PIRAEUS BANK

MID YEAR FINANCIAL REPORT

For the 1st half 2014

According to Law 3556/ 2007

August 2014

The information contained in this Mid Year Financial Report has been translated from the original Mid Year Financial Report that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language Mid Year Financial Report, the Greek language Mid Year Financial Report will prevail over this document.

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STATEMENT (article 5 of L. 3556/2007)

To the best of our knowledge, the 2014 Interim Financial Statements, which have been prepared in accordance with the applicable accounting standards, give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Bank S.A. and of the undertakings included in the consolidated accounts, taken as a whole, as provided in art. 5 par. 3-5 of Law 3556/2007 and the Board of Director's interim report presents fairly the information required by art. 5 par. 6 of Law 3556/2007.

Michalis Sallas	Stavros Lekkakos	Anthimos Thomopoulos
Chairman of BoD	Managing Director & CEO	Managing Director & CEO

BOARD OF DIRECTORS' INTERIM MANAGEMENT REPORT
(According to Law 3556/2007)

International Environment and Economic Developments

The global economy continues to recover from the previous years' crisis that mainly hit its developed part. Although, the prospects for the US and the Eurozone for the second half of the year appear divergent, a stronger rate of economic growth is expected, with acceleration both for the developed and the emerging economies.

The US economy has recorded strong annual growth rate of 4.0% in Q2'14, whereas for the following quarters a growth level close to 3% appears to be sustainable. The US Federal Reserve has recently decided to further reduce the implemented programme of quantitative easing by $10 bn, and the expectation is that it will continue to limit the size of the programme until its termination by the end of the current year.

On the contrary, in the Eurozone the data for the Q2'14 point towards a continuation of GDP growth, yet on a weak growth rate (zero change vs. the previous quarter and +0.7% vs. the respective quarter of 2013), that is unable to accelerate inflation and improve employment. The reduction of the inflation rate to a low level (0.4%) validates the need for the measures of further monetary policy relaxation recently decided by the ECB. These actions have focused on the reduction of interest rates to a very low level, verifying the ECB's intention to maintain that level for a long period of time. Moreover, the ECB will implement actions for longer term low interest refinancing of European banks (TLTROs), with the goal to strengthen the financing of the private sector by €400 bn by the end of 2014 and with €1 trillion by the end of the 1st half of 2016. ECB actions are expected to contribute to the acceleration of the growth rate from the 2nd half of 2014, with indirect positive consequences also in the reduction of unemployment.

To note though, that all the aforementioned, are contingent on the de-escalation of geopolitical tensions that have erupted since the mid of 2014 both in the Ukrainian-Russian relations and the multiple fronts in the wider Middle East.

Developments in the Greek Economy and the Greek Banking System

The macroeconomic prospects for the Greek economy in 2014 appear encouragingafter 6 years of consecutive GDP contraction. Also, a positive development to note was the upgrade by Moody's, at the beginning of August 2014, of the credit rating of Greek sovereign bonds by two notches (to "Caa1" from "Caa3"), maintaining stable outlook. Major reasons for the upgrade were claimed to be the important progress in fiscal indicators, the improvement in economic prospects, the lower burden from interest payments and the deferral of public debt maturities in the future. To remind, that this upgrade follows the decision by Fitch Ratings in May 2014 to upgrade the long term credit rating of Greece to "B" from "B-" with stable outlook.

On July 7 and August 13 2014, the Eurogroup approved the disbursement of two sub-installments, amounting to €1 bn each, to the Greek State as part of the support programme, since the country satisfied the required prior actions. As a result, the total disbursed amount since the latest programme review reached €8.3 bn.

For 2014, the recession in Greece is expected to reach an end, with an estimated growth rate of +0.6%, since the negative effect of restrictive fiscal policy is diminishing. This estimate is reflected also in the available data: based on non-seasonally adjusted statistical data, the Greek GDP in Q2’14 marginally declined by 0.2% annually vs. a rate of -1.1% respectively for the Q1’14. Moreover, the improvement in economic expectations is evident: the economic climate indicator rose to the level of 102.6 points in July 2014 from 90.8 in 2013 and 80.3 in 2012, while retail sales exhibit signs of recovery, an indication for a gradual recovery in consumption. The estimated quarterly GDP growth rate for Q2’14 was positive by 0.3%, for the first time since the beginning of the crisis, according to economists’ estimates consensus.

At the same time, a gradual reinstatement of the performance for certain sectors of activity is evident, with tourism as the most characteristic example, that has an important indirect effect also on many other sectors of the economy. Travel receipts stood in the 1st half of 2014 13% higher vs. the respective period in 2013, while inbound travel traffic rose by 16% annually. Moreover, of particular importance is the international interest exhibited for major investments in the country, both in infrastructure and in real estate, and of course the restarting of major highway projects.

The 1st half of 2014, was a period of important developments also for the Greek banking system. The fact that the 4 largest Greek banks proceeded with major equity capital increases that surpassed cumulatively the amount of €8 bn, with decisive contribution from international investors, and also managed to regain access to money markets, as did also the Greek State, after 4 years of exclusion, with bond issues that were strongly oversubscribed, all indicate the gradual recovery of confidence to the Greek economy.

The Greek banks are ready to decisively contribute to the visible by now recovery of the Greek economy, as they are more powerful in terms of capital position and liquidity. In particular, Piraeus Bank implemented in March-April 2014 two actions of capital and liquidity strengthening through a share capital increase of €1.75 bn with particular success, and a 3 year senior bond issue of €0.5 bn, with 6 times oversubscription. The latter bond issue was the initiative that paved the way for the opening of international capital markets for Greece.

Piraeus Bank participatesas one of the 128 systemically important European banks- in the bank assessment (AQR/stress test) conducted by ECB, in cooperation with the European and domestic regulatory authorities involved, within the framework for the creation of the Single Supervisory Mechanism (SSM) for European Union banks. The bank assessment begun in November 2013 and is currently underway, and aims at the restoration of confidence in the European banking system before the assumption of supervision by the ECB on 4 November 2014, and it will be concluded in October 2014, when the results will be announced (2nd half of the month). The assessment process involves three phases, of which the first two have to do with the evaluation of risks and asset quality review (AQR) respectively, while the third, conducted in cooperation with the European Banking Authority (EBA), involves the stress test under a baseline and an adverse scenario for the period 2014-2016.

Regarding the basic figures of the Greek banking market, it is noted that total market loans continued to drop, but with a small deceleration in the rate of decline (-3.5% annually in June 2014 from -4.1% the respective month of 2013 for private sector loans). On the contrary, total market deposits marked an annual rise of 1.0% in June 2014 on a stabilizing trend with indications for increase in the latest months. The rise in deposits went together with an important decrease in the refinancing of Greek banks through the Eurosystem that reached €45bn in June 2014 (zero ELA refinancing since May 2014) vs. €73 bn in December 2013, on a trend towards further de-escalation, since the inter-banking repo activity has restarted with counterparties other than Central Banks, while simultaneously the economic environment is gradually improving. Towards that direction, the contribution of banks’ equity capital increases and bond issues in 2014 was also important.

Events that Regard Piraeus Bank Group

On the operational level, the most important corporateeventsforPiraeusBank Group duringthe 1sthalfof 2014 and up to the publication of the financial statements were the following:

- On January 08, 2014 Piraeus Bank announced, that on 02.01.14, 603,280 warrants in total were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF), which correspond to 2,700,125 common shares, i.e. to 0.053% of the outstanding number of common shares and the total amount paid by the warrant holders to the HFSF amounted to €4,682,016.74. Following this exercise of warrants, the percentage of the HFSF in the share capital of the Bank was reduced to 80.95%.

- On March 06, 2014 Bank of Greece (BoG) published the capital needs for each of the Greek banks which emerged from the simulation exercise carried out with the cooperation of BlackRock Solutions and Rothschildconsultancy firms. As concerns Piraeus Bank, the capital requirement has been assessed at €425 mn in the baseline scenario and €757 mn in the adverse scenario. Key factors that have shaped the capital requirement were the expected losses for credit risk not only for the period June 2013-December 2016, but also for the total lifetime of the loan portfolio, based on the evaluation ofloan portfolio in terms of quality that conducted by Blackrock, and series of scenariosconcerning the future creation of internal capitalconducted by BoG, adjusting conservatively what was forecasted in the Restructuring Plan.

- OnMarch18,2014 theissuanceand the placement in the international debt capital markets of a €500 mn three year senior unsecured benchmark note was completed in order for the Bank to strengthen itsmedium-term liquidity. Thebondhas an annual fixed rate coupon of 5.0%. Through this bond issue, Piraeus Bank regains access to the international debt capital markets, diversifies its funding sources and strengthens its goal to support the gradual recovery of the Greek economy,

- On April 10, 2014, Piraeus Bank announced the coverage of its share capital increase of €1.75 bn. In particular, the 28.03.14 Extraordinary General Meeting of the ordinary shareholders of Piraeus Bank (the decision of which was approved by the 28.03.014 decision of the Extraordinary General Meeting of the preference shareholder of the Bank), decided the Bank's share capital increase in order to raise capital up to €1.75 bn, through contribution in cash, the issuance of ordinary registered shares and the cancellation of the pre-emption rights of the existing shareholders. Specifically, it was decided a €308,823,529.20 share capital increase of the Bank with the cancellation of the pre-emption rights of the existing shareholders and the issuance of 1,029,411,764 new ordinary registered voting shares with a nominal value of €0.30 each and subscription price of €1.70 per share. The new shares were offered through a public offering to investors in Greece and through a book-building process, to institutional and other special investors internationally.

- On May 21, 2014, Piraeus Bank fully redeemed to the Hellenic Republic the total amount of preference shares (Pillar I Law 3723/2008) in the amount of €750 mn, issued to the latter by the Bank.

- On May 30, 2014, the Board of Directors of Piraeus Bank S.A. during its session resolved to initiate the necessary procedures for a merger with GENIKI Bank S.A. through its absorption by Piraeus Bank S.A., in accordance with the provisions of article 68 and following articles of CL 2190/1920 in conjunction with article 16 par. 5 of Law 2515/1997, and the provisions of Law 2166/1993 as in force, with a common (for both merging credit institutions) transformation balance sheet date set on 31.12.2013. The merger is going to be completed by the end of 2014,

- On July 7, 2014, Piraeus Bank announced that on 02 July 4,951,260 warrants in total were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF) corresponding to 22,160,707 common shares of the Bank, or 0.363% of the total shares outstanding. The total consideration paid by the warrant holders to the HFSF amounted to EUR 39,180,129.98. Following this warrants exercise, the HFSF percentage of Bank's total share capital decreased to 66.93%.

- On July23, 2014, the European Commission announced the approval of the Restructuring Plan of Piraeus Bank, as submitted to the European Commission (DG Competition) through the Ministry of Finance on June 19, 2014. The European Commission noted that Piraeus Bank's Restructuring Plan is in line with EU State Aid rules. The measures already implemented and those included in the Restructuring Plan, will enable the Bank to fully restore its long term viability, which was negatively affected by the implementation of the PSI programme in early 2012 and the impact of the prolonged economic recession in Greece,

- On August 14, 2014, Piraeus Bank announced the sale of 100% of ATE Insurance to ERGO Insurance Group, a subsidiary of Munich Re. The total consideration amounts to €90.1 million in cash, subject to customary net asset value adjustments upon closing. The transaction is subject to regulatory approvals and envisaged to be completed by the end of 2014.

Evolution of Piraeus Group Volumes and Results in H1 2014

In relation to the financial position of Piraeus Group in H1 2014, the most important data and trends for its volumes, results and the presence was the following:

- Total assets on a consolidated basis at the end of June 2014 amounted to €88.5bn, recording a 2%decrease year-to-date on a comparable basis (ie excluding the seasonal loan to OPEKEPE of amount €1,9 bn on 31.12.13, which was repaid in full in the first two months of the year and is associated with the banking intermediation of European subsidies to the agricultural sector of the economy).

- Group total deposits amounted to €54.4 bn at the end of June 2014, marginally unchanged compared to 31.12.13. In Greece, Piraeus Group deposits were €49.5 bn (stabilized versus end of 2013) representing a deposit market share of 28%. Deposits of the Group's international operations rose 6% versus 31.12.13 and stood at €4.9 bn.

- Gross loans reached €73.1 bn at the end of June 2014, decreased 1.5% year to date and on a like- for-like basis ie excluding the aforementioned seasonal loan towards OPEKEPE.Total loans in Greece amounted to €66.2 bn (-1% on a like-for-like basis compared to 31.12.13), while loans stemming from international operations amounted to €6.9 bn (-3% respectively). On a view per segment, total business loans were at €47.7 bn representing 65% of total Group loans, whereas retail loans €25.3 bn or 35% of total loans.

- Group net loans at the end of June 2014 amounted to €58.7 bn, while the net loans to deposits ratio further improved on a comparable basis in June 2014 to the level of 108% versus 111% at the end of 2013.

- The Group's loans in arrears over 90 days ratio reached 38.5% of gross loans at the end of June 2014, while the respective ratio for domestic operations was 38.9%.

- The coverage ratio of loans in arrears over 90 days by cumulative provisions and adjustments to fair value in the case of the acquired loan portfolios for the Group reached 51%, the same levelas in Greece. It should be noted that the ratio of cumulative provisions and adjustments over gross loans at the end of June 2014 reached the particularly high level of 20% (same ratio for Greece) and the fact that Q2 2014 was the 6th consecutive quarter of deceleration of new NPL formation as percentage of gross loans on a comparable basis (0.7% in Q2 2014 versus 1.3% in Q4 2013 and 1% in Q1 2014).

- Group net interest income amounted to €979 mn in H1 2014. The further de-escalation of time deposits costs in June 2014 to 262 bps compared to 288 bps in March 2014 and 305 bps in December 2013 contributed significantly in the improvement of the NII result.

- Net fee and commission income amounted to €160 mn, with 88% stemming from commercial banking.

- The Group total net revenues amounted to €1,334 mn in H1 2014, with contribution beyond organic sources of profitability stemming from trading gains (€34 mn), dividend income (€14 mn) and other operating income (€ 147 mn. This amount has been adjusted downwards as the €39 mn income linked tothe positive adjustmentof the acquired loans was transferred for comparabilityreasons to the impairments for loans).

- Group's operating expenses amounted to €726mn in H1 2014. These also include €60mn one-off costs of which the majority is linked to the integration costs of the operations that were recently acquired.

- H1 2014 results were burdened by substantial impairment loan losses that reached €956 mn, due to the prolonged recession in Greece. However, the impairment loans loss as a percentage of average loans for H1 2014 on a comparable basis decreased to 2.6% compared to 3% in 2013.

- The Group's H1 2014 pre-tax results amounted to -€436 mn. Income tax had a positive effect on H1 2014 results by €354 mn, with deferred tax for the period positively contributing €375 mn, as opposed to the current tax and provisions for tax differences amounting to €20 mn. The aforementioned deferred tax in H1 2014 was mainly affected from the partial recognition of deferred tax asset on the Bank's tax deductible negative reserve in accordance with the provisions of article 72 of Law 4172/2014, as well as from the additional provisions for loan impairments recorded to the financial statements according to the International Financial Reporting Standards, in relation to the respective amounts recognized for tax purposes.

- The Group net results from continuing operations attributable to shareholders in H1 2014 amounted to a loss of €82mn.

- Total equity of Piraeus Group at end-June 2014 amounted to €9.4 bn. The Group's total capital adequacy ratio, according to the Basel IIIregulatory framework stood at the end of June 2014 at 15.1% and the Common Equity Tier 1 ratio at 15.0%, which is at a satisfactory high level according to European standards.

- The branch network of the Group at the end of June 2014 totaled 1,277 branches, with 889 branches in Greece and 388 in 9 countries abroad. The branch network in Greece in 2014 decreased by 148 units in H1'14 as a result of the rationalization programme following the acquisitions.

- The Group's headcount on June 30, 2014 totaled 22,343people, of which 16,541were employed in Greece and 5,802 abroad.

- Piraeus Group international operations accounted for 10% of total assets, 30% of the branch network and 26% of the workforce on 30.06.2014.

Related Party Transactions

With reference to the transactions of Piraeus Bank with related parties, such as members of the Board of Directors and the management of the Bank and its subsidiaries, these were not of significant importance H1 2014, while in any case they are included in the in the Group's interim financial statements.

Description of Major Risks and Uncertainties for the second half of 2014

The Risk Management Framework of the Group is presented analytically in the Group's 2013 annual financial Report (note 3).

During H1 2014, the major initiatives that were realized aiming at upgrading the Group's Risk Management Framework were the following:

- preparation to respond to the information and analytical requirements of the Comprehensive Assessment of the pan-European banks which is conducted by ECB
- participation in the Asset Quality Review (AQR) conducted by the ECB and the Stress Test by ECB and EBA
- implementation of integration/ transition projects with the aim to comply with the new regulatory framework of Basel III (EU Directive 36/2013 and EU Regulation 575/2013) by the Bank and the Group
- development of risk appetite framework for 2014
- completion of updating the pricing methodology for business loans and initiation of a pilot project
- conducting independent evaluations and regular monitoring of the evolution of the quality of approved credit exposure (post-approval), as well as the practices of monitoring credit risk,
- monitoring the accuracy of the input into Bank's systems regarding the classification of "connected" borrowers and compliance with existing Credit Policy for approval to specific borrowers,
- harmonization of the Subsidiaries' risk management framework with that Group Risk Management Framework through gap analysis and field meeting. Preparation of action plans and monitoring their implementation,
- liquidity reporting Basel at both Bank and Group level,
- develop infrastructure for assets and liabilities management (dynamic simulation)
- evaluation of operational risk management (proof of concept).

Piraeus Bank Group is affected by the ongoing economic variability and the increased volatility of the global financial markets and is exposed to risks that could potentially arise in other financial institutions, mainly due to the debt crisis in peripheral Eurozone countries.

The economic situation in Greece, although is gradually improving, along with political developments, remain the main risk factors for the Greek banking sector in general, and for Piraeus Bank in particular.

Potential negative developments on these fronts would have major influence on the Bank's liquidity, the quality of its loan portfolio, its results and its capital base.

The unprecedented problems that emerged in the banking sector attributed to the recession (24% cumulative contraction)are still present and call for case by case handling. There's no doubt that the non-performing loans is an extremely important problem. However with the restarting of the economy and the respective establishment by banks of separate centralized NPL management units, it is estimated that the problem will be effectively addressed and without halting the recovery course of the Greek economy. Towards that direction, in December 2013 Piraeus Bank established two new General Divisionsnamely the Recovery Banking Unit and the Task Force Unit which are in operation since March 2014, with the mission to effectively manage the non-performing loans according to international best practices and in accordance with Bank of Greece requirements.

