**
At 31 December 2014	**13,479**	**25,624**	**39,103**

The notes on pages 11 to 20 form part of these financial statements.

PRAXIS I FINANCE PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	2014 €	2013 €
Non-current assets			
Deemed Loan to the Originator	6	**345,840,329**	437,714,133
Current assets			
Other receivables	7	**2,685**	11,636
Cash and cash equivalents	8	**61,580,357**	64,686,273
		61,583,042	64,697,909
Total assets		**407,423,371**	502,412,042
Equity			
Share capital	9	**13,479**	13,479
Retained earnings		**25,624**	22,441
Total equity		**39,103**	35,920
Non-current liabilities			
Liabilities evidenced by paper	10	**407,219,150**	502,285,945
Current liabilities			
Other payables	11	**164,288**	87,539
Current income tax liability		**830**	2,638
		165,118	90,177
Total liabilities		**407,384,268**	502,376,122
Total equity and liabilities		**407,423,371**	502,412,042

These financial statements of Praxis I Finance PLC, company registration number 06828528 were approved by the board of directors on 29 September 2015 and are signed on their behalf by:

Andreas Demosthenous
On behalf of Wilmington Trust SP Services (London) Limited
Director

The notes on pages 11 to 20 form part of these financial statements.

PRAXIS I FINANCE PLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	€	€
Cash flows from operating activities		
Profit before income tax	**3,862**	4,930
Adjustments for:		
Interest income	**(7,275,053)**	(10,715,883)
Interest expense	**6,668,165**	10,003,489
Movement in other receivables	**8,951**	-
Movement in accrued administrative expenses	**73,024**	2,698
Tax paid	**(2,487)**	-
Net cash used in operating activities	**(523,538)**	(704,766)
Cash flows from investing activities		
Deemed Loan to the Originator	**93,415,516**	101,511,693
Subordinated loans from the Originator	**(1,541,712)**	(7,819,396)
Interest received	**7,275,053**	10,715,883
Net cash generated from investing activities	**99,148,857**	104,408,180
Cash flows from financing activities		
Repayment of Liabilities evidenced by paper	**(95,066,795)**	(100,826,297)
Interest paid	**(6,664,440)**	(10,069,720)
Net cash generated used in financing activities	**(101,731,235)**	(110,896,017)
Net increase decrease in cash and cash equivalents	**(3,105,916)**	(7,192,603)
Cash and cash equivalents at start of the year	**64,686,273**	71,878,876
Cash and cash equivalents at end of the year	**61,580,357**	64,686,273

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements.

The notes on pages 11 to 20 form part of these financial statements.

PRAXIS I FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. PRINCIPAL ACCOUNTING POLICIES

General information

Praxis I Finance PLC (the "Company" or the "Issuer") is a public limited company incorporated and domiciled in the United Kingdom. The principal activity of the Company is that of a special purpose entity to facilitate the securitisation of a portfolio of amortising consumer loans originated by Piraeus Bank S.A., with borrowers in Greece.

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRS Interpretations Committee (IFRS IC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Company mainly transacts in Euros ("€") and therefore, the Euro is its functional and presentational currency.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management (for this company the directors) to exercise its judgement in the process of applying the Company's accounting policies. The accounting of the deemed loan to the Originator as explained in the strategic report and also below is considered an area where assumptions and estimates are significant to the financial statements and a higher degree of judgement and complexity are involved.

Going Concern

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

- The Originator's own going concern assessment is critical for the Company as the Originator is responsible for servicing and administering the Receivables. Should the Originator fail in this role, this would create uncertainty about the Company's ability to fully repay the Notes.
- The directors have undertaken a detailed assessment of the Company's ongoing business model and have made extensive enquiries of the management of the Originator. Given the details set out below, the directors believe it is appropriate to prepare these financial statements on the assumption that the Company will be able to continue as a going concern for the foreseeable future. However, given the ongoing general economic and political uncertainties in Greece, the directors recognize the existence of material uncertainties that may cast significant doubt on the Originator's and therefore the Company's ability to continue as a going concern. These uncertainties may impact the servicing, as well as, the quality of the underlying Receivables and the future timing and levels of collections, resulting in significant doubt about the Company's ability to fully repay the Notes.