Estimates for the Development of Piraeus Group's Activities During H2 2014

Piraeus Bank played a leading role in the restructuring of the banking system in Greece, contributing in its stability and strengthening. With specific roadmap and strong sense of responsibility, the Bank participated in the developments that led to the integration of 6 banks into Piraeus Group. From this pole position, Piraeus is addressing more effectively the challenges of 2014 and sets new priorities, among which the most important are the most effective possible management of non-performing loans with new methods and tools, the enhancement of organic sources of profitability, further improvement in operating costs and the attainment of anticipated synergies with further consolidation of systems, processes and business culture following the recent acquisitions.

Piraeus Bank supports the effort for the restructuring and recovery of the Greek economy towards a new sustainable form of growth that drastically increases the value added in products and services offered, while it supports initiatives targeting the stimulation of entrepreneurship and the increase of competitiveness.

Toward this end, the Bank will continue its course in H2 2014, as the conclusion of the capital increase transformed Piraeus Bank into one of the best capitalized banks in Europe according to the new Basel III regulatory framework.

Michalis G. Sallas
Chairman of the Board of Directors

[Translation from the original text in Greek]
Report on Review of Interim Financial Information

To the Shareholders of Piraeus Bank S.A.

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of Piraeus Bank S.A. (the "Bank") and its subsidiaries (together "the Group") as of 30 June 2014 and the related condensed company and consolidated income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

Athens, 29 August 2014
THE CERTIFIED AUDITOR

Dimitris Sourbis
SOEL Reg. No. 16891

PricewaterhouseCoopers S.A.
268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No. 113

PIRAEUS BANK

PIRAEUS BANK GROUP

Consolidated Interim Condensed Financial Information

30 June 2014

In Accordance with the International Financial Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on August 29, 2014 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

This financial information has been translated from the original interim financial information that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial information, the Greek language financial information will prevail over this document.

Index to the Consolidated Interim Condensed Financial Information

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM INCOME STATEMENT	Note	Period from 1 January to 30 June 2014	Period from 1 January to 30 June 2013	Period from 1 April to 30 June 2014	Period from 1 April to 30 June 2013
Interest and similar income		1,765,009	1,707,766	888,098	944,118
Interest expense and similar charges		(785,689)	(974,093)	(387,793)	(524,965)
NET INTEREST INCOME		**979,320**	**733,672**	**500,306**	**419,153**
Fee and commission income		179,642	141,254	90,444	78,197
Fee and commission expense		(19,638)	(19,468)	(10,472)	(11,432)
NET FEE AND COMMISSION INCOME		**160,005**	**121,786**	**79,971**	**66,764**
Dividend income		14,478	5,300	14,453	5,181
Net income from financial instruments designated at fair value through profit or loss	6	(42,850)	60,726	(22,508)	15,968
Results from investment securities	7	76,539	13,789	71,172	7,643
Other operating income	8	186,198	20,421	177,050	9,257
Negative goodwill due to acquisitions		-	3,810,338	-	396,647
TOTAL NET INCOME		**1,373,689**	**4,766,032**	**820,443**	**920,613**
Staff costs		(365,184)	(347,197)	(175,563)	(198,572)
Administrative expenses		(272,339)	(236,674)	(149,878)	(149,249)
Depreciation and amortisation		(88,546)	(60,264)	(45,142)	(32,629)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(726,069)**	**(644,135)**	**(370,583)**	**(380,450)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**647,620**	**4,121,898**	**449,860**	**540,163**
Impairment losses on loans and other receivables	15	(1,063,368)	(1,097,621)	(548,719)	(592,514)
Impairment on participation and investment securities		(16,643)	(31,707)	(16,468)	(31,274)
Other provisions and impairment		(7,946)	(35,186)	(7,257)	(34,462)
Share of profit of associates		4,190	(3,932)	8,153	(5,755)
PROFIT/ (LOSS) BEFORE INCOME TAX		**(436,147)**	**2,953,453**	**(114,431)**	**(123,842)**
Income tax	10	354,199	551,020	278,793	13,582
PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		**(81,948)**	**3,504,473**	**164,361**	**(110,260)**
Profit/ (loss) after income tax from discontinued operations	9	(565)	21,145	1,409	8,970
PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD		**(82,513)**	**3,525,618**	**165,770**	**(101,290)**
From continuing operations					
Profit/ (loss) for the period attributable to equity holders of the parent entity		(82,343)	3,508,923	164,287	(107,738)
Non controlling interest		395	(4,449)	74	(2,522)
From discontinued operations					
Profit/ (loss) for the period attributable to equity holders of the parent entity		(563)	21,145	1,410	8,970
Non controlling interest		(1)	-	(1)	-
Earnings/ (losses) per share attributable to equity holders of the parent entity (in euros):					
From continuing operations					
- Basic and Diluted	11	(0.0147)	21.5560	0.0276	(0.5101)
From discontinued operations					
- Basic and Diluted	11	(0.0001)	0.1299	0.0002	0.0425

The notes on pages 7 to 44 are an integral part of the consolidated interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to 30 June 2014	Period from 1 January to 30 June 2013	Period from 1 April to 30 June 2014	Period from 1 April to 30 June 2013
CONTINUING OPERATIONS					
Profit/ (loss) after tax for the period (A)		**(81,948)**	**3,504,473**	**164,361**	**(110,260)**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	12	(39,784)	20,462	(65,830)	22,753
Change in currency translation reserve	12	(2,541)	6,598	2,002	4,838
Amounts that cannot be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	12	282	-	275	-
Other comprehensive income for the period, net of tax (B)	12	**(42,043)**	**27,060**	**(63,553)**	**27,591**
Total comprehensive income for the period, net of tax (A+B)		**(123,991)**	**3,531,533**	**100,808**	**(82,669)**
- Attributable to equity holders of the parent entity		(124,428)	3,535,943	100,719	(80,200)
- Non controlling interest		437	(4,410)	89	(2,469)
DISCONTINUED OPERATIONS					
Profit/ (loss) after tax for the period (C)		**(565)**	**21,145**	**1,409**	**8,970**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in available for sale reserve	12	4,124	2,307	698	2,329
Change in currency translation reserve	12	210	(31)	70	(61)
Amounts that cannot be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	12	-	-	-	-
Other comprehensive income for the period, net of tax (D)	12	**4,334**	**2,276**	**768**	**2,268**
Total comprehensive income for the period, net of tax (C+D)		**3,769**	**23,421**	**2,177**	**11,238**
- Attributable to equity holders of the parent entity		3,770	23,421	2,178	11,237
- Non controlling interest		-	-	-	1

The notes on pages 7 to 44 are an integral part of the consolidated interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION	Note	30 June 2014	31 December 2013
ASSETS			
Cash and balances with Central Banks	13	3,462,310	2,874,771
Loans and advances to credit institutions		282,431	293,035
Financial instruments at fair value through profit or loss	14	251,712	214,113
Derivative financial instruments - assets		471,407	325,032
Reverse repos with customers		132,266	7,124
Loans and advances to customers (net of provisions)	15	58,712,258	62,365,774
Available for sale securities	16	1,491,351	1,377,749
Debt securities - receivables	17	14,416,316	15,628,221
Held to maturity		33,076	58,041
Assets held for sale		36,719	34,743
Inventories property		696,802	669,125
Investment property		927,187	902,859
Investments in associated undertakings		299,548	304,967
Property, plant and equipment		1,381,035	1,416,404
Intangible assets		293,365	300,345
Deferred tax assets		3,260,275	2,861,716
Other assets		1,976,910	2,017,917
Assets from discontinued operations	9	326,280	357,657
TOTAL ASSETS		**88,451,248**	**92,009,592**
LIABILITIES			
Due to credit institutions	19	21,377,785	26,274,952
Due to customers	20	54,177,658	54,279,320
Liabilities at fair value through profit or loss			549
Derivative financial instruments - liabilities		452,742	329,618
Debt securities in issue	21	756,085	305,361
Current income tax liabilities		41,725	35,390
Deferred tax liabilities		36,786	42,300
Retirement benefit obligations		165,874	161,397
Other provisions		41,550	39,882
Other liabilities		1,248,772	1,185,347
Hybrid capital and other borrowed funds	22	246,694	256,004
Liabilities from discontinued operations	9	539,512	556,574
TOTAL LIABILITIES		**79,085,182**	**83,466,694**
EQUITY			
Share capital	24	1,830,594	2,271,770
Share premium	24	11,393,315	10,008,734
Less: Treasury shares	24	(65)	(113)
Other reserves	25	44,836	82,604
Amounts recognized directly in equity relating to non-current assets from discontinued operations	25	22,438	18,106
Retained earnings	25	(4,044,645)	(3,957,192)
Capital and reserves attributable to equity holders of the parent entity		**9,246,472**	**8,423,909**
Non controlling interest		119,594	118,990
TOTAL EQUITY		**9,366,066**	**8,542,899**
TOTAL LIABILITIES AND EQUITY		**88,451,248**	**92,009,592**

The notes on pages 7 to 44 are an integral part of the consolidated interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Attributable to owners of the parent					Non controlling interest	TOTAL
		Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
Opening balance as at 1 January 2013		**1,092,998**	**2,953,355**	**(36)**	**4,647**	**(6,503,767)**	**128,496**	**(2,324,307)**
Other comprehensive income, net of tax	12				29,297		39	29,336
Results after tax for the period 1/1/2013 - 30/6/2013	25					3,530,068	(4,450)	3,525,618
Total recognised income for the period 1/1/2013 - 30/6/2013		**0**	**0**	**0**	**29,297**	**3,530,068**	**(4,410)**	**3,554,954**
Increase of share capital	24	1,487,471	6,746,680					8,234,151
Decrease of the nominal value of ordinary shares	24	(308,698)	308,698					0
(Purchases)/ sales of treasury shares	24, 25			(105)		46		(59)
Transfer between other reserves and retained earnings	25				6,504	(6,504)		0
Expenses on Increase of share capital of subsidiary companies	25					(1,449)	(1)	(1,449)
Acquisitions, disposals, absorptions, liquidation and movement in participating interest	25					1,853	(2,767)	(914)
Balance as at 30 June 2013		**2,271,770**	**10,008,734**	**(141)**	**40,448**	**(2,979,753)**	**121,317**	**9,462,375**
Opening balance as at 1 July 2013		**2,271,770**	**10,008,734**	**(141)**	**40,448**	**(2,979,753)**	**121,317**	**9,462,375**
Other comprehensive income, net of tax					55,667		67	55,734
Results after tax for the period 1/7/2013-31/12/2013	25					(967,978)	(11,481)	(979,459)
Total recognised income for the period 1/7/2013 - 31/12/2013		**0**	**0**	**0**	**55,667**	**(967,978)**	**(11,414)**	**(923,725)**
Prior year dividends of ordinary shares							(1,049)	(1,049)
(Purchases)/ sales of treasury shares	24, 25			28		67		95
Transfer between other reserves and retained earnings	25				4,594	(4,594)		0
Expenses on Increase of share capital of subsidiary companies	25					(177)		(177)
Acquisitions, disposals, absorptions and movement in participating interest	25					(4,756)	10,135	5,379
Balance as at 31 December 2013		**2,271,770**	**10,008,734**	**(113)**	**100,709**	**(3,957,192)**	**118,990**	**8,542,898**
Opening balance as at 1 January 2014		**2,271,770**	**10,008,734**	**(113)**	**100,709**	**(3,957,192)**	**118,990**	**8,542,898**
Other comprehensive income, net of tax	12				(37,752)		43	(37,709)
Results after tax for the period 1/1/2014 - 30/6/2014	25					(82,906)	394	(82,513)
Total recognised income for the period 1/1/2014-30/6/2014		**0**	**0**	**0**	**(37,752)**	**(82,906)**	**436**	**(120,222)**
Increase of share capital	24	308,824	1,384,581					1,693,405
Repurchase of preferred shares	24	(750,000)						(750,000)
(Purchases)/ sales of treasury shares	24, 25			47		(60)		(13)
Transfer between other reserves and retained earnings	25				4,317	(4,317)		0
Absorptions and movements in participating interest	25					(170)	168	(2)
Balance as at 30 June 2014		**1,830,594**	**11,393,314**	**(66)**	**67,274**	**(4,044,646)**	**119,594**	**9,366,065**

Amounts in thousand euros (Unless otherwise stated)

CONSOLIDATED INTERIM CASH FLOW STATEMENT	Note	Period from 1 January to	
		30 June 2014	30 June 2013
Cash flows from operating activities from continuing operations			
Profit/ (Loss) before tax		(436,147)	2,953,453
Adjustments to profit/ loss before tax:			
Add: provisions and impairment		1,087,957	1,164,513
Add: depreciation and amortisation charge		88,546	60,264
Add: retirement benefits		8,251	6,908
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss		(141,098)	(48,823)
(Gains)/ losses from investing activities		(81,065)	(10,179)
Deduct: negative goodwill due to the acquisitions		-	(3,810,338)
Cash flows from operating activities before changes in operating assets and liabilities		526,444	315,799
Changes in operating assets and liabilities:			
Net (increase)/ decrease in cash and balances with Central Banks		(178,727)	(175,358)
Net (increase)/ decrease in financial instruments at fair value through profit or loss		(91,483)	173,743
Net (increase)/ decrease in debt securities - receivables		1,211,904	(778,284)
Net (increase)/ decrease in loans and advances to credit institutions		(5,287)	(3,286)
Net (increase)/ decrease in loans and advances to customers		2,836,547	2,984,665
Net (increase)/ decrease in reverse repos with customers		(125,143)	12,051
Net (increase)/ decrease in other assets		(37,237)	523,215
Net increase/ (decrease) in amounts due to credit institutions		(4,897,167)	(6,311,508)
Net increase/ (decrease) in liabilities at fair value through profit or loss		(549)	(21,953)
Net increase/ (decrease) in amounts due to customers		(101,662)	(97,331)
Net increase/ (decrease) in other liabilities		43,455	263,941
Net cash flow from operating activities before income tax payment		(818,905)	(3,114,306)
Income tax paid		(11,428)	(3,268)
Net cash inflow/ (outflow) from continuing operating activities		**(830,333)**	**(3,117,574)**
Cash flows from investing activities of continuing operations			
Purchases of property, plant and equipment		(133,554)	(94,803)
Sales of property, plant and equipment		36,487	11,057
Purchases of intangible assets		(14,233)	(16,632)
Purchases of assets held for sale		(4,136)	(7,659)
Sales of assets held for sale		1,661	1,664
Purchases of investment securities		(3,291,725)	(3,655,281)
Disposals/ maturity of investment securities		3,214,687	5,669,298
Acquisition of subsidiaries excluding cash & cash equivalents acquired		-	172,142
Sales of subsidiaries excluding cash and balances sold		-	888
Sales of associates		-	4
Acquisition and participation in share capital increases of associates	27	(889)	(1,630)
Dividends received		9,743	523
Net cash inflow/ (outflow) from continuing investing activities		**(181,959)**	**2,079,572**
Cash flows from financing activities of continuing operations			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		425,227	(265,787)
Increase of share capital		1,673,519	1,180,322
Repurchase of preferred shares		(750,000)	-
Prior year dividends paid		-	(14)
Purchases/ sales of treasury shares and preemption rights		(13)	(59)
Other cashflows from financing activities		10,398	7,612
Net cash inflow/ (outflow) from continuing financing activities		**1,359,132**	**922,073**
Effect of exchange rate changes on cash and cash equivalents		41,180	(15,706)
Net increase/ (decrease) in cash and cash equivalents of the period from continuing activities (A)		**388,020**	**(131,635)**
Net cash flows from discontinued operating activities		(21,806)	(36,771)
Net cash flows from discontinued investing activities		22,631	36,826
Net cash flows from discontinued financing activities		-	-
Exchange difference of cash and cash equivalents		81	(40)
Net incease/ (decrease) in cash and cash equivalents of the period from discontinued activities (B)		**906**	**15**
Cash and cash equivalents at the beginning of the period (C)		**1,888,466**	**2,473,084**
Cash and cash equivalents at the acquisition date of assets and liabilities of Cypriot banks' network in Greece (D)		-	11,696
Cash and cash equivalents at the end of the period (A)+(B)+(C)+(D)		**2,277,393**	**2,353,160**

The notes on pages 7 to 44 are an integral part of the consolidated interim condensed financial information.

1 General information about the Group

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Law 2190/1920 on societés anonymes, Law 3601/2007 on credit institutions, and other relevant laws. According to article 2 of its Statute, the scope of the company is to execute, on its behalf or on behalf of third parties, any and every operation acknowledged or delegated by law to banks.

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, as well as Western Europe. The Group employs in total 22,551 people of which 209 people, refer to discontinued operations (ATE Insurance S.A. and ATE Insurance Romania S.A.).

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (Greece Small Cap, RAFI, Med 100), MSCI (Emerging Markets, EM EMEA, Greece, ESG), Euro Stoxx (TMI, TMI Banks, Greece TM) and S&P (Global BMI, Developed BMI).

2 General accounting policies, critical accounting estimates and judgements

a. General accounting policies

The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2013 have been followed.

The following new IFRSs and amendments have been issued by the International Accounting Standards Board, have been endorsed by the E.U and they are effective from 1/1/2014.

- **IAS 27 (Amendment), "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2014).** Following the issue of IFRS 10 that replaced all the guidance on control and consolidation in IAS 27, IAS 27 was renamed "Separate Financial Statements" and contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- **IAS 28 (Amendment), "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2014).** IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

- **IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2014).** IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. The assessment of control, under the new control criteria of the aforementioned standard, did not change the consolidated entities of the Group.

- **IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2014).** IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. Joint arrangements are either classified as joint operations or joint ventures. Equity accounting is mandatory for participants in joint ventures. The adoption of the aforementioned standard did not affect the consolidated financial statements of the Group.

- **IFRS 12, "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2014).** IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 requires entities to disclose information that enables users of financial statements to evaluate the nature and risks associated with the entity's interests in other entities and the effects of those interests in the entity's financial statements.

- **IFRS 10, IFRS 11 and IFRS 12 (Amendment), "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance" (effective for annual periods beginning on or after 1 January 2014).** The amendment in IFRS 10, 11 and 12 clarifies the transition guidance in IFRS 10 and provides relief from the presentation or adjustment of comparative periods prior to the immediately preceding period.

- **IFRS 10, IFRS 12 and IAS 27 (Amendments), "Investment Entities" (effective for annual periods beginning on or after 1 January 2014).** The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities, as well as new disclosure requirements for investment entities in IFRS 12 and IAS 27.

  The above group of standards and amendments has no significant impact in the consolidated financial statements.

- **IAS 32 (Amendment), "Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2014).** The amendment was issued in December 2011 to provide application guidance in IAS 32 to clarify the meaning of the criterion "currently has a legally enforceable right to set off". The amendment is applied retrospectively. This amendment has no significant impact in the consolidated financial statements.

- **IAS 36 (Amendment), "Impairment of non Financial Assets" (effective for annual periods beginning on or after 1 January 2014).** The amendment requires the disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed. This amendment has no significant impact in the consolidated financial statements.

- **IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014).** The amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations. This amendment has no significant impact in the consolidated financial statements.

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

For the preparation of consolidated financial statements, the Group proceeds to certain accounting estimates and judgements that affect the reported amounts of certain assets and liabilities within the next financial year. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events and they are the same with those accounting estimates and judgements adopted and described in the annual consolidated financial statements for the year ended 31 December 2013.

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

b.1. Impairment losses on loans and other receivables

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

b.2. Fair value of derivative financial instruments

The fair values of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. All models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require Management's estimates. Assumptions and estimates that affect the reported fair values of financial instruments are examined regularly.

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

- **Available for sale portfolio**

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

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

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

- **Associate companies**

The Group tests for impairment the investments in associate companies, comparing the recoverable amount of the investment (the higher of the value in use and the fair value less cost to sell) with its carrying amount.

In these cases, a similar methodology is used with that described above, for the shares of the available for sale portfolio, while taking into account the present value of the estimated future cash flows expected to be generated by the associate company. The amount of the permanent impairment of the investment, which may arise from the assessment, is recorded to the income statement.

b.4. Investment property

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

Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific investment property. If this information is not available, valuation methods are used. The fair value of investment property reflects rental income from current leases as well as assumptions about future rentals, taking into consideration current market conditions.

For investment property of a value that is not considered as individually significant, the fair value may be determined by internal valuers, by applying the aforementioned valuation methods or by extrapolating the results of the independent valuations, to groups of investment property, with similar characteristics.

b.5. Income taxes

Piraeus Bank Group recognizes deferred tax on temporary tax differences in accordance with the regulations of tax law which distinguishes revenues on those subject to tax and non-taxable, assessing future benefits as well as tax liabilities.

For the calculation and evaluation of the deferred tax asset recoverability, management considers the best estimates for the evolution of the Group´s tax results in the foreseeable future.

The Management's estimates, according to the enacted business plan, for the future tax results of the Group are based on the assumptions related to the Greek economy prospect, as well as on other actions or amendments already implemented, improving the evolution of the future profitability.

Moreover, the Group examines the nature of temporary differences and tax losses, the ability for their recovery in accordance with the tax regulations related to their offsetting with profits generated in future periods (e.g. five years), or other specific tax regulations. For example, an extended period has been set by the Greek tax legislation allowing the recoverability of deferred tax related to the amortized loss from the participation of the Greek entities in Private Sector Involvement (PSI).

b.6. Goodwill/ negative goodwill

The acquisition method is used by the Group to account for the acquisition of subsidiaries. The Group, for the estimation of the fair values of identifiable assets and liabilities and contingent liabilities of the newly acquired subsidiaries, uses the method of purchase price allocation (PPA), according to the requirements of IFRS 3 "Business Combination". For this purpose, the Group uses estimates to determine the fair value of the acquired net assets.

In case of goodwill, the Group proceeds to impairment test annually and whenever there is an indication of impairment, by comparing the carrying amount of the cash generating unit, including goodwill, with the respective recoverable amount. In the context of this procedure, the Group's estimates for the determination of the recoverable amount include key assumptions of the Management for the period of the estimated cash flows, the cash flows, the growth rate and the discount rate. These estimates are disclosed in the consolidated financial statements, in case that the amount of goodwill allocated to each cash generating unit is significant compared to the total goodwill, according to IAS 36.

3 Basis of preparation of the consolidated interim condensed financial information

The consolidated interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Group's annual consolidated financial statements for the year ended 31 December 2013.

The financial statements of Piraeus Bank Group are prepared in euro. The amounts of the attached consolidated financial statements are expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand. It shall be noted that, the figures of the consolidated income statement for the first semester of 2014 are not comparable with the relevant figures for the first semester of 2013 as Piraeus Bank acquired a) the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank on 26/03/2013 and b) Millennium Bank Group on 19/06/2013.

Piraeus Bank Group is affected by the economic variability and the volatility of the global markets and is exposed to risks that could potentially arise mainly in peripheral Eurozone countries.

The economic situation in Greece, though improving significantly fiscally, in combination with the political developments, still remains the main risk factor for the Greek banking sector. In case of negative developments in these areas, the Bank's and as a consequence the Group´s liquidity, the quality of its loan portfolio, its profitability, and ultimately, its capital adequacy may significantly be affected. Furthermore, Greece’s public debt sustainability constitutes an additional risk factor for the Greek banking system.

In March 2014, Bank of Greece published the capital needs for each of the Greek banks. Namely to Piraeus Bank, the capital requirement has been assessed at € 425 million in the baseline scenario (binding) and € 757 million in the adverse.

In April 2014, the Bank´s share capital increase of amount € 1.75 billion was completed, with the aim to: a) meet the capital needs as determined by the Bank of Greece, b) acquire in full the preference shares of total nominal amount € 750 million and c) further strengthen the capital adequacy ratios of the Group.

In May 2014, Piraeus Bank fully redeemed to the Hellenic Republic the total amount of preference shares (Pillar I Law 3723/2008) of € 750 million, issued to the latter by the Bank. The redemption of the preference shares to the Hellenic Republic significantly improved the quality of the Bank´s capital position and constitutes a necessary first step to regain flexibility for future dividend payments.

Piraeus Bank participates -as one of the 128 systemically important European banks- in the Comprehensive Assessment conducted by ECB, within the framework for the creation of the Single Supervisory Mechanism (SSM) for European Union banks. The assessment began in November 2013 and is currently underway while it is expected to be concluded in October 2014, when the results will be announced (2nd half of the month). The assessment process involves three phases, of which the first two have to do with the evaluation of risks and asset quality review (AQR) respectively, while the third, conducted in cooperation with the European Banking Authority (EBA), involves a stress test under a baseline and an adverse scenario for the period 2014-2016. In case that additional capital requirements arise for a credit institution, then it will have to implement a capital enhancement plan, within 6 to 9 months (baseline or adverse scenario accordingly) following the release of the results of the exercise.

Despite the uncertainties and the risks existing in the Greek banking system, the following factors provide support to the economy and the Greek banking sector and shall therefore be taken into consideration:

- The recapitalisation programme of systemic banks in 2013 and the share capital increase that took place in spring 2014 for these banks.
- The availability of additional capital, in case this is required for the further recapitalisation of the Greek banks and for the reorganization of the banking sector (the total amount of capital has been already provided to the HFSF for the support of the Greek banking system is € 50 billion, while € 39 billion have already been provided).
- The financial support from the International Monetary Fund as well as from the European Union, in the context of the second economic adjustment programme for Greece.
- The capability to raise liquidity through the Eurosystem and through the markets.
- The application of the economic adjustment programme and the observed recovery of the Greek economy (i.e. primary fiscal surplus and current account surplus for 2013).

Taking into consideration the above, Piraeus Bank's Management estimates that the Group will continue in operational existence for the foreseeable future. Accordingly, the consolidated interim condensed financial information has been prepared on a going concern basis.

Amounts in thousand euros (Unless otherwise stated)

4 Fair values of assets and liabilities

a) Assets and liabilities not measured at fair value

The following table summarises the fair values and the carrying amounts of those assets and liabilities not presented in the consolidated balance sheet at fair value.

Assets	Carrying Value		Fair Value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Loans and advances to credit institutions	282,431	293,035	282,431	293,035
Loans and advances to customers (net of provisions)	58,712,258	62,365,774	58,556,533	62,255,628
Debt securities - receivables	14,416,316	15,628,221	14,784,073	15,860,534
Reverse repos with customers	132,266	7,124	132,258	7,115
Held to maturity investment securities	33,076	58,041	33,076	58,041

Liabilities	Carrying Value		Fair Value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Due to credit institutions	21,377,785	26,274,952	21,377,785	26,274,952
Due to customers	54,177,658	54,279,320	54,177,658	54,279,320
Debt securities in issue	756,085	305,361	667,575	175,825
Hybrid capital and other borrowed funds	246,694	256,004	132,437	137,559

The fair values as at 30/6/2014 of loans and advances to credit institutions, reverse repos with customers, due to credit institutions and due to customers which are measured at amortized cost, are not materially different from the respective carrying values since they are very short term in duration and priced at current market rates. These rates are often repriced and due to their short duration they are discounted with the risk free rate.

The fair value of loans and advances to customers has been calculated using a discounted cash flow model, taking into account yield curves and any adjustments for credit risk.

Fair value for held to maturity investments securities and debt securities – receivables is estimated using quoted market prices. Where this information is not available, fair value has been estimated using the prices of securities with similar credit, maturity and yield characteristics, or by discounting cash flows.

The fair value of debt securities in issue is calculated based on quoted prices. Where quoted market prices are not available, the estimated fair value is based on other debt securities with similar credit, yield and maturity characteristics or by discounting cash flows.

The fair value of other borrowed funds and hybrid capital is based on quoted market prices. When quoted market prices are not reliable, the fair value is estimated by discounting cash flows with appropriate yield curves.

b) Assets and liabilities measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources. Unobservable inputs reflect the Group’s market assumptions. These two types of inputs have created the following fair value hierarchy:

Amounts in thousand euros (Unless otherwise stated)

• Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed shares and bonds on exchanges and exchanges traded derivatives like futures.

• Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes OTC derivatives and bonds. Input parameters are based on yield curves or data from reliable sources (Bloomberg, Reuters).

• Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Level 3 includes shares categorized in the available for sale portfolio and derivative financial instruments. Shares and derivative financial instruments within level 3 are not traded in an active market or for which there are not available prices from external traders in order to determine their fair value. For the determination of the fair value of the aforementioned shares, the Bank uses generally accepted valuation models and techniques such as: discounted cash flow models, estimation of options, comparable transactions, estimation of the fair value of assets (i.e. fixed assets) and net asset value. The Group, based on prior experience, adjusts if necessary, the relevant values in order to reflect the current market conditions. The estimated fair value of the corporate participations of the Group within level 3 is only taken into account for impairment test purposes, else these participations are recorded at cost.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

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

Assets & Liabilities measured at fair value	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	35	436,372	35,000	**471,407**
Financial Assets at FV through PL				
- Trading bonds	72,855	150,727	-	**223,582**
- Trading treasury bills	1,443	5,714	-	**7,156**
- Shares & other variable income securities of trading portfolio	5,027	32	-	**5,060**
- Shares at FV through PL	15,914	-	-	**15,914**
Available for Sale Securities				
- Bonds	306,124	95,281	-	**401,405**
- Shares & other variable income securities	188,679	4,148	187,898	**380,725**
- Treasury bills	591,065	118,156	-	**709,221**
Liabilities				
Derivative financial instruments - liabilities	425	452,316	-	**452,742**

During the first semester of 2014, no amount was transferred from level 2 to level 1 and vice versa.

The embedded derivative, of the convertible bond issued by MIG and acquired by the Bank in the 2nd quarter of 2014, has been included in level 3 of derivative financial assets. The aforementioned derivative has been separated from the host contract (bond) according to the applicable IAS 39 rules and is being accounted for as a standalone derivative at fair value.

At initial recognition, the derivative's fair value was determined with the Black & Scholes valuation model, the main variable of which being the volatility of the MIG stock price. In case that this basic variable takes values from 10% up to 50%, then the change in the fair value of the derivative, compared to the derivative's fair value as at 30/6/2014, will be between -60% and +150% approximately.

The following table presents the movement of shares of the availabale for share portfolio within level 3:

Reconciliation of level 3 items	Shares & Other variable Income securities
Opening balance 1/1/2014	194,427
Profit/ (loss) for the period	(215)
Shares purchases	128
Impairment	(6,996)
Disposals	(143)
FX differences	697
Transfer to level 3	-
Transfer from level 3	-
Total 30/6/2014	**187,898**

The following table presents the sensitivity analysis of Level 3 available for sale securities:

in million euros :	Favourable changes	Unfavourable changes
Income Statement	-	(26)
Equity Statement	13	(4)

The estimation of the change in the fair value of shares in level 3, has been approached by various methods, such as:

- the net asset value (NAV),
- the discounted future dividends taking into account estimates of the issuer and the relevant cost of capital,
- the closing prices of similar listed shares or the indices of similar listed companies,
- the adjusted equity position taking into account the value of the assets (i.e. tangible assets) and the relevant qualifications from the certified auditors´ report.

Also, factors that may adjust these values such as the industry and the business environment in which companies operate, current developments and prospects, have been taken into account, while the Group based on prior experience, adjusts further where necessary, these values so as to assess the possible changes.

5 Business segments

Piraeus Bank Group has defined the following business segments:

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

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

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

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

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

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

The presentation of the business segments for the first semester of 2014 is more detailed, with no changes in their structure. Furthermore, eliminations have been allocated to the relevant business segments of the Group and the analysis of the profit or loss for the Group relates to the continuing operations. The presentation of the disclosure for the comparative period of the first semester of 2013 has been changed accordingly.

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

Amounts in thousand euros (Unless otherwise stated)

1/1-30/6/2014	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	640,049	369,649	548	41,886	(72,813)	**979,320**
Net fee and commision income	120,828	26,942	5,206	6,648	381	**160,005**
Other operating income	5,812	187,216	1,955	(21,905)	61,286	**234,365**
Net Income	**766,689**	**583,807**	**7,709**	**26,630**	**(11,146)**	**1,373,689**
Depreciation and amortisation	(53,112)	(3,067)	(193)	(177)	(31,997)	**(88,546)**
Impairment losses on loans and other receivables	(786,491)	(229,285)	(2,482)	-	(45,110)	**(1,063,368)**
Impairment on participation and investment securities	-	-	-	-	(16,643)	**(16,643)**
Other provisions and impairment	(1,573)	(576)	-	-	(5,797)	**(7,946)**
Share of profit of associates	-	-	-	-	4,190	**4,190**
Results before tax	**(609,748)**	**297,405**	**(176)**	**637**	**(124,264)**	**(436,146)**
Income tax						354,199
Profit/ (Loss) after tax from continuing operations						**(81,948)**
Profit/ (loss) after income tax from discontinued operations						(565)
Profit/ (Loss) after tax for the period						**(82,512)**
As at 30 June 2014						
Segment assets	45,705,304	15,696,107	68,791	17,203,016	9,778,030	**88,451,248**
Segment liabilities	49,086,699	2,450,397	813,189	22,836,882	3,898,015	**79,085,182**
Capital expenditure	96,437	6,668	72	6,090	38,839	**148,106**

Amounts in thousand euros (Unless otherwise stated)

1/1-30/6/2013	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	453,399	282,567	(2)	82,512	(84,804)	**733,672**
Net fee and commision income	71,573	29,079	356	6,819	13,959	**121,786**
Other operating income	8,259	18,009	6	46,625	3,837,675	**3,910,574**
Net Income	**533,231**	**329,655**	**360**	**135,956**	**3,766,830**	**4,766,032**
Depreciation and amortisation	(28,883)	(405)	(59)	(911)	(30,006)	**(60,264)**
Impairment losses on loans and other receivables	(737,083)	(315,697)	-	-	(44,841)	**(1,097,621)**
Impairment on participation and investment securities	(826)	(164)	-	-	(30,717)	**(31,707)**
Other provisions and impairment	(581)	(145)	-	-	(34,460)	**(35,186)**
Share of profit of associates	-	-	-	-	(3,932)	**(3,932)**
Results before tax	**(976,952)**	**(44,094)**	**(1,099)**	**81,385**	**3,894,214**	**2,953,454**
Income tax						551,020
Profit/ (Loss) after tax from continuing operations						**3,504,473**
Profit/ (loss) after income tax from discontinued operations						21,145
Profit/ (Loss) after tax for the period						**3,525,618**
As at 31 December 2013						
Segment assets	47,484,571	17,669,581	72,248	18,602,766	8,180,427	**92,009,592**
Segment liabilities	48,773,182	2,806,125	909,817	27,506,067	3,471,502	**83,466,694**
As at 30 June 2013						
Capital expenditure	66,484	4,340	91	492	40,388	**111,795**

In the tables above, interest income is analyzed into business segments net of interest expense, as the Bank's management relies primarily on net interest revenue to assess the performance of the segment.

During the 1st half of 2013, negative goodwill due to the acquisition of the Greek banking operations of the three Cypriot banks, of the acquired assets and liabilities of former ATEbank, of Geniki Bank S.A. and of Millennium Bank S.A. is included in lines "Other operating income", "Net Income" and "Results before tax" of other business segments. Regarding results before tax of other business segments, there is no sector that contributes more than 10%.

Capital expenditure includes additions of intangible and tangible assets that took place during the period by each business segment.

The intercompany transactions among the business segments are realised under normal commercial terms.

6 Net income from financial instruments designated at fair value through profit or loss

Net income from financial instruments designated at fair value through profit or loss amounts to a loss of € 42.9 million for the period 1/1-30/6/2014, mainly due to the loss from derivatives and foreign exchange losses.

7 Results from investment securities

Results from investment securities amount to a gain of € 76.5 million for the period 1/1/-30/6/2014, mainly due to the sale of listed shares of the available for sale portfolio.

8 Other operating income

In the second quarter of 2014, “Other operating income” was affected mainly by: a) the gain of €144 million resulting from the replacement of one of the two acquired loans of Marfin Investment Group (“MIG”) companies, for a total consideration of € 165 million, with a convertible bond issued by MIG and b) the amount of € 39 million approximately, resulting from the recognition of an additional value on acquired loans due to additional collateral.

Amounts in thousand euros (Unless otherwise stated)

9 Profit/ (Loss) and Balance sheet from Discontinued Operations

Both periods 1/1-30/6/2014 and 1/1-30/6/2013 include the results of ATE Insurance S.A. and ATE Insurance Romania S.A., for which the sale process is in progress.