Macroeconomic environment

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

a) Significant increase of banknotes in circulation in the Greek economy in the period end November '14 to end June 2015 (+€20 bn to €50 bn).

b) Ability to conduct electronic transactions without restrictions through alternative channels and networks within the country, which was given from the first moment of the imposition of capital controls, reducing significantly the impact for the transacting parties and the economy.

c) The majority of companies (especially the larger ones trading internationally) were prepared for the possibility of capital controls and, as a consequence, their operation was not disrupted as much as it was initially expected.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

d) Limited impact on tourism. The initial concerns about a significant impact on tourism have not materialised and, following 1-2 weeks of unrest, the developments show that Greece will have a record year in arrivals and revenues in 2015.

On 8 July 2015, Greece made an official request for stability support – in the form of a loan facility – to the ESM to be used for meeting debt obligations and to ensure stability of its financial system. A separate request for financial assistance was sent to the IMF on 23 July 2015. The Greek authorities passed a set of legislation on 14th August 2015 and on 19th of August 2015, the European Commission signed a Memorandum of Understanding (MoU) with Greece following approval by the ESM Board of Governors for further stability support accompanied by a third economic adjustment program. Moreover, the Greek authorities signed a Financial Assistance Facility Agreement with the ESM to specify the financial terms of the loan. The total amount of the loans from the ESM is up to €86 bn. (Duration: August 2015 – August 2018). The disbursement of funds is linked to progress in delivery of policy conditions, in accordance with the MoU.

A first disbursement of funds under the program in the amount of €13 bn was made available on 20 August 2015 to allow the Greek state to cover financing needs, make overdue payments, as well as repay a short-term bridge loan of €7.16 bn that was disbursed under the European Financial Stabilisation Mechanism on 20 July 2015. Moreover on 20th of August 2015, an additional amount of €10 bn was made available immediately in a segregated account at the ESM for potential bank recapitalisation and resolution costs.

The aforementioned uncertainties concerning the course of the Greek economy, which may have a negative impact on the capital adequacy and the liquidity of the banking sector, are mitigated by the fact that a new €86 bn economic adjustment program is in place for the country, securing its financing needs for the next 3 years. Furthermore, the new program passed with great majority in the parliament (c.75%), thus enhancing substantially the probability of its swift implementation. The Originator's management closely monitors the developments and assesses periodically the impact that any negative developments in these areas might have in its operations.

Capital adequacy

According to the Eurogroup statement on the ESM program for Greece on August 14, 2015, the total €86 bn envelope includes a buffer of up to €25 bn for the banking sector, in order to address potential bank recapitalization needs and resolution costs. The first sub-tranche of €10 bn was made available in a segregated account at the ESM, as part of the €23 bn instalment of the program paid on 20th August '15. The MoU requires a Comprehensive Assessment ("CA" i.e. Asset Quality Review, Stress Tests and Joint Up) to be carried out by ECB/SSM which will quantify possible capital shortfalls, so as to be included in the above mentioned buffer, after the legal framework is applied (i.e. transposition of the BRRD). Following the results of the CA, the application of the legal framework may require the prior contribution of the Bank's issued instruments in reducing possible capital shortfalls, which, considering the Eurogroup Statement of August 14, 2015 may entail the bail-in instrument application for bondholders, excluding the bail in of depositors, in case that the recapitalisation process will be completed before January 1st, 2016.

Currently, the CA is still ongoing, with its results expected to be announced in the 2nd half of October 2015. Therefore, there is uncertainty regarding whether there will be any recapitalization needs for the Originator, the amount of new capital required, as well as the recapitalization structure.