	1/1-30/6/2014	1/1-30/6/2013
Net interest income	884	924
Net fee and commission income	(19)	(18)
Dividend Income	28	6
Net income from financial instruments designated at fair value through profit or loss	2,591	3,399
Results from investment securities	44	-
Other operating income/ (loss)	16,555	33,536
Total net income	**20,084**	**37,847**
Staff costs	(6,877)	(8,746)
Administrative expenses	(5,356)	(5,420)
Depreciation and amortization	(765)	(922)
Total operating expenses before provisions	**(12,998)**	**(15,088)**
Other provisions and impairment	(5,783)	-
Profit/ (loss) before income tax	**1,303**	**22,758**
Income tax	(1,867)	(1,614)
Profit/ (loss) after income tax from discontinued operations	**(565)**	**21,145**

The following assets and liabilities as at 30/6/2014 and 31/12/2013 relate to the companies ATE Insurance S.A and ATE Insurance Romania S.A.:

	30 June 2014	31 December 2013
ASSETS		
Cash and balances with Central Banks	385	817
Loans and advances to credit institutions	3,394	1,989
Financial instruments at fair value through profit or loss	11,106	9,569
Available for sale securities	70,403	90,813
Held to maturity	20,429	19,976
Investment property	2,072	2,246
Property, plant and equipment	45,326	47,894
Intangible assets	1,003	898
Deferred tax assets	63,989	64,263
Other assets	108,171	119,192
Total Assets	**326,280**	**357,657**
LIABILITIES		
Deferred tax liabilities	18	17
Retirement benefit obligations	6,518	7,376
Other provisions	495,966	505,976
Other liabilities	37,009	43,205
Total Liabilities	**539,512**	**556,574**

Amounts in thousand euros (Unless otherwise stated)

10 Income tax

	1/1-30/6/2014	1/1-30/6/2013
Current Tax	(18,571)	(6,055)
Deferred tax	374,593	558,785
Provisions for tax differences	(1,823)	(1,711)
	354,199	**551,020**

In accordance with the provisions of the enacted Greek Tax Law (L.4172/2013), the income tax rate for Greek legal entities remained 26% for the years from 1/1/2014 and thereon and the tax rate for dividends distribution maintained to 10% for profits distribution which will be approved from 1/1/2014 and thereon.

For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the years of 2013 and 2014 (Bulgaria: 10%, Romania: 16%, Egypt: 20% for net income not exceeding 10 million EGP and 25% for net income exceeding the above amount, Serbia: 15% , Ukraine: 18% for 2014 and 19% for 2013, Cyprus: 12.5%, Albania: 15% for 2014 and 10% for 2013 and United Kingdom: 21% from 01/04/2014 and 23% from 01/04/2013 until 31/03/2014 and 24% until 31/3/2013).

The income tax revenue for the first semester of 2014 amounts to € 374 million and was mainly affected from the partial recognition of deferred tax asset on the Bank's tax deductible negative reserve in accordance with the provisions of article 72 of Law 4172/2014, as well as from the additional provisions for loan impairments recorded to the financial statements according to the International Financial Reporting Standards, in relation to the respective amounts recognized for tax purposes.

Deferred tax on the tax losses of the Group is based on the best estimates of the Management for the future evolution of their tax results and on the Group's approved Restructuring plan.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2010 have been finalized.

For the fiscal years 2011, 2012 and 2013, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non qualified Tax Compliance Report has been issued. It is noted that, for tax audit purposes the fiscal year 2011 has been finalized, since on 31/12/2013 a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance has been completed. Namely to the subsidiaries and associates of Piraeus Bank Group that are incorporated in Greece and which must be audited according to the applicable law in force, the tax audit of these entities for the years 2011, 2012 and 2013 has been completed and the relevant Tax Compliance Reports have been issued.

The unaudited tax years of the Group's subsidiaries and associates, are included in Note 18 of the Consolidated Financial Statements and therefore their tax liabilities for these years have not been finalized.

Amounts in thousand euros (Unless otherwise stated)

11 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the profit/ (loss) after tax attributable to ordinary shareholders of the parent entity by the weighted average number of ordinary shares in issue during the period, excluding the average number of ordinary shares purchased by the Group and held as treasury shares. There is no potential dilution on basic earnings/ (losses) per share.

Basic and diluted earnings/ (losses) per share from continuing operations	1/1-30/6/2014	1/1-30/6/2013	1/4-30/6/2014	1/4-30/6/2013
Profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(82,343)	3,508,923	164,287	(107,738)
Weighted average number of ordinary shares in issue	5,590,506,140	162,781,390	5,946,029,873	211,206,572
Basic and diluted earnings/ (losses) per share (in euros) from continuing operations	(0.0147)	21.5560	0.0276	(0.5101)

Basic and diluted earnings per share from discontinued operations	1/1-30/6/2014	1/1-30/6/2013	1/4-30/6/2014	1/4-30/6/2013
Profit attributable to ordinary shareholders of the parent entity from discontinued operations	(563)	21,145	1,410	8,970
Weighted average number of ordinary shares in issue	5,590,506,140	162,781,390	5,946,029,873	211,206,572
Basic and diluted earnings per share (in euros) from discontinued operations	(0.0001)	0.1299	0.0002	0.0425

According to the requirements of IAS 33, the weighted average number of shares for the comparative period from 1/1/2013 - 30/06/2013 has been adjusted by 1.0297 factor, in order to adjust earnings / (losses) per share for the discount price of the rights issue of the share capital increase that took place in April 2014.

12 Analysis of other comprehensive income

A. Continuing operations

1/1-30/6/2014	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	(54,719)	14,935	(39,784)
Change in currency translation reserve	(2,541)	-	(2,541)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	404	(122)	282
Other comprehensive income from continuing operations	**(56,856)**	**14,813**	**(42,043)**

Amounts in thousand euros (Unless otherwise stated)

1/1-30/6/2013	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	33,521	(13,059)	20,462
Change in currency translation reserve	6,598	-	6,598
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	0
Other comprehensive income from continuing operations	**40,119**	**(13,059)**	**27,060**

B. Discontinued operations

1/1-30/6/2014	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	4,124	-	4,124
Change in currency translation reserve	210	-	210
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	0
Other comprehensive income from discontinued operations	**4,334**	**0**	**4,334**

1/1-30/6/2013	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Change in available for sale reserve	2,307	-	2,307
Change in currency translation reserve	(31)	-	(31)
Amounts that cannot be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	0
Other comprehensive income from discontinued operations	**2,276**	**0**	**2,276**

13 Cash and balances with Central Banks

	30 June 2014	31 December 2013
Cash in hand	722,678	765,839
Nostros and sight accounts with other banks	317,536	416,691
Balances with Central Banks	785,407	246,221
Cheques clearing system - Central Banks	176,587	164,645
Blocked deposits	911,674	873,743
Mandatory reserves with Central Banks	548,428	407,633
	3,462,310	**2,874,771**

Mandatory reserves with the Central Banks and blocked deposits are not available for daily banking operations by the Group. The amount of blocked deposits mainly contains guarantees granted to credit institutions.

Amounts in thousand euros (Unless otherwise stated)

14 Financial assets at fair value through profit or loss

Trading securities	30 June 2014	31 December 2013
Greek government bonds	72,855	20,888
Foreign government bonds	150,727	163,083
Greek government treasury bills	1,639	5,360
Foreign government treasury bills	5,517	-
Total	**230,738**	**189,330**
Athens stock exchange listed shares	5,021	6,989
Foreign stock exchanges listed shares	6	5
Mutual funds	32	606
Total	**5,060**	**7,599**
Total trading securities (A)	**235,798**	**196,930**
Other financial assets at fair value through profit or loss (B)	**15,914**	**17,183**
Total (A) + (B)	**251,712**	**214,113**

15 Loans and advances to customers

	30 June 2014	31 December 2013
Mortgages	17,340,560	17,657,558
Consumer/ personal and other loans	4,847,144	5,102,862
Credit cards	1,196,574	1,248,952
Loans to individuals	**23,384,278**	**24,009,372**
Loans to corporate entities and Public sector	**41,665,117**	**44,065,175**
Total loans and advances to customers	**65,049,395**	**68,074,546**
Less: Allowance for impairment on loans and advances to customers	(6,337,137)	(5,708,773)
Total loans and advances to customers (net of provisions)	**58,712,258**	**62,365,774**

Amounts in thousand euros (Unless otherwise stated)

Movement in allowance (impairment) on loans and advances to customers

	Mortgages	Consumer/ personal and other loans	Credit cards	Total loans to individuals	Loans to corporate entities and Public sector	Total
Opening balance at 1/1/2013	**190,168**	**789,795**	**190,796**	**1,170,759**	**2,662,203**	**3,832,963**
Charge for the period	30,336	82,454	25,532	**138,322**	911,981	**1,050,302**
Loans written-off	(3,021)	(23,160)	(5,976)	**(32,156)**	(74,863)	**(107,019)**
Foreign exchange differences and other movements	53	(2,630)	(317)	**(2,895)**	(15,529)	**(18,423)**
Balance at 30/6/2013	**217,536**	**846,459**	**210,036**	**1,274,031**	**3,483,792**	**4,757,823**
Opening balance at 1/7/2013	**217,536**	**846,459**	**210,036**	**1,274,031**	**3,483,792**	**4,757,823**
Charge for the period	96,331	239,411	101,364	**437,106**	729,947	**1,167,052**
Loans written-off	(3,390)	(45,426)	(35,953)	**(84,770)**	(90,746)	**(175,516)**
Foreign exchange differences and other movements	(1,572)	(7,044)	(1,769)	**(10,385)**	(30,202)	**(40,587)**
Balance at 31/12/2013	**308,904**	**1,033,400**	**273,678**	**1,615,982**	**4,092,790**	**5,708,772**

	Mortgages	Consumer/ personal and other loans	Credit cards	Total loans to individuals	Loans to corporate entities and Public sector	Total
Opening balance at 1/1/2014	**308,904**	**1,033,400**	**273,678**	**1,615,982**	**4,092,790**	**5,708,772**
Charge for the period	45,384	62,000	70,901	**178,284**	817,402	**995,686**
Loans written-off	(4,023)	(167,440)	(23,111)	**(194,575)**	(109,143)	**(303,718)**
Foreign exchange differences and other movements	398	2,330	(98)	**2,629**	(66,233)	**(63,604)**
Balance at 30/6/2014	**350,663**	**930,290**	**321,368**	**1,602,321**	**4,734,816**	**6,337,137**

Amounts in thousand euros (Unless otherwise stated)

"Impairment losses on loans and other receivables'' in the Interim Income Statement for the 1st semester 2014 includes an amount of € 67.7 million that relates to impairment losses on other receivables.

It is noted that the allowance for impairment of loans of the Group of former ATEbank, Geniki Bank, the Greek banking operations of Cypriot Banks in Greece (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank) and Millennium Bank SA at their acquisition date by Piraeus Group, has decreased the gross balance of loans in the tables above, as under IFRS 3 it has been included in the adjustment of loans to fair value during the cost allocation process.

However, for purposes of credit risk monitoring in accordance with IFRS 7, the aforementioned adjustment is part of the provision.

The analysis of the adjustment that has taken place as at the acquisition date per loan category follows:

Loans and advances to customers	
Loans to individuals	**(1,936,803)**
Mortgages	(426,770)
Consumer/ personal loans	(1,160,754)
Credit cards	(349,280)
Corporate and Public sector loans	**(6,102,277)**
Total adjustment	**(8,039,080)**

16 Available for sale securities

	30 June 2014	31 December 2013
Greek government bonds	120,885	38,636
Foreign government bonds	279,170	320,091
Corporate entities bonds	-	41,608
Bank bonds	1,350	1,162
Greek government treasury bills	582,018	381,825
Foreign government treasury bills	127,203	111,916
Total bonds and other fixed income securities (A)	**1,110,626**	**895,238**
Athens stock exchange listed shares	94,976	196,461
Foreign stock exchange listed shares	25,209	26,162
Unlisted shares	146,277	150,813
Mutual funds	51,222	56,808
Other variable income securities	63,041	52,268
Total shares and other variable income securities (B)	**380,725**	**482,512**
Total available for sale securities (A) + (B)	**1,491,351**	**1,377,750**

17 Debt securities - receivables

	30 June 2014	31 December 2013
Corporate entities debt securities - receivables	4,579	4,535
Bank debt securities - receivables	23,846	23,846
Greek government bonds debt securities - receivables	10	1,272,203
Foreign government bonds debt securities - receivables and EFSF bonds	14,411,727	14,351,482
Total debt securities - receivables	**14,440,162**	**15,652,066**
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
Debt securities - receivables (less allowances for losses)	**14,416,316**	**15,628,221**

Amounts in thousand euros (Unless otherwise stated)

The decrease of the debt securities-receivables issued by the Hellenic Republic during the 1st semester of 2014, is mainly due: (a) to the full redemption by the Bank of the total preference shares (Pillar I L.3723/2008) in the amount of amount € 750 million, issued to the Hellenic Republic by the Bank, in exchange for the debt securities of the Hellenic Republic, which were initially transferred to Piraeus Bank in order to cover the issuance of the preference shares, and (b) due to the expiration of a bond of the Hellenic Republic with a nominal value of € 462 million.

Line "Foreign government bonds debt securities - receivables and EFSF bonds" includes bonds issued by the European Financial Stability Fund (EFSF) of nominal value € 7,295 million, which the Bank received under the transfer agreement of selected assets and liabilities of the former ATEbank. In the aforementioned category are also included bonds of the same issuer amounting to nominal value € 6,848 million, which the Bank received as a result of the participation of the Greek Financial Stability Fund in the share capital increase of Piraeus Bank. The book value of the above mentioned debt securities amounted to € 14,284 million as at 30/6/2014.

Bonds of book value € 128 million held by subsidiaries of the Group are also included in line "Foreign government bonds debt securities - receivables and EFSF bonds".

18 Investments in subsidiaries and associate companies

The investments of Piraeus Bank Group in subsidiaries and associates from continuing and discontinued operations are analysed below:

A) Subsidiaries companies (full consolidation method) from continuing operations.

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania	2012-2013
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2013
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2006-2013
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010-2013
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.49%	Egypt	2003-2013
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	2011-2013
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus	2007-2013
8.	Geniki Bank S.A.	Banking activities	99.94%	Greece	2005-2010, 2012-2013
9.	Piraeus Leasing Romania S.R.L.	Finance leases	100.00%	Romania	2003-2013
10.	Tirana Leasing S.A.	Finance leases	100.00%	Albania	2012-2013
11.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2010,2012-2013
12.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom	-
13.	Piraeus Leasing Bulgaria EAD	Finance leases	100.00%	Bulgaria	2008-2013
14.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom	2013
15.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2010,2012-2013
16.	Picar S.A.	City Link areas management	100.00%	Greece	2010,2012-2013

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
17.	Bulfina S.A.	Property management	100.00%	Bulgaria	2008-2013
18.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece	2010,2012-2013
19.	Pireaus Direct Services S.A.	Call center services	100.00%	Greece	2010,2012-2013
20.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece	2010,2012-2013
21.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2012-2013
22.	ND Development S.A.	Property management	100.00%	Greece	2010,2012-2013
23.	Property Horizon S.A.	Property management	100.00%	Greece	2010,2012-2013
24.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece	2010,2012-2013
25.	Piraeus Development S.A.	Property management	100.00%	Greece	2010,2012-2013
26.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece	2010,2012-2013
27.	Piraeus Buildings S.A.	Property development	100.00%	Greece	2010-2013
28.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
29.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.89%	Cyprus	2006-2013
30.	Lakkos Mikelli Real Estate LTD	Property management	50.66%	Cyprus	2009-2013
31.	Philoktimatiki Public LTD	Land and property development	53.31%	Cyprus	2009-2013
32.	Philoktimatiki Ergoliptiki LTD	Construction company	53.31%	Cyprus	2008-2013
33.	New Evolution S.A.	Property, tourism & development company	100.00%	Greece	2010,2012-2013
34.	EMF Investors Limited	Investment company	100.00%	Cyprus	2008-2013
35.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2012-2013
36.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece	2005-2010, 2012-2013
37.	Sunholdings Properties Company LTD	Land and property development	26.66%	Cyprus	2008-2013
38.	Polytropon Properties Limited	Land and property development	39.98%	Cyprus	2008-2013
39.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
40.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
41.	Piraeus Insurance Brokerage EOOD	Insurance brokerage	99.98%	Bulgaria	2007-2013
42.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
43.	Piraeus Egypt Leasing Co.	Finance leases	98.49%	Egypt	2007-2013
44.	Piraeus Egypt for Securities Brokerage Co.	Stock exchange operations	98.49%	Egypt	2007-2013
45.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and reinsurance brokerage	100.00%	Romania	2009-2013
46.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007-2013
47.	Piraeus Leases S.A.	Finance leases	100.00%	Greece	2007-2010, 2012-2013
48.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2013

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
49.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases- Rent-a-Car and long term rental of vehicles	94.00%	Greece	2009-2010, 2012-2013
50.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia	2007-2013
51.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
52.	Piraeus Leasing Doo Beograd	Finance leases	100.00%	Serbia	2007-2013
53.	Piraeus Real Estate Consultants Doo	Construction company	100.00%	Serbia	2008-2013
54.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2013
55.	Piraeus Real Estate Egypt LLC	Property management	100.00%	Egypt	2007-2013
56.	Piraeus Bank Egypt Investment Company	Investment company	98.47%	Egypt	2007-2013
57.	Piraeus Insurance Agency S.A.	Insurance - agency	100.00%	Greece	2010,2012-2013
58.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece	2010,2012-2013
59.	Piraeus Insurance Brokerage Egypt	Insurance brokerage	96.51%	Egypt	2008-2013
60.	Integrated Services Systems Co.	Warehouse & mail distribution management	98.48%	Egypt	2004-2013
61.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
62.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
63.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
64.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
65.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
66.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
67.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	-
68.	R.E Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus	2009-2013
69.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010,2012-2013
70.	Solum Limited Liability Company	Property management	99.00%	Ukraine	2009-2013
71.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance brokerage	100.00%	Cyprus	2009-2013
72.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2010-2013
73.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010,2012-2013
74.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus	2011-2013
75.	Piraeus Equity Advisors Ltd.	Investment advise	100.00%	Cyprus	2009-2013
76.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece	2010,2012-2013
77.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2013
78.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
79.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
80.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2013

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
81.	Curdart Holding Ltd	Holding company	100.00%	Cyprus	2009-2013
82.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2013
83.	Piraeus Clean Energy Holdings LTD	Holding Company	100.00%	Cyprus	2010-2013
84.	Visa Rent A Car S.A.	Rent A Car company	94.00%	Greece	2010, 2012-2013
85.	Adflikton Investments LTD	Property Management	100.00%	Cyprus	2009-2013
86.	Costpleo Investments LTD	Property Management	100.00%	Cyprus	2010-2013
87.	Cutsofiar Enterprises LTD	Property Management	100.00%	Cyprus	2010-2013
88.	Gravieron Company LTD	Property Management	100.00%	Cyprus	2008-2013
89.	Kaihur Investments LTD	Property Management	100.00%	Cyprus	2007-2013
90.	Pertanam Enterprises LTD	Property Management	100.00%	Cyprus	2007-2013
91.	Rockory Enterprises LTD	Property Management	100.00%	Cyprus	2010-2013
92.	Topuni Investments LTD	Property Management	100.00%	Cyprus	2007-2013
93.	Albalate Company LTD	Property Management	100.00%	Cyprus	2011-2013
94.	Akimoria Enterprises LTD	Property Management	100.00%	Cyprus	2011-2013
95.	Alarconaco Enterprises LTD	Property Management	100.00%	Cyprus	2011-2013
96.	Kosmopolis A' Shopping Centers S.A.	Shopping Center’s Management	100.00%	Greece	2010,2012-2013
97.	Parking Kosmopolis S.A.	Parking Management	100.00%	Greece	2010,2012-2013
98.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011-2013
99.	Bulfinace E.A.D.	Property Management	100.00%	Bulgaria	2008-2013
100.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	2013
101.	Asset Management Bulgaria EOOD	Travel - rental services and property management	100.00%	Bulgaria	2012-2013
102.	Arigeo Energy Holdings Ltd	Holding Company in Renewable Energy	100.00%	Cyprus	2012-2013
103.	Exus Software Ltd.	IT products Retailer	50.10%	United Kingdom	2012-2013
104.	Proiect Season Residence SRL	Real Estate Development	100.00%	Romania	2012-2013
105.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of Venture Capital Fund	100.00%	Greece	2013
106.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	80.00%	Greece	2013
107.	Piraeus Asset Management Europe S.A.	Mutual funds management	100.00%	Luxemburg	-
108.	Geniki Financial & Consulting Services S.A.	Financial & Consulting Services	99.94%	Greece	2010-2013
109.	Geniki Insurance Agency S.A.	Insurance Agency	99.94%	Greece	2010-2013
110.	Geniki Information S.A.	Assessment and collection of commercial debts	99.94%	Greece	2010-2013
111.	Solum Enterprise LLC	Property management	99.00%	Ukraine	2012-2013
112.	General Business Management Investitii S.R.L.	Development of Building Projects	100.00%	Romania	2013

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
113.	Centre of Sustainable Entrepreneurship Excelixi S.A. (former Atexcelixi S.A.)	Consulting Services - Hotel - Training & Seminars	100.00%	Greece	2010,2012-2013
114.	Piraeus Bank (Cyprus) Nominees Limited	Defunct	100.00%	Cyprus	2012-2013
115.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010,2012-2013
116.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece	2010,2012-2013
117.	Geniki Asset Management A.E.D.A.K. (former Millennium A.E.D.A.K.)	Mutual funds management	99.94%	Greece	2010,2012-2013
118.	Kion Mortgage Finance Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
119.	Kion Mortgage Finance No.3 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
120.	Kion CLO Finance No.1 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
121.	Re Anodus Two Ltd	Holding and Investment Company	99.09%	Cyprus	2013
122.	Sinitem Llc	Sale and Purchase of Real Estate	99.00%	Ukraine	2013
123.	Beta Asset Management Eood	Rent and Management of Real Estate	99.98%	Bulgaria	2013
124.	Linklife Food & Entertainment Hall S.A.	Operation of Food and Entertainment Halls	100.00%	Greece	2013
125.	R.E. Anodus SRL	Real Estate Development	99.09%	Romania	2013
126.	Entropia Ktimatiki S.A.	Property Management	66.70%	Greece	2010-2013
127.	Tellurion Ltd	Holding Company	100.00%	Cyprus	2013
128.	Tellurion Two Ltd	Holding Company	99.09%	Cyprus	2013
129.	Akinita LTD LLC	Real estate development	99.09%	Ukraine	-
130.	Daphne Real Estate Consultancy SRL	Real estate development	99.09%	Romania	-
131.	Rhesus Development Projects SRL	Real estate development	99.09%	Romania	-
132.	Varna Asset Management EOOD	Real estate development	99.98%	Bulgaria	-
133.	Piraeus Real Estate Tirana Sh.P.K.	Real estate development	100.00%	Albania	-

Companies numbered 28, 51, 61-66 and 118 - 120 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 37 and 38 although presenting less than 50% holding percentage, are included in the Group's subsidiaries' portfolio due to existence of control.

Also, as at 30/6/2014 the companies numbered 27, 39, 40, 44, 48, 53 and 119 - 120 were under liquidation.

The subsidiaries that are excluded from the consolidation are as follows: a) “Asbestos Mines S.A.”, b) “Hellenic Industry of Aluminum”, c) “ELSYP S.A.”, d) “Blue Wings Ltd”, e) “Piraeus Bank’s Congress Centre”, f) “Piraeus Bank Group Cultural Foundation”, g) “Procas Holding Ltd”, h) "Phoebe Investments SRL", i) "Core investments Project SRL", j) "Amaryllis Investments Consultancy SRL", k) “Torborg Maritime Inc.”, l) “Isham Marine Corp.”, m) “Cybele Management Company”, n) “Alegre Shipping Ltd”, o) “Maximus Chartering Co.”, p) “Lantana Navigation Corp.”, q) "Bayamo Shipping Co.", r) "Pallas Shipping SA", s) "Sybil Navigation Co.", t) "Zephyros Marine INC" and u) “Priam Business Consultancy SRL". The companies numbered (a)-(c) are fully depreciated, under liquidation or dissolution status. The company numbered (d) is under idle status. The companies numbered (g)-(j) and (u) have not started operating yet. The companies numbered (k)-(t) have been inactivated and will be set under dissolution. The consolidation of the above mentioned companies does not affect the financial position and result of the Group.

Amounts in thousand euros (Unless otherwise stated)

B) Associate companies (equity accounting method)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece	2010-2013
2.	Evros' Development Company S.A.	European community programs management	30.00%	Greece	2010-2013
3.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010-2013
4.	Alexandria for Development & Investment	Investment company	21.67%	Egypt	2008-2013
5.	Nile Shoes Company	Footwear seller- manufacturer	38.74%	Egypt	2003-2013
6.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding Company	27.80%	Greece	2010,2012-2013
7.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010,2012-2013
8.	Trieris Real Estate LTD	Property management	22.94%	British Virgin Islands	-
9.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece	2012-2013
10.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010,2012-2013
11.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2010,2012-2013
12.	Trastor Real Estate Investment Company	Real estate investment property	33.80%	Greece	2010,2012-2013
13.	Euroterra S.A.	Property management	39.22%	Greece	2010-2013
14.	Rebikat S.A.	Property management	40.00%	Greece	2010-2013
15.	Abies S.A.	Property management	40.00%	Greece	2010-2013
16.	ACT Services S.A.	Accounting and tax consulting	49.00%	Greece	2012-2013
17.	Exus S.A.	Information technology & software	49.90%	Greece	2010,2012-2013
18.	Good Works Energy Photovoltaics S.A.	Construction & operation PV solar projects	33.15%	Greece	2006,2012-2013
19.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece	-
20.	AIK Banka	Banking activities	20.86%	Serbia	2006-2013
21.	Teiresias S.A.	Inter banking company. Development, operation and management of information systems	23.53%	Greece	2010,2012-2013
22.	PJ Tech Catalyst Fund	Close end Venture capital fund	30.00%	Greece	-
23.	Pyrrichos S.A.	Property management	50.76%	Greece	2010,2012-2013
24.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	23.42%	Greece	2007-2013
25.	Euroak S.A. Real Estate	Real Estate Investment	32.81%	Greece	2010-2013
26.	Gaia S.A.	Software services	30.00%	Greece	-
27.	Olganos S.A.	Property management/Electricity Production from Hydropower Stations	32.27%	Greece	-

Amounts in thousand euros (Unless otherwise stated)

The company numbered 19 is included in the associate companies' portfolio, due to the fact that Piraeus Bank Group exercises significant influence on the investment committee of the fund, which takes the investment decisions. The company numbered 23 is included in the associate companies´ portfolio since the Group has significant influence and not control. The company numbered 18 is under liquidation as at 30/6/2014.

The changes in the portfolio of subsidiaries and associates are included in note 27.

The associate company "Evrytania S.A. Agricultural Development Company" has been excluded from the consolidation under the equity method of accounting, since it is under idle.

C) Subsidiaries from discontinued operations

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

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
1.	ATE Insurance S.A.	Insurance	100.00%	Greece	2008-2010, 2012-2013
2.	ATE Insurance Romania S.A.	Insurance	99.47%	Romania	2007-2013

19 Due to credit institutions

"Due to credit institutions" includes refinancing operations through repo transactions within the eurosystem amounting to € 9.9 billion (31/12/2013: € 17.9 billion). The decrease in the refinancing raised from the eurosystem during the first semester of 2014 is mainly due to the improvement of liquidity due to the share capital increase (€ 1.75 billion), interbank repo transactions, the repayment of loans to OPEKEPE (€ 1.9 billion) and the issue of a senior bond (€ 500 million).

Amounts in thousand euros (Unless otherwise stated)

20 Due to customers

	30 June 2014	31 December 2013
Corporate		
Current and sight deposits	6,393,350	6,681,967
Term deposits	5,747,499	5,575,333
Blocked deposits, guarantee deposits and other accounts	168,762	249,080
Repurchase agreements	43,841	14,411
Total (A)	**12,353,451**	**12,520,790**
Retail		
Current and sight deposits	2,345,372	2,281,624
Savings account	12,209,501	12,870,403
Term deposits	27,053,444	26,481,239
Blocked deposits, guarantee deposits and other accounts	25,993	23,783
Repurchase agreements	258	784
Total (B)	**41,634,568**	**41,657,833**
Cheques payable and remittances (C)	**189,638**	**100,697**
Total Due to Customers (A)+(B)+(C)	**54,177,658**	**54,279,320**

21 Debt securities in issue

	30 June 2014	31 December 2013
Euro Medium Term Note		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 500 m. fixed rate notes due 2017	497,820	-
Accrued interest and other expenses	6,788	1,197
Total (A)	**564,608**	**61,197**
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	51,622	56,665
€ 1,250 m. floating rate notes due 2054	97,205	116,098
€ 600 m. floating rate notes due 2051	42,650	71,400
Total (B)	**191,477**	**244,163**
Total debt securities in issue (A)+(B)	**756,085**	**305,360**

Amounts in thousand euros (Unless otherwise stated)

It should be noted that, apart from the debt securities in the table above, as at 30/6/2014 liabilities arising from securitisations of loans are retained by Piraeus Bank. These issues are the first and third securitisation of corporate loans in the amount of € 1,750 million and € 2,352 million respectively as well as the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively.

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

In February 2014, Piraeus Bank issued a € 1,750 million senior bond, due March 2015, with the unconditional and irrevocable guarantee of the Hellenic Republic, under Art. 2 of Law 3723/2008, through Piraeus Bank's EMTN programme. The bond pays a floating rate coupon of 3M Euribor plus 1200 bps and is retained by Piraeus Bank. In May 2014 and June 2014, bonds of € 2,370 million and € 2,206.5 million respectively, issued in 2013 by Piraeus Bank with the unconditional and irrevocable guarantee of the Hellenic Republic (art. 2 of Law 3723/2008) and were retained by Piraeus Bank, matured and have not been renewed.

In March 2014, Piraeus Bank issued a 3-year fixed rate senior bond in the amount of € 500 million through its subsidiary Piraeus Group Finance PLC under the EMTN programme in order to raise medium term funds. The new 3-year bond pays a 5.00% fixed coupon and is listed on the Luxembourg Stock Exchange.

Piraeus Bank, during the period 1/4/2014 – 30/6/2014, proceeded to the buy back of bonds of securitised loans of total amount after amortization of € 27 million.

22 Hybrid capital and other borrowed funds

	30 June 2014	31 December 2013
Hybrid capital (Tier I)		
€ 200 m. floating rate notes due 2034	18,459	18,500
	18,459	**18,500**
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	227,240	236,490
Accrued interest and other expenses	995	1,014
	228,235	**237,504**
Total hybrid capital and other borrowed funds	**246,694**	**256,004**

The Bank is not in default of any payments of principal and interest of the subordinated debt. In the third quarter of 2012, it has been decided that the interest return on hybrid capital will not be paid, taking into account the special terms and conditions that rule out the related payments.

Piraeus Bank, during the period 1/4/2014 – 30/6/2014, proceeded to the buy back of hybrid securities and subordinated securities of total amount € 9.3 million.

Amounts in thousand euros (Unless otherwise stated)

23 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Group as at 30/6/2014 are not expected to have any significant impact on the financial statements of the Group. The Group's provision for outstanding litigations amounts to € 14.9 million from continuing operations and € 4.0 million from discontinued operations.

B) Credit commitments

As at 30/6/2014 the Group had undertaken the following commitments:

	30 June 2014	31 December 2013
Letters of guarantee	3,142,066	3,339,169
Letters of credit	71,959	64,442
Commitments to extent credit	1,977,172	1,881,437
	5,191,198	**5,285,048**

C) Assets pledged

	30 June 2014	31 December 2013
Cash and balances with Central Banks	912,135	874,155
Financial instruments at fair value through profit or loss	130,350	126,983
Investment securities	719,202	416,638
Loans and advances to customers	4,138,186	2,513,325
Debt securities - receivables	6,559,414	8,005,582
	12,459,288	**11,936,682**

Apart from the above mentioned assets, the Group pledges debt securities own issue amounting to € 5,361 million as at 30/6/2014 (31/12/2013: € 16,419 million). The amount of € 5,361 million includes securities of equal amount that had been issued with the unconditional guarantee of the Hellenic Republic. The aforementioned securities are not included in Group's assets.

D) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are analysed as follows:

	30 June 2014	31 December 2013
Up to 1 year	76,638	94,526
From 1 to 5 years	289,876	359,157
More than 5 years	472,251	594,168
	838,764	**1,047,851**

Amounts in thousand euros (Unless otherwise stated)

24 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
Opening balance at 1 January 2013	**1,092,998**	**2,953,355**	**(36)**	**4,046,317**
Increase of share capital	1,487,471	6,746,680	-	8,234,151
Decrease of the nominal value of ordinary shares	(308,698)	308,698	-	-
Effect from sales and purchases of treasury shares	-	-	(77)	(77)
Balance at 31 December 2013	**2,271,770**	**10,008,733**	**(113)**	**12,280,392**
Opening balance at 1 January 2014	**2,271,770**	**10,008,733**	**(113)**	**12,280,392**
Increase of share capital	308,824	1,384,581	-	1,693,405
Repurchase of preferred shares	(750,000)	-	-	(750,000)
Effect from sales and purchases of treasury shares	-	-	47	47
Balance at 30 June 2014	**1,830,594**	**11,393,314**	**(65)**	**13,223,843**

Changes to the number of Bank's shares are analysed in the table below:

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1 January 2013	**2,487,561,364**	**(83,588)**	**2,487,477,776**
Adjustment (decrease) in the number of ordinary shares due to reverse split (10:1)	(1,028,993,907)	75,229	(1,028,918,678)
Adjusted opening balance at 1 January 2013	**1,458,567,457**	**(8,359)**	**1,458,559,098**
Increase of share capital	4,958,235,294	-	4,958,235,294
Purchases of treasury shares	-	(1,144,131)	(1,144,131)
Sales of treasury shares	-	1,190,295	1,190,295
Treasury shares due to participation in share capital increase	-	(53,520)	(53,520)
Balance at 31 December 2013	**6,416,802,751**	**(15,715)**	**6,416,787,036**
Opening balance at 1 January 2014	**6,416,802,751**	**(15,715)**	**6,416,787,036**
Increase of share capital	1,029,411,764	-	1,029,411,764
Repurchase of preferred shares	(1,344,234,800)	-	(1,344,234,800)
Purchases of treasury shares	-	(925,198)	(925,198)
Sales of treasury shares	-	905,855	905,855
Balance at 30 June 2014	**6,101,979,715**	**(35,058)**	**6,101,944,657**

On 1/1/2014, the Bank’s share capital amounted to € 2,271,770,384.28 divided to 5,072,567,951 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 preference non-voting shares, each with a nominal value of € 4.77 and (b) 1,266,666,666 preference non-voting shares, each with a nominal value of € 0.30.

The Extraordinary General Meeting of the ordinary shareholders of the Bank which took place on 28/3/2014 (the decision of which was approved by the 28/3/2014 decision of the Extraordinary General Meeting of the preference shareholder of the Bank), decided the Bank’s share capital increase in order to raise capital up to € 1.75 billion, through contribution in cash and the issuance of ordinary registered shares and the cancellation of the pre-emption rights of the existing shareholders.

Amounts in thousand euros (Unless otherwise stated)

Specifically, it was decided a € 308,823,529.20 share capital increase of the Bank with the cancellation of the pre-emption rights of the existing shareholders and the issuance of 1,029,411,764 new ordinary registered voting shares with a nominal value of € 0.30 each and an offer price of € 1.70 per share. Further to the said increase, the Bank's share capital amounted to € 2,580,593,913.48 divided into 6,101,979,715 ordinary registered voting shares of a nominal value of € 0.30 each and 77,568,134 preference non-voting shares of a nominal value of € 4.77 each, and 1,266,666,666 preference non-voting shares of a nominal value of €0.30 each.

The Share premium reserve increased by € 1,384,580,554.64 after the reduction of the expenses related to the share capital increase and the respective deferred tax. It is noted that the expenses on share capital increase at 30/6/2014 amounted to € 76,480,966.17 before tax and € 56,595,914.97 after tax.

On 21 May 2014, Piraeus Bank S.A. fully redeemed to the Hellenic Republic the total amount of preference shares (Pillar I Law 3723/2008) in the amount of € 750 million, issued to the latter by the Bank. Following the redemption of preference shares, the share capital of the Bank on 30/6/2014 amounts to € 1,830,593,914.50 divided to 6,101,979,715 ordinary registered shares, with a nominal value of € 0.30 each. Relevant amendment to the articles of association of the Bank will be resolved by the general meeting of shareholders.

The Annual Ordinary General Meeting of Shareholders, held on 16/5/2014, decided not to distribute dividend for the fiscal year 2013, according to the established provisions of article 1 of Law 3723/2008, as amended is in force, for the credit institutions participating in the Economy reinforcement plan, combined with article 44a of C. Law 2190/1920.

According to article 28, Law 3756/2009 (Gov. Gazette A' 53/31.3.2009) the acquisition of treasury shares is not permitted for so long as the Bank participates in the reinforcement programmes, provided by the Law 3723/2008 (Gov. Gazette A' 250/9.12.2008). Furthermore, pursuant to par. 1, art. 16C of law 3864/2010 the acquisition of treasury shares by the Bank is not permitted for so long as the HFSF is a shareholder of the Bank. Treasury shares transactions are carried out by the Group subsidiary Piraeus Securities S.A. through its activities which are derived from its role as a market maker.

25 Other reserves and retained earnings

	30 June 2014	31 December 2013
Legal reserve	115,533	114,108
Extraodinary reserve	13,940	13,940
Available for sale reserve	54,727	94,491
Currency translation reserve	(168,254)	(165,664)
Other reserves	21,427	18,535
Reserve of defined benefit obligations	7,463	7,193
Other reserves from continuing operations	44,836	82,604
Amounts recognized directly in equity relating to non-current assets from discontinued operations	22,438	18,106
Total other reserves	**67,274**	**100,709**

In the “Amounts recognized directly in equity relating to non-current assets from discontinued operations” category the “Available for sale reserve”, the “Currency translation reserve” and the “Reserve of defined benefit obligations” from discontinued operations are included.