Liquidity

During the first six months of 2015, the Greek banking system had to raise liquidity from the emergency liquidity assistance (ELA) mechanism to cover the short term financing needs resulting from a) the decision of the ECB to suspend acceptance of securities issued or guaranteed by the Greek government for Main Refinancing Operations, b) the minimized access to international repo markets as well as c) the significant reduction of domestic deposits due to the prevailing uncertainty. Domestic market deposits reduced by €47 bn during the 7-month period December 2014-June 2015 at €131 bn. Respectively, the exposure of all Greek banks in the Eurosystem increased from €45 bn at the end of November 2014 to €127 bn at the end June 2015, of which about €87 bn was covered by the Emergency Liquidity Assistance (ELA). The provision of liquidity support by the ELA is granted to adequately capitalized credit institutions that have acceptable assets as collateral, and is assessed on a regular basis by the ECB. Following the banks reopening on 20 July 2015, customer deposits present stabilizing trends, while Eurosystem funding has been reduced to €124 bn at end August 2015.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Going concern (continued)
The Originator's management, after taking into account its strong capital base, the available acceptable collateral and the liquidity provided by the Eurosystem to the Greek banking system, taking into account the introduction of the new economic adjustment program, expects to be able to cover its short-term financing needs.

Standards affecting presentation and disclosure
A summary of new standards, amendments to standards and interpretations of existing standards are detailed below:

- IFRS 9, 'Financial Instruments' (effective 1 January 2018)
- Amendment to IAS 32, 'Financial instruments: Presentation', on asset and liability offsetting (effective 1 January 2014)
- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures (effective 1 January 2014)

The directors consider that there are no new or revised standards relevant to the Company which should be adopted and reported in the 2014 Financial Statements. The directors do not expect any of the above to have a material impact on the company.

Early adoption of standards
The directors consider that there are no new standards, amendments and interpretations issued and available for early adoption for the financial year beginning 1 January 2014 that are relevant to the Company.

A summary of the more important accounting policies which have been used for the preparation of these financial statements is set out below. These policies have been applied consistently for the years presented.

Financial assets
The Deemed Loan to the Originator and cash and cash equivalents are carried at amortised cost using the effective interest method as explained below.

The deemed loan and liabilities evidenced by paper are considered by the directors to be non-current, based on the final maturity date of the liabilities evidenced by paper. In accordance with the priority of payments set out in the Transaction Documents, repayment of the liabilities evidenced by paper is required following receipt of cash flows under the deemed loan which, in certain circumstances may be within 12 months of the year end date. However, no part of the deemed loan or liabilities evidenced by paper has been categorised as current on the basis that the directors consider it impossible to accurately determine what, if any, of the deemed loan and therefore liabilities evidenced by paper may be repaid within 12 months of the year end date.

Deemed loan to the Originator
Under IAS 39 Financial instruments: Recognition and Measurement, if a transferor retains substantially all the risks and rewards associated with the transferred assets, the transaction is accounted for as a financing transaction, notwithstanding that it is a sale transaction from a legal perspective. The directors of the Company have concluded that the Originator has retained substantially all the risks and rewards of the securitised Receivables and as a consequence, the Company does not recognise the Receivables on its statement of financial position but rather a deemed loan to the Originator.

The deemed loan to the Originator initially represents the consideration paid by the Company in respect of the acquisition of an interest in the securitised Receivables and is subsequently adjusted due to repayments made by the Originator to the Company. The deemed loan is carried at amortised cost using the effective interest method. The directors of the Company consider that the subordinated loan does not meet the definition of a liability as the Company will repay the subordinated loan to the Originator only if it first receives an equivalent amount from the Originator.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Deemed loan to the Originator (continued)
In addition to the subordinated loan, deferred consideration payable to the Originator, representing the excess of the Company's collections regarding the Receivables over the Company's payments as determined by the Offering Circular, is netted off against the deemed loan since they have the same counterparty, they were entered into at the same time and in contemplation of one another, they relate to the same risk and there is no apparent economic need or substantive business purpose for structuring the transactions separately that could not also have been accomplished in a single transaction. In the statement of comprehensive income the deferred consideration charge is netted off against interest income as it represents income that the Company is not entitled to retain. The Company regularly reviews the underlying collateral in relation to the deemed loan to the Originator to assess for impairment. The methodology applied is further discussed below.

Cash and cash equivalents
Cash and cash equivalents represent deposits held with banks. All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the Offering Circular and as such the cash and cash equivalents are not freely available to be used for other purposes.

Impairment losses on deemed loan to the Originator
The recoverability of the deemed loan to the Originator is dependent on the collections from the underlying Receivables. The Receivables are considered impaired when it is probable that the Company will be unable to collect all amounts due according to the relevant contractual terms. The key assumptions for recoverability relate to estimates of the probability of any account going into default, cash flows from borrowers' accounts, their timing and expected proceeds from the sale of repossessed collateral. These key assumptions are based on observed data from historical patterns and are updated regularly as new data becomes available.