Amounts in thousand euros (Unless otherwise stated)

Other reserves movement	30 June 2014	31 December 2013
Opening balance for the period	100,709	4,646
Movement of available for sale reserve	(39,764)	52,294
Formation of legal reserve	1,425	6,469
Formation of other reserves	2,891	4,630
Change in reserve of defined benefit obligations	270	7,193
Amounts recognized directly in equity relating to non-current assets from discontinued operations	4,333	8,804
Foreign exchange differences and other adjustments	(2,590)	16,672
Closing balance for the period	**67,274**	**100,709**

Available for sale reserve movement	30 June 2014	31 December 2013
Opening balance for the period	94,490	42,196
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	20,239	58,409
Gains/ (losses) from the valuation of shares and mutual funds	302	61,611
Recycling to income statement of shares and mutual funds impairment	-	2,100
Deferred income taxes	14,935	(22,068)
Recycling of the accumulated fair value adjustment of disposed securities	(76,534)	(48,291)
Foreign exchange differences and adjustments	1,294	534
Closing balance for the period	**54,727**	**94,490**

Retained earnings movement	30 June 2014	31 December 2013
Opening balance for the period	(3,957,191)	(6,503,766)
Profit/ (loss) after tax attributable to the owners of the parent entity	(82,906)	2,562,089
Profit/ (loss) from sales of treasury shares	(60)	113
Share capital increase expenses	-	(1,625)
Transfer between other reserves and retained earnings	(4,317)	(11,099)
Acquisitions, disposals, absorption, liquidation and movements in participating interest	(170)	(2,903)
Closing balance for the period	**(4,044,645)**	**(3,957,191)**

26 Related parties transactions

Related parties include: a) Members of the Bank Board of Directors and key management personnel of the Bank, b) Close family and financially dependants (husbands, wives, children etc) of Board of Directors members and key management personnel, c) Companies having transactions with Piraeus Bank Group, if the total cumulative participating interest (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds cumulatively 20% and in any case companies on which the above mentioned persons have significant influence and d) HFSF, which in accordance with IAS 24 is related party of Piraeus Bank, after the recapitalization in the context of the law 3864. There are no material transactions with companies related to HFSF.

Amounts in thousand euros (Unless otherwise stated)

The transactions with related parties are analysed as follows:

	30 June 2014	31 December 2013
Loans	142,506	150,717
Deposits	25,637	28,515

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/6/2014 are € 3.3 million (31/12/2013: € 3.5 million). The total income that relates to members of the Board of Directors and to key management personnel for the period from 1/1 - 30/6/2014 is € 2.0 million (1/1 - 30/6/2013: € 1.7 million). The total expense that relates to the prementioned related parties for the first semester 2014 is € 0.3 million (1/1 - 30/6/2013: € 0.4 million).

Loans and letters of guarantee issued to related parties represent an insignificant part of total loans and letters of guarantee issued by the Group, respectively. Loans and letters of guarantee have been issued to related parties in the normal course of business, within the approved credit policies and Group procedures, adequately collateralised. Loans to related parties are performing and no provision has been raised for their balances.

Directors' renumeration	1/1-30/6/2014	1/1-30/6/2013
Wages, salaries, employer's share of social contributions and charges	4,061	2,750
Provisions for compensation and retirement programs	472	442

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel remains at the same level as of 31/12/2013 (approximately € 27 million). The full amount of the above provisions has been included in the retirement benefit obligations

	Associates	
	30 June 2014	31 December 2013
Deposits and other liabilities	43,401	35,657
Loans and other receivables	258,776	243,991

	1/1-30/6/2014	1/1-30/6/2013
Total expense & capital expenditure	(11,149)	(10,622)
Total income	6,015	5,374

27 Changes in the portfolio of subsidiaries and associates

During the 1st semester of 2014, Piraeus Bank and its subsidiaries paid for the acquisition, establishment and participation in share capital increases of subsidiaries, a total amount of € 21,053 thousand. Additionally, Piraeus Bank and its subsidiaries paid for the establishment and participation in share capital increases of associates, a total amount of € 888.9 thousand.

The analysis of changes is presented below:

a) Gain of control or significant influence:

On 27/1/2014, Tellurion Two Ltd, 99.09% Group's subsidiary, acquired 100% of the company Akinita Ltd LLC. As a result, the company is included in the subsidiaries' portfolio of the Group.

b) Establishments:

On 21/1/2014, Centre of Sustainable Entrepreneurship Excelixi S.A., 100% subsidiary of Piraeus Bank S.A., participated in the establishment of the company Gaia S.A., with the amount of € 300 thousand for the acquisition of 30% of the company, and as a result it is included in the associates' portfolio of the Group.

On 29/1/2014, the company Olganos Real Estate S.A. was established. Piraeus Bank S.A. acquired 32.27% of the company, and as a result it is included in the associates' portfolio. The entity has been excluded from the consolidation under the equity method of accounting due to the fact that it has not started business operation as at 31/3/2014.

On 21/2/2014, R.E. Anodus Two LTD and R.E. Anodus SRL, 99.09% Group's subsidiaries, established its 100% subsidiaries Daphne Real Estate Consultancy SRL and Rhesus Development Projects SRL.

On 11/4/2014, Piraeus Bank Bulgaria A.D., 99.98% subsidiary of Piraeus Bank S.A., established Varna Asset Management EOOD by paying its share capital of € 2.5 thousand. The company is included in the subsidiaries' portfolio of the Group.

On 19/5/2014, Piraeus Real Estate S.A., 100% subsidiary of Piraeus Bank S.A., paid the due share capital of € 15 thousand of its 100% established subsidiary Piraeus Real Estate Tirana Sh.P.K.

On 30/6/2014, R.E. Anodus Two LTD, 99.09% subsidiary of Piraeus Bank S.A., and Tellurion LTD, 100% subsidiary of Piraeus Bank S.A., established Priam Business Consultancy SRL, with the amount of € 45.63. The company, which is included in the subsidiaries' portfolio of the Group, is excluded from the consolidation due to the fact that it has not started business operation as at 30/6/2014.

c) Participation in the share capital increases / decreases - Changes of participation:

On 22/1/2014, PJ Tech Catalyst Fund, 30% Group's associate company, increased its assets with the amount of € 96.7 thousand. As a result, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., covered its shareholding ratio, without altering its shareholding percentage.

On 12/3/2014, Piraeus-TANEO Capital Fund, 50.01% associate of Piraeus Bank S.A, increased its assets with the amount of € 335 thousand. Piraeus Bank S.A. covered its shareholding ratio without altering its shareholding percentage.

On 26/3/2014, Piraeus Bank Beograd A.D., 100% subsidiary of Piraeus Bank S.A., increased its share capital with the amount of € 25 million through the capitalization of subordinated debt. Following the share capital increase, the shareholding percentage of Piraeus Bank S.A. did not alter.

During the 1st quarter of 2014, Piraeus FI Holding Ltd, 100% Group's subsidiary, fully covered the share capital increase of its 100% subsidiary Piraeus Clean Energy LP, without altering its shareholding percentage in the company.

On 24/4/2014, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of its 100% subsidiaries Piraeus Master GP Holding Ltd, Piraeus Equity Advisors Ltd and Piraeus Equity Investment Management Ltd with the amounts of € 30 thousand, € 50 thousand and € 25 thousand respectively, without altering its shareholding percentage in each company.

On 28/4/2014 and 30/6/2014, Piraeus - TANEO Capital Fund, 50.01% associate participation of Piraeus Bank S.A., increased its assets by the amount of € 222 thousand. Piraeus Bank S.A. covered its shareholding ratio with the amount of € 111 thousand, without altering its shareholding percentage.

On 29/4/2014, Piraeus Clean Energy LP, 100% subsidiary participation of the Group, fully covered the share capital increase of its 100% subsidiary Piraeus Clean Energy Holdings Ltd, with the amount of € 60 thousand, without altering its shareholding percentagein the company.

On 30/4/2014, Piraeus Clean Energy Holdings Ltd, 100% subsidiary of the Group, fully covered the share capital increase of its 100% subsidiary Arigeo Energy Holdings Ltd, with the amount of € 25 thousand, without altering its shareholding percentage.

During June 2014, Piraeus Bank Egypt S.A.E., subsidiary of Piraeus Bank S.A., increased its share capital with the amount of € 18.4 million, which was fully covered by Piraeus Bank S.A. As a result, the shareholding percentage of Piraeus Bank S.A. in the company increased to 98.49% from 98.30%. The aforementioned increase is subject to regulatory approvals.

On 27/6/2014 Piraeus Bank S.A., fully covered the share capital increase of its 100% subsidiary Picar S.A.,with the amount of € 20 million, without altering its shareholding percentage in the company.

During the 1st half of 2014, PJ Tech Catalyst Fund, 30% associate of the Group, increased its assets by the amount of € 833 thousand. As a result, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., covered its shareholding ratio with the amount of € 249.9 thousand.

During the 1st half of 2014, Piraeus FI Holding Ltd, 100% subsidiary of the Group, fully covered the share capital increase of its 100% subsidiary Piraeus Clean Energy LP, with the amount of € 241.3 thousand, without altering its shareholding percentage in the company.

During the 1st half of 2014, Piraeus Equity Partners LTD, 100% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of its 100% subsidiary Piraeus FI Holding LTD, with the amount of € 422.5 thousand, without altering its shareholding percentage in the company.

d) Liquidation and disposal:

Piraeus – Egypt For Securities Brokerage Co., 98.49% Group's subsidiary, is set under liquidation.

e) Further changes – Transfers:

Exodus S.A., 49.90% associate of Piraeus Bank S.A., changed its distinctive title to Exus S.A.

During the 1st half of 2014, Millennium AEDAK, 100% subsidiary of Piraeus Bank S.A., was renamed to Geniki Asset Management AEDAK, with the distinctive title Geniki AEDAK.

On 4/4/2014, Piraeus Bank S.A. transferred 100% of Geniki Asset Management A.E.D.A.K. to Geniki Bank S.A. with the amount of € 2.1 million.

On 17/6/2014, Piraeus Bank S.A. merged through absorption its 100% subsidiary Piraeus Wealth Management A.E.P.E.Y.

Amounts in thousand euros (Unless otherwise stated)

28 Capital adequacy

Piraeus Bank Group has been compliant from January 2014 with the new regulatory framework of Capital adequacy of credit institutions, under the standards of Basel III which came into force with the Directive 2013/36/EU and Regulation 575/2013 (CRD IV).

Bank of Greece requires from each Banking Institution to maintain a minimum level of regulatory capital related to the undertaken risks.

The minimum Capital Adequacy Ratios that Banking Institutions are required to keep from 1/1/2014 according to the new regulatory framework are:

- Common Equity Tier 1 Ratio (CET1): 4.5%
- Tier 1 Ratio (T1): 6%
- Total Capital Ratio (TC): 8%

The main Piraeus Bank Group objectives related to the capital adequacy management are the following:

• To comply with the regulatory requirements against the undertaken risks according to the regulatory framework.

• Preserve the Group's ability to continue unhindered its operations, thus to continue providing returns and benefits to its shareholders, and ensure the confidence of its customers

• To retain a sound and stable capital base in order to support the Bank's management business plans.

For the calculation of regulatory capital there have been applied the regulatory adjustments as defined in the scheme of the transitional period in Regulation 575/2013 (CRD IV).

Capital adequacy ratios as of 31/12/2013, according to the Basel II rules and as of 30/6/2014, based on the new rules of Basel III, are the following:

	30 June 2014	31 December 2013
Common Equity Tier 1 Capital (CET1)	8,931,342	8,209,898
Tier 2 Capital (T2)	102,706	82,452
Total Capital (TC)	9,034,048	8,292,350
Total risk weighted assets (on and off-balance sheet items)	59,740,659	59,035,671
Common Equity Tier 1 ratio	15.0%	13.9%
Tier 1 ratio	15.0%	13.9%
Total Capital ratio	15.1%	14.0%

As of 30th June 2014, the abovementioned ratios are fully complying with the regulatory demands showing the strong capital base of the Group.

Amounts in thousand euros (Unless otherwise stated)

29 Changes in presentation of financial information for the comparative period

In the consolidated interim statement of financial position as at 30/6/2014, “Trading securities” are included in the “Financial instruments at fair value through profit or loss”. Therefore, in the consolidated interim statement of financial position of 31/12/2013, the presentation of the “Trading securities” of amount € 196.9 million has been changed and it has been included in the “Financial instruments at fair value through profit or loss”.

In the consolidated interim income statement of the 1st semester 2014, “Net trading income” is included in the “Net income from financial instruments designated at fair value through profit or loss”. Therefore, in the consolidated interim income statement of the 1st semester 2013, the presentation of the “Net trading income” of amount € 55.6 million has been changed and it has been included in the "Net income from financial instruments designated at fair value through profit or loss”.

30 Events subsequent to the end of the interim period

• On 07/07/2014, Piraeus Bank announced that on 02/07/2014 4,951,260 warrants in total were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF) corresponding to 22,160,707 common shares of the Bank, or 0.363% of the total shares outstanding. The total consideration paid by the warrant holders to the HFSF amounted to EUR 39,180,129.98. Following this warrants exercise, the HFSF percentage of Bank’s total share capital decreased to 66.93%.

• On 23/07/2014, the European Commission announced the approval of the Restructuring Plan of Piraeus Bank, as submitted to the European Commission (DG Competition) through the Ministry of Finance on 19 June 2014. The announcement is available at: http://europa.eu/rapid/press-release_IP-14-870_en.htm

The European Commission noted that Piraeus Bank’s Restructuring Plan is in line with EU State Aid rules. The measures already implemented and those included in the Restructuring Plan, will enable the Bank to fully restore its long term viability.

• On 14/08/2014, Piraeus Bank announced the agreement for the sale of 100% of ATE Insurance to ERGO Insurance Group, a subsidiary of Munich Re. The total consideration amounts to €90.1 million in cash and is subject to customary net asset value adjustments upon closing. The transaction is subject to regulatory approvals and is expected to be completed by the end of 2014, with no significant effect on the financial position of the Group.

Athens, August 29th, 2014

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR & C.E.O.	CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
MICHALIS G. SALLAS	STAVROS M. LEKKAKOS	GEORGE I. POULOPOULOS	KONSTANTINOS S. PASCHALIS

PIRAEUS BANK

PIRAEUS BANK S.A.

Interim Condensed Financial Information

30 June 2014

In accordance with the International Financial Reporting Standards

The attached interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on August 29th, 2014 and it is available on the web site of Piraeus Bank at www.piraeusbankgroup.com

This financial information has been translated from the original interim financial information that has been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial information, the Greek language financial information will prevail over this document.

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Notes to the Interim Condensed Financial Information:

Amounts in thousand euros (Unless otherwise stated)

INTERIM INCOME STATEMENT	**Note**	**Period from 1 January to**		**Period from 1 April to**	
		30 June 2014	**30 June 2013**	**30 June 2014**	**30 June 2013**
Interest and similar income		1,508,698	1,428,600	760,296	817,665
Interest expense and similar charges		(720,927)	(870,512)	(359,678)	(475,680)
NET INTEREST INCOME		**787,772**	**558,087**	**400,618**	**341,984**
Fee and commission income		112,056	90,087	57,710	53,578
Fee and commission expense		(11,352)	(10,211)	(6,129)	(6,079)
NET FEE AND COMMISSION INCOME		**100,704**	**79,876**	**51,581**	**47,500**
Dividend income		15,454	7,341	15,429	7,273
Net income from financial instruments designated					
at fair value through profit or loss	6	(26,647)	58,946	(24,765)	26,255
Results from investment securities	7	75,978	13,872	70,667	7,689
Other operating income	8	183,024	16,684	180,274	8,194
Negative goodwill due to acquisitions		-	3,498,037	-	84,345
TOTAL NET INCOME		**1,136,285**	**4,232,843**	**693,803**	**523,240**
Staff costs		(272,033)	(247,769)	(130,032)	(150,588)
Administrative expenses		(214,457)	(167,806)	(120,964)	(112,552)
Depreciation and amortisation		(67,085)	(34,796)	(34,146)	(20,042)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		**(553,574)**	**(450,371)**	**(285,142)**	**(283,182)**
PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX		**582,710**	**3,782,472**	**408,661**	**240,058**
Impairment losses on loans and other receivables	13	(1,070,828)	(958,813)	(615,366)	(533,041)
Impairment on participations and investment securities	14, 16	(130,346)	(256,356)	(130,270)	(256,348)
Other provisions		(7,307)	-	(6,453)	-
PROFIT/ (LOSS) BEFORE INCOME TAX		**(625,770)**	**2,567,304**	**(343,428)**	**(549,330)**
Income tax	9	353,988	555,087	280,670	10,665
PROFIT/ (LOSS) AFTER TAX		**(271,782)**	**3,122,391**	**(62,758)**	**(538,666)**
Earnings/ (losses) per share (in euros):					
- Basic and Diluted	10	(0.0486)	19.1806	(0.0106)	(2.5503)

The notes on pages 7 to 35 are an integral part of the interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME	Note	Period from 1 January to		Period from 1 April to	
		30 June 2014	30 June 2013	30 June 2014	30 June 2013
Profit/ (loss) after tax for the period (A)		**(271,782)**	**3,122,391**	**(62,758)**	**(538,666)**
Other comprehensive income, net of tax:					
Amounts that can be reclassified in the Income Statement					
Change in reserve of defined benefit obligations	11, 23	-	-	-	-
Net change in available for sale reserve	11, 23	(43,176)	21,618	(69,879)	22,620
Other comprehensive income, net of tax (B)	11, 23	**(43,176)**	**21,618**	**(69,879)**	**22,620**
Total comprehensive income, net of tax (A)+(B)		**(314,958)**	**3,144,008**	**(132,637)**	**(516,046)**