The accuracy of impairment calculations would therefore be affected by unexpected changes to the economic situation, variances between the models used and the actual results, or assumptions which differ from the actual outcomes.

Impairment losses on the securitised assets will not result in an impairment loss on the deemed loan as long as they do not exceed the credit enhancement granted by the Originator (subordinated loan and deferred consideration) and therefore the cash flows from the underlying Receivables are still expected to be sufficient to meet obligations under the deemed loan.

The Company assesses at each balance sheet date whether there is objective evidence that the deemed loan to the Originator is impaired. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan (a 'loss event') and that loss event (or events) has an impact on the future cash flows of the loan that can be reliably estimated.

The amount of the loss is measured as the difference between the carrying amount of the deemed loan to the Originator and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted with the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income.

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Liabilities evidenced by paper
Liabilities evidenced by paper were initially recognised at fair value being equal to the issue proceeds net of transaction costs incurred and are subsequently stated at amortised cost using the effective interest method. The issue costs have been borne by the Originator.

Interest income and interest expense
Interest income and expense for all interest-bearing financial instruments are recognised on an accruals basis within 'interest income' and 'interest expense' in the statement of comprehensive income using the effective interest rate method.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Effective interest rates

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and commissions paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Taxation

Current tax is recognised at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the year end date. The Company is taxed under The Taxation of Securitisation Companies Regulations 2006 (the "Permanent Tax Regime") under which the Company is taxed by reference to its retained profit as defined by the "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)".

2. INTEREST INCOME

	2014	2013
	€	€
Net interest on Deemed Loan to the Originator	7,275,009	10,715,878
Interest on cash and cash equivalents	44	5
	7,275,053	10,715,883

Interest paid/payable on the subordinated loan from the Originator of €86,705 (2013: €167,368) is offset against the interest on the deemed loan to the Originator.

3. INTEREST EXPENSE

	2014	2013
	€	€
Interest on liabilities evidenced by paper	6,668,165	10,003,489

PRAXIS I FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2014

4. PROFIT BEFORE TAX

Profit before taxation is stated after charging:

	2014	2013
	€	€
Servicing fees	453,491	567,811
Auditors' remuneration – audit of the statutory financial statements of the Company	71,634	69,490
Corporate service fees	41,494	41,709

Apart from the directors, the Company has no employees (2013: none). Other than the corporate services fees paid to Wilmington Trust SP Services (London) Limited as set out above, the directors received no remuneration during the year (2013: €nil).

5. INCOME TAX CHARGE

a) Analysis of tax charge for the year:

	2014	2013
	€	€
Current tax:		
UK Corporation tax	679	1,146

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 21.5%.

b) Reconciliation of effective tax rate

The tax for the year is lower than (2013: equal to) the standard rate of corporation tax in the UK of 21.5% (2013: 23.5%) applied to the profit before income tax.

	2014	2013
	€	€
Profit before income tax	**3,862**	4,930
Tax at the UK corporation tax rate of 21.5% (2013: 23.25%)	**830**	1,146
Prior year adjustment	**(151)**	-
Total income tax charge	679	1,146

Under the powers conferred by Finance Act 2005, secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met, for periods commencing on or after 1 January 2007, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement. For UK corporation tax purposes, the Company has been considered as a Securitisation Company under the "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)". Therefore the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on its retained profits as specified in the documentation governing the Transaction and as defined by the "Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)".

The directors are satisfied that the Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise.

6. DEEMED LOAN TO THE ORIGINATOR

	2014	2013
	€	€
Gross Deemed Loan to the Originator	**357,567,770**	447,899,862
Subordinated loan from the Originator	**(11,727,441)**	(10,185,729)
Net Deemed Loan to the Originator	**345,840,329**	437,714,133

New subordinated loans (net) from the originator were increased by €1,541,712 during 2014.