The notes on pages 7 to 35 are an integral part of the interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2014	31 December 2013
ASSETS			
Cash and balances with Central Bank	12	2,424,844	1,912,478
Loans and advances to credit institutions		1,060,563	1,163,172
Financial instruments at fair value through profit or loss		90,212	44,875
Derivative financial instruments - assets		459,067	321,307
Reverse repos with customers		131,434	6,353
Loans and advances to customers (net of provisions)	13	53,717,669	57,399,117
Available for sale securities	14	1,022,624	888,538
Debt securities - receivables	15	14,288,424	15,569,474
Assets held for sale		10,307	10,307
Inventories property		377,535	351,498
Investment property		297,268	291,057
Investments in subsidiaries		1,638,032	1,707,317
Investments in associated undertakings		292,212	291,901
Property, plant and equipment		771,391	785,813
Intangible assets		217,426	222,427
Deferred tax assets		3,103,640	2,706,304
Other assets		2,033,581	2,105,932
TOTAL ASSETS		**81,936,229**	**85,777,870**
LIABILITIES			
Due to credit institutions	17	22,605,015	27,251,988
Due to customers	18	48,031,156	48,498,391
Liabilities at fair value through profit or loss		-	549
Derivative financial instruments - liabilities		450,413	325,996
Debt securities in issue	19	756,111	305,263
Current income tax liabilities		24,023	17,583
Retirement benefit obligations		151,147	145,844
Other provisions		28,179	20,879
Other liabilities		749,526	686,283
Hybrid capital and other borrowed funds	20	246,694	256,004
TOTAL LIABILITIES		**73,042,265**	**77,508,781**
EQUITY			
Share capital	22	1,830,594	2,271,770
Share premium	22	11,393,315	10,008,734
Other reserves	23	140,588	183,732
Retained earnings	23	(4,470,533)	(4,195,148)
TOTAL EQUITY		**8,893,964**	**8,269,089**
TOTAL LIABILITIES AND EQUITY		**81,936,229**	**85,777,870**

The notes on pages 7 to 35 are an integral part of the interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

INTERIM STATEMENT OF CHANGES IN EQUITY	Note	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Opening balance as at 1 January 2013		**1,092,998**	**2,953,356**	**130,271**	**(6,920,981)**	**(2,744,356)**
Other comprehensive income, net of tax	11, 23			21,618		21,618
Results after tax for the period 1/1/2013 - 30/6/2013	23				3,122,391	3,122,391
Total recognised income for the period 1/1/2013 - 30/6/2013		**0**	**0**	**21,618**	**3,122,391**	**3,144,008**
Increase of share capital	22	1,487,471	6,746,680			8,234,151
Decrease of the nominal value of ordinary shares	22	(308,698)	308,698			0
Balance as at 30 June 2013		**2,271,770**	**10,008,734**	**151,889**	**(3,798,590)**	**8,633,803**
Opening balance as at 1 July 2013		**2,271,770**	**10,008,734**	**151,889**	**(3,798,590)**	**8,633,803**
Other comprehensive income, net of tax	23			31,843		31,843
Results after tax for the period 1/7/2013 - 31/12/2013	23				(616,063)	(616,063)
Total recognised income for the period 1/7/2013 - 31/12/2013		**0**	**0**	**31,843**	**(616,063)**	**(584,220)**
Absorbtion of Millennium Bank	23				219,506	219,506
Balance as at 31 December 2013		**2,271,770**	**10,008,734**	**183,732**	**(4,195,148)**	**8,269,089**
Opening balance as at 1 January 2014		**2,271,770**	**10,008,734**	**183,732**	**(4,195,148)**	**8,269,089**
Other comprehensive income, net of tax	11, 23			(43,176)		(43,176)
Results after tax for the period 1/1/2014 - 30/6/2014	23				(271,782)	(271,782)
Total recognised income for the period 1/1/2014 - 30/6/2014		**0**	**0**	**(43,176)**	**(271,782)**	**(314,958)**
Increase of share capital	22	308,824	1,384,581			1,693,404
Repurchase of preferred shares	22	(750,000)				(750,000)
Absorption of company				32	(3,603)	(3,571)
Balance as at 30 June 2014		**1,830,594**	**11,393,315**	**140,588**	**(4,470,533)**	**8,893,964**

The notes on pages 7 to 35 are an integral part of the interim condensed financial information.

Amounts in thousand euros (Unless otherwise stated)

INTERIM CASH FLOW STATEMENT

	Period from 1 January to	
	30 June 2014	**30 June 2013**
Cash flows from operating activities		
Profit / (loss) before tax	(625,770)	2,567,304
Adjustments to profit/ loss before tax:		
Add: provisions and impairment	1,208,480	1,215,168
Add: depreciation and amortisation charge	67,085	34,796
Add: retirement benefits	6,909	9,006
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss	(141,642)	(33,326)
(Gains)/ losses from investing activities	(86,550)	(21,339)
Deduct: negative goodwill due to acquisitions	-	(3,498,036)
Cash flows from operating activities before changes in operating assets and liabilities	428,512	273,573
Changes in operating assets and liabilities:		
Net (increase)/ decrease in cash and balances with Central Bank	(34,033)	(221,375)
Net (increase)/ decrease in financial instruments at fair value through profit or loss	(52,452)	59,577
Net (increase)/ decrease in loans and advances to credit Institutions	82,725	667,350
Net (increase)/ decrease in loans and advances to customers	2,827,589	1,324,468
Net (increase)/ decrease in debt securities - receivables	1,281,050	(819,681)
Net (increase)/ decrease in reverse repos with customers	(125,082)	12,076
Net (increase)/ decrease in other assets	(202,870)	501,148
Net increase/ (decrease) in amounts due to credit institutions	(4,646,973)	(5,030,551)
Net increase/ (decrease) in liabilities at fair value through profit or loss	(549)	(21,953)
Net increase/ (decrease) in amounts due to customers	(467,236)	293,702
Net increase/ (decrease) in other liabilities	186,162	212,857
Net cash flow from operating activities before income tax payment	(723,155)	(2,748,810)
Income tax paid	(470)	(692)
Net cash inflow/ (outflow) from operating activities	**(723,625)**	**(2,749,502)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(45,249)	(27,778)
Sales of property, plant and equipment	22,553	1,064
Purchases of intangible assets	(9,223)	(14,163)
Purchases of assets held for sale	-	(172,109)
Purchases of investment securities	(3,127,609)	(3,335,703)
Disposals/ maturity of investment securities	3,003,449	5,339,674
Acquisition of subsidiaries and participation in share capital increases	(20,000)	(13,860)
Sales of subsidiaries	2,136	-
Acquisition of associates and participation in share capital increases	(311)	(1,441)
Sales of associates	-	4
Dividends receipts from associates	1,670	1,855
Dividends receipts from available for sale securities	9,496	283
Net cash inflow/ (outflow) from investing activities	**(163,088)**	**1,777,825**
Cash flows from financing activities		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	425,350	(265,807)
Increase of share capital	1,673,519	1,180,322
Repurchase of preferred shares	(750,000)	-
Net cash inflow/ (outflow) from financing activities	**1,348,869**	**914,515**
Effect of exchange rate changes on cash and cash equivalents	17,574	(12,046)
Net increase/ (decrease) in cash and cash equivalents of the period (A)	**479,730**	**(69,207)**
Cash and cash equivalents at the beginning of the period (B)	**1,040,989**	**1,389,560**
Cash and cash equivalents at the acquisition date of assets and liabilities of Cypriot banks' network in Greece (C)	-	11,696
Cash and cash equivalents from absorption of company (D)	43	-
Cash and cash equivalents at the end of the period (A)+(B)+(C)+(D)	**1,520,762**	**1,332,049**

The notes on pages 7 to 35 are an integral part of the interim condensed financial information.

1 General Information about the Bank

Piraeus Bank S.A. is a banking institute operating in accordance with the provisions of Laws 2190/1920 on societés anonymes, 3601/2007 on credit institutions, and other relevant laws. According to article 2 of its Statute, the scope of the company is to execute, on its behalf or on behalf of third parties, any and every operation acknowledged or delegated by law to banks.

Piraeus Bank is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece and in London (U.K.). The Bank employs in total 14,090 people.

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Large Cap, Banks), FTSE (Greece, RAFI, Med 100), MSCI (Emerging Markets, EM EMEA, Greece, ESG), Euro Stoxx (TMI, TMI Banks, Greece TM) and S&P (Global BMI, Developed BMI, Greece BMI).

2 General accounting policies, critical accounting estimates and judgements

a. General accounting policies

The same accounting policies and methods of computation as those in the annual financial statements for the year ended 31 December 2013 have been followed.

The following new IFRSs and amendments have been issued by the International Accounting Standards Board, have been endorsed by the E.U and they are effective from 1/1/2014.

- **IAS 27 (Amendment), "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2014).** Following the issue of IFRS 10 that replaced all the guidance on control and consolidation in IAS 27, IAS 27 was renamed "Separate Financial Statements" and contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.

- **IAS 28 (Amendment), "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2014).** IAS 28 prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

- **IFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2014).** IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. The assessment of control, under the new control criteria of the aforementioned standard, did not change the consolidated entities of the Group.

- **IFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2014).** IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. Joint arrangements are either classified as joint operations or joint ventures. Equity accounting is mandatory for participants in joint ventures. The adoption of the aforementioned standard did not affect the financial statements of the Bank.

- **IFRS 12, "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2014).** IFRS 12 applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 requires entities to disclose information that enables users of financial statements to evaluate the nature and risks associated with the entity's interests in other entities and the effects of those interests in the entity's financial statements.

- **IFRS 10, IFRS 11 and IFRS 12 (Amendment), "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance" (effective for annual periods beginning on or after 1 January 2014).** The amendment in IFRS 10, 11 and 12 clarifies the transition guidance in IFRS 10 and provides relief from the presentation or adjustment of comparative periods prior to the immediately preceding period.

- **IFRS 10, IFRS 12 and IAS 27 (Amendments), "Investment Entities" (effective for annual periods beginning on or after 1 January 2014).** The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities, as well as new disclosure requirements for investment entities in IFRS 12 and IAS 27.

The above group of standards and amendments has no significant impact in the financial statements of the Bank.

- **IAS 32 (Amendment), "Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after 1 January 2014).** The amendment was issued in December 2011 to provide application guidance in IAS 32 to clarify the meaning of the criterion "currently has a legally enforceable right to set off". The amendment is applied retrospectively. This amendment has no significant impact in the financial statements of the Bank.

- **IAS 36 (Amendment), "Impairment of non Financial Assets" (effective for annual periods beginning on or after 1 January 2014).** The amendment requires the disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed. This amendment has no significant impact in the financial statements of the Bank.

- **IAS 39 (Amendment), "Financial Instruments: Recognition and Measurement" (effective for annual periods beginning on or after 1 January 2014).** The amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations. This amendment has no significant impact in the financial statements of the Bank.

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

For the preparation of financial statements, the Bank proceeds to certain accounting estimates and judgements that affect the reported amounts of certain assets and liabilities within the next financial year. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events and they are the same with those accounting estimates and judgements adopted and described in the annual financial statements for the year ended 31 December 2013.

The most important areas where the Bank uses accounting estimates and judgements, in applying the Bank's accounting policies, are as follows:

b.1. Impairment losses on loans and other receivables

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

b.2. Fair value of derivative financial instruments

The fair values of derivative financial instruments that are not quoted in active markets are determined by using valuation techniques. All models use observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require Management's estimates. Assumptions and estimates that affect the reported fair values of financial instruments are examined regularly.

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

- **Available for sale portfolio**

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

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

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

- **Associate companies**

The Bank tests for impairment the investments in associate companies, comparing the recoverable amount of the investment (the higher of the value in use and the fair value less cost to sell) with its carrying amount.

In these cases, a similar methodology is used with that described above, for the shares of the available for sale portfolio, while taking into account the present value of the estimated future cash flows expected to be generated by the associate company. The amount of the permanent impairment of the investment, which may arise from the assessment, is recorded to the income statement.

b.4. Investment property

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

Fair value is based on active market prices or is adjusted, if necessary, for any difference in the nature, location and condition of the specific investment property. If this information is not available, valuation methods are used. The fair value of investment property reflects rental income from current leases as well as assumptions about future rentals, taking into consideration current market conditions.

For investment property of a value that is not considered as individually significant, the fair value may be determined by internal valuers, by applying the aforementioned valuation methods or by extrapolating the results of the independent valuations, to groups of investment property, with similar characteristics.

b.5. Income taxes

The Bank recognizes deferred tax on temporary tax differences in accordance with the regulations of tax law which distinguishes revenues on those subject to tax and non-taxable, assessing future benefits as well as tax liabilities.

For the calculation and evaluation of the deferred tax asset recoverability, management considers the best estimates for the evolution of the Bank´s tax results in the foreseeable future.

The Management's estimates, according to the enacted business plan, for the future tax results of the Bank are based on the assumptions related to the greek economy prospect, as well as on other actions or amendments already implemented, improving the evolution of the future profitability.

Moreover, the Bank examines the nature of temporary differences and tax losses, the ability for their recovery in accordance with the tax regulations related to their offsetting with profits generated in future periods (e.g. five years), or other specific tax regulations. For example, an extended period has been set by the Greek tax legislation allowing the recoverability of deferred tax related to the amortized loss from the participation of the Greek entities in Private Sector Involvement (PSI).

b.6. Goodwill/ negative goodwill

The acquisition method is used by the Bank to account for the acquisition of subsidiaries. The Bank, for the estimation of the fair values of identifiable assets and liabilities and contingent liabilities of the newly acquired subsidiaries, uses the method of purchase price allocation (PPA), according to the requirements of IFRS 3 "Business Combination". For this purpose, the Bank uses estimates to determine the fair value of the acquired net assets.

In case of goodwill, the Bank proceeds to impairment test annually and whenever there is an indication of impairment, by comparing the carrying amount of the cash generating unit, including goodwill, with the respective recoverable amount. In the context of this procedure, the Bank's estimates for the determination of the recoverable amount include key assumptions of the Management for the period of the estimated cash flows, the cash flows, the growth rate and the discount rate. These estimates are disclosed in the financial statements, in case that the amount of goodwill allocated to each cash generating unit is significant compared to the total goodwill, according to IAS 36.

3 Basis of preparation of the Bank's interim condensed financial information

The interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Bank's annual financial statements for the year ended 31 December 2013.

Piraeus Bank prepares, except for the attached interim condensed financial information, consolidated interim condensed financial information which includes the financial information of the Bank and its subsidiaries.

The financial statements of Piraeus Bank are prepared in euro. The amounts of the attached financial statements are expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand. It shall be noted that, the figures of the income statement for the first semester of 2014 are not comparable with the relevant figures for the first semester of 2013 as Piraeus Bank a) acquired the banking operations in Greece of Bank of Cyprus, Cyprus Popular Bank and Hellenic Bank on 26/03/2013 and b) incorporated Millennium Bank S.A. on 9/12/2013.

Piraeus Bank is affected by the economic variability and the volatility of the global markets and is exposed to risks that could potentially arise mainly in peripheral Eurozone countries.

The economic situation in Greece, though improving significantly fiscally, in combination with the political developments, still remains the main risk factor for the Greek banking sector. In case of negative developments in these areas, the Bank's liquidity, the quality of its loan portfolio, its profitability, and ultimately, its capital adequacy may significantly be affected. Furthermore, Greece's public debt sustainability constitutes an additional risk factor for the Greek banking system.

In March 2014, Bank of Greece published the capital needs for each of the Greek banks. Namely to Piraeus Bank, the capital requirement has been assessed at € 425 million in the baseline scenario (binding) and € 757 million in the adverse.

In April 2014, the Bank´s share capital increase of amount € 1.75 billion was completed, with the aim to: a) meet the capital needs as determined by the Bank of Greece, b) acquire in full the preference shares of total nominal amount € 750 million and c) further strengthen the capital adequacy ratios of the Bank.

In May 2014, Piraeus Bank fully redeemed to the Hellenic Republic the total amount of preference shares (Pillar I Law 3723/2008) of € 750 million, issued to the latter by the Bank. The redemption of the preference shares to the Hellenic Republic significantly improved the quality of the Bank´s capital position and constitutes a necessary first step to regain flexibility for future dividend payments.

Piraeus Bank participates -as one of the 128 systemically important European banks- in the Comprehensive Assessment conducted by ECB, within the framework for the creation of the Single Supervisory Mechanism (SSM) for European Union banks. The assessment began in November 2013 and is currently underway while it is expected to be concluded in October 2014, when the results will be announced (2nd half of the month). The assessment process involves three phases, of which the first two have to do with the evaluation of risks and asset quality review (AQR) respectively, while the third, conducted in cooperation with the European Banking Authority (EBA), involves a stress test under a baseline and an adverse scenario for the period 2014-2016. In case that additional capital requirements arise for a credit institution, then it will have to implement a capital enhancement plan, within 6 to 9 months (baseline or adverse scenario accordingly) following the release of the results of the exercise.

Despite the uncertainties and the risks existing in the Greek banking system, the following factors provide support to the economy and the Greek banking sector and shall therefore be taken into consideration:

- The recapitalisation programme of systemic banks in 2013 and the share capital increase that took place in spring 2014 for these banks.
- The availability of additional capital, in case this is required for the further recapitalisation of the Greek banks and for the reorganization of the banking sector (the total amount of capital has been already provided to the HFSF for the support of the Greek banking system is € 50 billion, while € 39 billion have already been provided).
- The financial support from the International Monetary Fund as well as from the European Union, in the context of the second economic adjustment programme for Greece.
- The capability to raise liquidity through the Eurosystem and through the markets.
- The application of the economic adjustment programme and the observed recovery of the Greek economy (i.e. primary fiscal surplus and current account surplus for 2013).

Taking into consideration the above, Piraeus Bank's Management estimates that the Bank will continue in operational existence for the foreseeable future. Accordingly, the interim condensed financial information has been prepared on a going concern basis.

Amounts in thousand euros (Unless otherwise stated)

4 Fair values of assets and liabilities

a) Assets and liabilities not measured at fair value

The following table summarises the fair values and the carrying amounts of those assets and liabilities not presented on the Bank's balance sheet at fair value.

Assets	Carrying value		Fair value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Loans and advances to credit Institutions	1,060,563	1,163,172	1,060,563	1,163,172
Loans and advances to customers (net of provisions)	53,717,669	57,399,117	53,605,665	57,368,509
Debt securities - receivables	14,288,424	15,569,474	14,656,180	15,801,787
Reverse repos with customers	131,434	6,353	131,434	6,353

Liabilities	Carrying value		Fair value	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013
Due to credit institutions	22,605,015	27,251,988	22,605,015	27,251,988
Due to customers	48,031,156	48,498,391	48,031,156	48,498,391
Debt securities in issue	756,111	305,263	667,601	175,728
Hybrid capital and other borrowed funds	246,694	256,004	132,437	137,559

The fair values as at 30/6/2014 of loans and advances to credit institutions, reverse repos with customers, due to credit institutions and due to customers which are measured at amortized cost, are not materially different from the respective carrying values since they are very short term in duration and priced at current market rates. These rates are often repriced and due to their short duration they are discounted with the risk free rate.

The fair value of loans and advances to customers has been calculated using a discounted cash flow model, taking into account yield curves and any adjustments for credit risk.

Fair value for debt securities – receivables is estimated using quoted market prices. Where this information is not available, fair value has been estimated using the prices of securities with similar credit, maturity and yield characteristics, or by discounting cash flows.

The fair value of debt securities in issue is calculated based on quoted prices. Where quoted market prices are not available, the estimated fair value is based on other debt securities with similar credit, yield and maturity characteristics or by discounting cash flows.