6. DEEMED LOAN TO THE ORIGINATOR (continued)

The Deemed Loan to the Originator is secured with a portfolio of Euro denominated Greek amortising consumer loans (the "Receivables Portfolio"). The deemed loan to the Originator is not considered to be impaired at 31 December 2014. The credit quality of the Receivables Portfolio underlying the deemed loan to the Originator is summarised as follows:

	2014	2013
	€	€
Neither past due nor impaired	277,562,234	302,564,117
Past due but not impaired	84,420,400	173,452,467
Impaired	31,891,052	118,947,281
	393,873,686	594,963,865
Less: allowance for impairment	(20,624,767)	(80,426,523)
	373,248,919	514,537,342

Under the terms of the securitisation transaction, under certain conditions the Originator will repurchase certain non-performing loans. During 2014, €45,446,890 (2013: €51,842,248) of non-performing loans were repurchased by the Originator. In addition, the Company is able to purchase additional loans during a revolving period. During 2014, €49,109,733 (2013: €91,470,529) of additional loans were acquired. Loans purchased during the year have all met the eligibility criteria as defined in the transaction documents.

As explained under the going concern paragraph in note 1 the current economic conditions in Greece raise uncertainties on the future timing and levels of collections from the Receivables Portfolio which may result in increased future impairment losses.

In order to provide additional credit enhancement, the deferred purchase consideration is offset against the gross deemed loan balance.

7. OTHER RECEIVABLES

	2014	2013
	€	€
Prepayments and accrued income	2,685	11,636
	2,685	11,636

8. CASH AND CASH EQUIVALENTS

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the securitisation agreements. All cash of the Company is held with the Originator and Citibank N.A. The short term credit rating of Citibank N.A. as at 23 July2015 was A-1.

	2014	2013
	€	€
Bank current accounts	3,113	173,085
Bank deposit accounts	61,577,244	64,513,188
	61,580,357	64,686,273

The bank deposit accounts are available on demand. The balance above contains reserve funds totalling €50,352,378 (2013: €47,135,717), as required under the transaction documentation.

9. SHARE CAPITAL

Authorised share capital:
50,000 (2013: 50,000) ordinary shares at £1 each

	2014	2013
Issued share capital:	€	€
2 (2013: 2) fully paid ordinary shares at £1 each	2	2
49,998 (2013: 49,998) quarter paid ordinary shares at £1 each	13,477	13,477
	13,479	13,479

The issued share capital is reflected in the financial statements based on the prevailing €/£ exchange rate at the time it was issued.

10. LIABILITIES EVIDENCED BY PAPER

The Notes are listed on the Irish Stock Exchange and are due for repayment by June 2026. They are repaid according to the repayments received from the Receivables Portfolio and their repayment in full depends on the funds generated by the Receivables Portfolio being sufficient. The Notes outstanding at the year-end were as follows:

	2014	2013
	€	€
Class A Notes	**153,219,150**	248,285,945
Class B Notes	**254,000,000**	254,000,000
	407,219,150	502,285,945

The Company has not had any defaults or any other breaches with respect to the Notes.

The Notes are due to mature in 2026 and interest is paid monthly in arrears on the 28th of each month (each an "Interest Payment Date"):

(i) on the Class A Notes, at an annual rate of 2.90%; and

(ii) on the Class B Notes, at an annual rate of one-month EURIBOR.

11. OTHER PAYABLES

	2014	2013
	€	€
Interest payable	**25,800**	22,075
Accrued administrative expenses	**138,488**	65,464
	164,288	87,539

12. FINANCIAL RISK MANAGEMENT

The Company's financial instruments comprise of the deemed loan to the Originator, the Notes, cash and various other receivables and payables that arise directly from its operations.

It is, and has been throughout the financial year under review, the Company's policy that no trading in financial instruments is undertaken.

The Originator manages the Receivables Portfolio under the servicer agreement with the Company. In managing the Receivables Portfolio, the Originator applies its own risk management infrastructure for managing risk, including established risk limits, reporting lines, mandates and other control procedures.

Credit risk

The maximum exposure to credit risk is considered to be the carrying amount of the relevant financial assets as detailed below:

	2014	2013
	€	€
Deemed Loan to Originator	**345,840,329**	437,714,133
Cash and cash equivalents	**61,580,357**	64,686,273
Maximum credit risk exposure	**407,420,686**	502,400,406

The Receivables Portfolio underlying the deemed loan consists of consumer loans originated by Piraeus Bank S.A., with borrowers in Greece. Refer also to note 6 for information on the credit quality of the Receivables Portfolio. Cash and cash equivalents represents cash held with the Originator.

Interest rate risk

The Company is exposed to interest rate risk in relation to the assets. However, this risk is mitigated from the transaction structure through the credit enhancement. Due to the nature of the receivables and the regular reprising of the floating rate notes, there is significant differential between interest paid and interest received, therefore interest rate risk increases. However this risk is mitigated through the securitisation transaction as a result of the deferred purchase consideration mechanism and the credit enhancement provided by the Originator.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due. The Company's responsibility to make payments against the Notes is limited to the funds available to it and accordingly, the Company is insulated from liquidity risk as experienced in the financial markets and prepayment risk. The contractual maturity of the notes is mentioned in the directors' report. Accordingly, no maturity analysis of contractual undiscounted cash flows associated with the financial liabilities has been disclosed.

12. FINANCIAL RISK MANAGEMENT (continued)

Fair values of financial assets and liabilities
The fair values together with the carrying amounts shown in the statement of financial position are as follows:

	Carrying amount 2014 €	**Fair value 2014 €**	Carrying amount 2013 €	Fair value 2013 €
Financial assets				
Deemed Loan to the Originator	**345,840,329**	**129,177,000**	437,714,133	149,115,000
Cash and cash equivalents	**61,580,357**	**61,580,357**	64,686,273	64,686,273
Financial liabilities				
Liabilities evidenced by paper	**407,219,150**	**190,579,000**	502,285,945	213,698,000
Other payables	**164,288**	**164,288**	87,539	87,539

Determining fair value is dependent on many factors and can only be an estimate of what value may be obtained in the open market at any point in time.

The majority of the fair values of the Company's financial instruments are not based on observable prices quoted in active markets, but are arrived at using valuation techniques. These valuation techniques (for example, models) are validated and periodically reviewed by qualified personnel independent of the personnel that created them. All models are checked before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. The fair value of the deemed loan to the Originator is calculated by reference to the fair value of the liabilities evidenced by paper. The fair value of the deemed loan is classified as Level 2.

The fair value of the liabilities evidenced by paper has been estimated based on the price quoted by the European Central Bank for accepting the underlying securities as collateral for lending to the Originator. The fair value of the liabilities evidenced by paper is classified as Level 2.

The directors note the significant shortfall between the carrying amount and fair value of the notes (and of the deemed loan). The low fair value is due to the markets pricing of the risks associated with Greece in general whilst in practice the ability to repay the issued notes depends primarily on the quality of the underlying receivables and their servicing by the Originator (see note 6).

Foreign currency risk
The majority of the Company's assets and liabilities are denominated in Euro and therefore currently there is minimal foreign currency risk.

Fair value hierarchy
Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset or liability as follows:

Level 1 - valued using quoted prices in active markets for identical assets or liabilities

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data. The valuation techniques used by the Company are explained in the accounting policies note.

13. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances with the Originator which are identified throughout the financial statements, the following transactions are also required to be disclosed under IAS 24 Related Party Disclosures.

During the year corporate and accounting services were provided by Wilmington Trust SP Services (London) Limited to the Company for which Wilmington Trust SP Services (London) Limited earned €41,494 (2013: 41,709) including value added tax and expenses.

The Notes held by the Originator at 31 December 2014 amounted to €407,219,150 (2013: 502,285,945).

14. ULTIMATE CONTROLLING PARTY

The shares in the Company are 99.99% held by Wilmington Trust SP Services (London) Limited under a Declaration of Trust for charitable purposes. The remaining 0.01% of the shares is held under a nominee Declaration of Trust for charitable purposes. Piraeus Bank S.A. has no direct ownership interest in the Company. However, in accordance with IFRS, and particularly SIC 12, the results of the Company are included in the consolidated financial statements of Piraeus Bank S.A. The Company's ultimate controlling party is considered to be Piraeus Bank S.A. The consolidated financial statements of Piraeus Bank S.A. can be obtained at www.piraeusbank.gr.