The fair value of other borrowed funds and hybrid capital is based on quoted market prices. When quoted market prices are not reliable, the fair value is estimated by discounting cash flows with appropriate yield curves.

b) Assets and liabilities measured at fair value

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources. Unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

• Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed shares and bonds on exchanges and exchanges traded derivatives like futures.

Amounts in thousand euros (Unless otherwise stated)

• Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes OTC derivatives and bonds. Input parameters are based on yield curves or data from reliable sources (Bloomberg, Reuters).

• Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). Level 3 includes shares categorized in the available for sale portfolio and derivative financial instruments. Shares and derivative financial instruments within level 3 are not traded in an active market or for which there are not available prices from external traders in order to determine their fair value. For the determination of the fair value of the aforementioned shares, the Bank uses generally accepted valuation models and techniques such as: discounted cash flow models, estimation of options, comparable transactions, estimation of the fair value of assets (i.e. fixed assets) and net asset value. The Bank, based on prior experience, adjusts if necessary, the relevant values in order to reflect the current market conditions. The estimated fair value of the shares in level 3 is only taken into account for impairment test purposes, else these participations are recorded at cost.

This fair value hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

The following table presents financial assets and liabilities measured at fair value, categorized in the three levels as mentioned above:

Assets & Liabilities measured at fair value	Level 1	Level 2	Level 3	Total
Assets				
Derivative financial instruments - assets	-	424,067	35,000	**459,067**
Financial Assets at FV through PL				
- Trading Bonds	72,855	-	-	**72,855**
- Trading Treasury bills	1,443	-	-	**1,443**
- Shares at FV through PL	15,914	-	-	**15,914**
Available for Sale Securities				
- Bonds	109,503	494	-	**109,996**
- Treasury bills	571,074	-	-	**571,074**
- Shares & Other variable income securities	174,480	-	167,073	**341,553**
Liabilities				
Derivative financial instruments - liabilities	-	450,413	-	**450,413**

During the 1st semester 2014, no transfer from level 2 to level 1 occurred and vice versa.

The embedded derivative, of the convertible bond issued by MIG and acquired by the Bank in the 2nd quarter of 2014, has been included in level 3 of derivative financial assets. The aforementioned derivative has been separated from the host contract (bond) according to the applicable IAS 39 rules and is being accounted for as a standalone derivative at fair value.

At initial recognition, the derivative's fair value was determined with the Black & Scholes valuation model, the main variable of which being the volatility of the MIG stock price. In case that this basic variable takes values from 10% up to 50%, then the change in the fair value of the derivative, compared to the derivative's fair value as at 30/6/2014, will be between -60% and +150% approximately.

The following table presents the movement of shares of the available for sale portfolio within level 3:

Reconciliation of level 3 items	Shares & Other variable Income securities
Opening Balance 1/1/2014	173,621
Share purchases	128
Profit/ (loss) for the period	(360)
Impairment	(6,996)
Transfer to level 3	-
Transfer from level 3	-
Foreign exchange differences	680
Total 30/6/2014	**167,073**

The following table presents the sensitivity analysis of level 3 available for sale securities:

In million euro:	Favourable changes	Unfavourable changes
Income Statement	-	(26)
Equity Statement	8	-

The estimation of the change in the fair value of the Bank´s participations in Level 3 has been approached by various methods, such as:

- the net asset value (NAV),
- the discounted future dividends taking into account estimates of the issuer and the relevant cost of capital,
- the closing prices of similar listed shares or the indices of similar listed companies,
- the adjusted equity position taking into account the value of the assets (i.e. tangible assets) and the relevant qualifications from the certified auditors´ report.

Also, factors that may adjust these values such as the industry and the business environment in which companies operate, current developments and prospects, have been taken into account, while the Bank based on prior experience, adjusts further where necessary, these values so as to assess the possible changes.

5 Business segments

Piraeus Bank has defined the following business segments:

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

Corporate Banking - This segment includes facilities related to corporate banking addressed to large and maritime companies, which due to their specific needs are serviced by the headquarters (deposits, loans, syndicated loans, project financing, working capital, imports – exports, letters of guarantees etc.).

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

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

Other Segments – Other segments include other facilities of the Bank that are not included in the above segments (Bank's administration, etc.).

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

An analysis of income and other financial figures per business segment of the Bank is presented below:

Amounts in thousand euros (Unless otherwise stated)

1/1 - 30/6/2014	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	478,612	329,037	-	40,916	(60,793)	**787,772**
Net fee and commission income	74,876	23,724	612	1,229	264	**100,704**
Other income	2,521	183,727	(5)	(22,471)	84,036	**247,809**
Net income	**556,009**	**536,488**	**607**	**19,674**	**23,507**	**1,136,285**
Depreciation and amortisation	(37,608)	(40)	-	(162)	(29,274)	**(67,085)**
Impairment losses on loans and other receivables	(787,380)	(240,066)	-	-	(43,382)	**(1,070,828)**
Impairment on participations and investment securities	-	-	-	-	(130,346)	**(130,346)**
Other provisions	(850)	(309)	-	-	(6,148)	**(7,306)**
Results before tax	**(697,612)**	**262,563**	**(369)**	**(4,709)**	**(185,643)**	**(625,769)**
Income tax						353,988
Results after tax						**(271,782)**
At 30 June 2014						
Segment assets	39,200,379	15,369,779	10,819	18,294,072	9,061,179	**81,936,229**
Segment liabilities	44,602,961	1,375,716	789,988	24,014,696	2,258,904	**73,042,265**
Capital expenditure	23,799	220	66	6,081	24,306	**54,471**

Amounts in thousand euros (Unless otherwise stated)

1/1 - 30/6/2013	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
Net interest income	343,326	271,306	(2)	70,434	(126,976)	**558,087**
Net fee and commission income	54,646	15,814	364	(598)	9,649	**79,876**
Other income	212	1,494	1	40,952	3,552,221	**3,594,880**
Net income	**398,184**	**288,614**	**363**	**110,788**	**3,434,894**	**4,232,843**
Depreciation and amortisation	(9,737)	(203)	-	(450)	(24,406)	**(34,796)**
Impairment losses on loans and other receivables	(687,301)	(271,512)	-	-	-	**(958,813)**
Impairment on participations and investment securities	-	-	-	-	(256,356)	**(256,356)**
Other provisions	-	-	-	-	-	**0**
Results before tax	**(863,911)**	**(28,586)**	**(1,005)**	**74,094**	**3,386,710**	**2,567,303**
Income tax						555,087
Results after tax						**3,122,391**
At 31 December 2013						
Segment assets	41,160,630	17,496,443	11,767	19,766,258	7,342,772	**85,777,870**
Segment liabilities	44,036,391	1,758,769	880,495	28,574,053	2,259,073	**77,508,781**
At 30 June 2013						
Capital expenditure	13,372	225	35	488	27,820	**41,941**

Amounts in thousand euros (Unless otherwise stated)

In the tables above, interest income is analyzed into business segments net of interest expense, as the Bank's management relies primarily on net interest revenue to assess the performance of the segment.

During the first half of 2013, negative goodwill due to the acquisition of the Greek banking operations of the three Cypriot banks and of the selected assets and liabilities of former ATEbank, is included in lines "Other Income", "Net Income" and "Results before tax" of other business segments. Regarding profit before tax of other business segments, there is no sector that contributes more than 10%.

Capital expenditure includes additions of intangible and tangible assets that took place in the period by each business segment.

6 Net income from financial instruments designated at fair value through profit or loss

Net income from financial instruments designated at fair value through profit or loss amounts to a loss of € 26.6 million for the period 1/1-30/6/2014, mainly due to the loss from derivatives and foreign exchange losses.

7 Results from investment securities

Results from investment securities amount to a gain of € 76.0 million for the period 1/1/-30/6/2014, mainly due to the sale of listed shares of the available for sale portfolio.

8 Other operating income

In the second quarter of 2014, "Other operating income" was affected mainly by: a) the gain of €144 million resulting from the replacement of one of the two acquired loans of Marfin Investment Group ("MIG") companies, for a total consideration of € 165 million, with a convertible bond issued by MIG and b) the amount of € 39 million approximately, resulting from the recognition of an additional value on acquired loans due to additional collateral.

9 Income tax

	1/1-30/6/2014	1/1-30/6/2013
Current tax	(6,172)	-
Deferred tax	362,132	556,798
Provisions for tax differences	(1,973)	(1,711)
	353,988	**555,087**

In accordance with the provisions of the enacted Greek Tax Law (L.4172/2013), the income tax rate for Greek legal entities remained 26% for the years from 1/1/2014 and thereon and the tax rate for dividends distribution maintained to 10% for profits distribution, which will be approved from 1/1/2014 and thereon.

The income tax revenue for the first semester of 2014 amounts to € 362 million and was mainly affected from the partial recognition of deferred tax asset on the Bank's tax deductible negative reserve in accordance with the provisions of article 72 of Law 4172/2014, as well as from the additional provisions for loan impairments recorded to the financial statements according to the International Financial Reporting Standards, in relation to the respective amounts recognized for tax purposes.

Deferred tax on the Bank's tax losses is based on the best estimates of the Management for the future evolution of the Bank's tax results and on its approved Restructuring plan.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2010 have been finalized.

Amounts in thousand euros (Unless otherwise stated)

For the fiscal years 2011, 2012 and 2013, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non qualified Tax Compliance Report has been issued. It is noted that, for tax audit purposes the fiscal year 2011 has been finalized, since on 31/12/2013 a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance has been completed.

10 Earnings/ (losses) per share

Basic earnings/ (losses) per share is calculated by dividing the profit/ (loss) after tax attributable to ordinary shareholders for the year by the weighted average number of ordinary shares in issue during the year. There is no potential dilution on basic earnings/ (losses) per share.

Basic and diluted earnings/ (losses) per share	1/1-30/6/2014	1/1-30/6/2013	1/4-30/6/2014	1/4-30/6/2013
Profit/ (loss) attributable to ordinary shareholders	(271,782)	3,122,391	(62,758)	(538,666)
Weighted average number of ordinary shares in issue	5,590,572,246	162,789,160	5,946,071,304	211,214,367
Basic and diluted earnings/ (losses) per share (in euros)	(0.0486)	19.1806	(0.0106)	(2.5503)

According to the requirements of IAS 33, the weighted average number of shares for the comparative period from 1/1/2013 - 30/06/2013 has been adjusted by 1.0297 factor, in order to adjust earnings/ (losses) per share for the discount price of the rights issue of the share capital increase that took place in April 2014.

11 Analysis of other comprehensive income

1/1 - 30/6/2014	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Net change in available for sale reserve (note 23)	(58,346)	15,170	(43,176)
Amounts that can not be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income	**(58,346)**	**15,170**	**(43,176)**

1/1 - 30/6/2013	Before-Tax amount	Tax	Net-of-Tax amount
Amounts that can be reclassified in the Income Statement			
Net change in available for sale reserve	35,064	(13,446)	21,618
Amounts that can not be reclassified in the Income Statement			
Change in reserve of defined benefit obligations	-	-	-
Other comprehensive income	**35,064**	**(13,446)**	**21,618**

12 Cash and balances with Central Bank

	30 June 2014	31 December 2013
Cash in hand	448,694	526,106
Nostros and sight accounts with other banks	186,720	221,231
Balances with Central Bank	691,835	110,514
Cheques clearing system - Central Bank	172,272	163,338
Blocked deposits	911,674	873,743
Mandatory reserves with Central Bank	13,649	17,547
	2,424,844	**1,912,478**

Mandatory reserves with the Central Banks and blocked deposits are not available for everyday use by the Bank. The amount of blocked deposits mainly contains guarantees granted to credit institutions.

Amounts in thousand euros (Unless otherwise stated)

13 Loans and advances to customers

	30 June 2014	31 December 2013
Mortgages	16,020,333	16,307,914
Consumer/ personal and other retail loans	3,748,453	3,870,733
Credit cards	1,066,986	1,113,243
Loans to individuals	**20,835,772**	**21,291,889**
Loans to corporate entities and Public sector	**38,257,868**	**40,625,386**
Total loans and advances to customers	**59,093,640**	**61,917,276**
Less: Allowance for impairment on loans and advances to customers	(5,375,971)	(4,518,159)
Total loans and advances to customers (net of provisions)	**53,717,669**	**57,399,117**

Amounts in thousand euros (Unless otherwise stated)

Movement in allowance (impairment) for loans and advances to customers

	Mortgages	Consumer/ personal and other retail loans	Credit Cards	**Total Loans to individuals**	**Loans to corporate entities and Public sector**	**Total**
Opening balance at 1/1/2013	**144,756**	**430,636**	**168,254**	**743,645**	**2,127,780**	**2,871,426**
Charge for the period	39,319	56,204	18,365	**113,887**	816,234	**930,121**
Loans written-off	(197)	(9,995)	(5,184)	**(15,376)**	(52,599)	**(67,975)**
Foreign exchange differences and other movements	192	321	113	**626**	(9,077)	**(8,451)**
Balance at 30/6/2013	**184,069**	**477,165**	**181,548**	**842,782**	**2,882,338**	**3,725,121**
Opening balance at 1/7/2013	**184,069**	**477,165**	**181,548**	**842,782**	**2,882,338**	**3,725,121**
Charge for the period	94,173	194,115	94,309	**382,597**	573,529	**956,126**
Loans written-off	-	(38,882)	(32,498)	**(71,381)**	(64,287)	**(135,668)**
Foreign exchange differences and other movements	(521)	(7,556)	(1,139)	**(9,216)**	(18,204)	**(27,420)**
Balance at 31/12/2013	**277,721**	**624,842**	**242,219**	**1,144,782**	**3,373,376**	**4,518,158**

	Mortgages	Consumer/ personal and other retail loans	Credit Cards	**Total Loans to individuals**	**Loans to corporate entities and Public sector**	**Total**
Opening balance at 1/1/2014	**277,721**	**624,842**	**242,219**	**1,144,782**	**3,373,376**	**4,518,158**
Charge for the period	127,937	67,452	59,515	**254,904**	772,542	**1,027,446**
Loans written-off	(334)	(43,956)	(19,102)	**(63,393)**	(48,511)	**(111,904)**
Foreign exchange differences and other movements	(640)	513	(426)	**(553)**	(57,176)	**(57,729)**
Balance at 30/6/2014	**404,684**	**648,850**	**282,206**	**1,335,741**	**4,040,231**	**5,375,972**

Amounts in thousand euros (Unless otherwise stated)

Impairment losses on loans and other receivables' in the Interim Income Statement for the period 1/1-30/6/2014 includes an amount of € 43.4 million that relates to impairment losses on other receivables.

It is noted that the allowance for impairment of loans of the Group of former ATEbank, the Greek banking operations of Cypriot Banks in Greece (Bank of Cyprus, Cyprus Popular Bank, Hellenic Bank) and Millennium Bank S.A., at their acquisition date by Piraeus Bank, has decreased the gross balance of loans in the tables above, as under IFRS 3 it has been included in the adjustment of loans to fair value during the cost allocation process.

However, for purposes of credit risk monitoring in accordance with IFRS 7, the aforementioned adjustment is part of the provision. The analysis of the adjustment that has taken place as at the acquisition date per loan category follows:

Loans and advances to customers	
Loans to individuals	**(1,312,377)**
Mortgages	(207,917)
Consumer/ personal loans	(919,529)
Credit cards	(184,931)
Corporate loans and Public sector	**(5,335,652)**
Total adjustment	**(6,648,029)**

14 Available for sale securities

	30 June 2014	31 December 2013
Greek Government bonds	109,503	38,573
Greek Government treasury bills	571,074	381,825
Corporate entities bonds	-	25,611
Bank bonds	494	457
Total bonds and other fixed income securities (A)	**681,071**	**446,466**
Listed shares	94,929	196,413
Unlisted shares	136,351	140,429
Mutual funds	48,964	54,638
Other Variable Income Securities	61,309	50,592
Total shares and other variable income securities (B)	**341,553**	**442,072**
Total available for sale securities (A) + (B)	**1,022,624**	**888,538**

During the first semester of 2014 the Bank' s AFS portfolio was impaired by €7 million. This impairment is included in line "Impairment on participations and investment securities".

15 Debt securities - receivables

	30 June 2014	31 December 2013
Corporate entities debt securities - receivables	4,579	4,535
Bank debt securities - receivables	23,846	23,846
Greek Government bonds debt securities - receivables	10	1,272,203
Foreign Government bonds debt securities - receivables and EFSF bonds	14,283,834	14,292,736
Total debt securities - receivables	**14,312,269**	**15,593,320**
Less: Allowance for impairment of debt securities - receivables	(23,846)	(23,846)
Total debt securities - receivables (less allowances for losses)	**14,288,424**	**15,569,474**

Amounts in thousand euros (Unless otherwise stated)

The decrease of the debt securities - receivables issued by the Hellenic Republic during the 1st semester of 2014, is mainly due: (a) to the full redemption by the Bank of the total preference shares (Pillar I L.3723/2008) in the amount of amount € 750 million, issued to the Hellenic Republic by the Bank, in exchange for the debt securities of the Hellenic Republic, which were initially transferred to Piraeus Bank in order to cover the issuance of the preference shares, and (b) due to the expiration of a bond of the Hellenic Republic with a nominal value of € 462 million.

Line "Foreign Government bonds debt securities - receivables and EFSF bonds" includes bonds issued by the European Financial Stability Fund (EFSF) of nominal value € 7,295 million, which the Bank received under the transfer agreement of selected assets and liabilities of the former ATEbank. In the aforementioned category are also included bonds of the same issuer amounting to nominal value € 6,848 million, which the Bank received as a result of the participation of the Greek Financial Stability Fund in the share capital increase of Piraeus Bank. The book value of the above mentioned debt securities amounted to € 14,284 million as at 30/6/2014.

16 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiary companies

s/n	Name of Company	Activity	% holding	Country
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.83%	Albania
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.49%	Egypt
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus
8.	Geniki Bank S.A.	Banking activities	99.94%	Greece
9.	Piraeus Leases S.A.	Finance leases	100.00%	Greece
10.	Piraeus Leasing Romania S.R.L.	Finance leases	99.85%	Romania
11.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece
12.	Tirana Leasing S.A.	Finance leases	100.00%	Albania
13.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece
14.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom
15.	Piraeus Leasing Bulgaria EAD	Finance leases	94.83%	Bulgaria
16.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom
17.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece
18.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece
19.	Picar S.A.	City Link areas management	100.00%	Greece
20.	Bulfina S.A.	Property management	100.00%	Bulgaria
21.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece
22.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country
23.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece
24.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
25.	ND Development S.A.	Property management	100.00%	Greece
26.	Property Horizon S.A.	Property management	100.00%	Greece
27.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece
28.	Piraeus Development S.A.	Property management	100.00%	Greece
29.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece
30.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
31.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.85%	Cyprus
32.	Lakkos Mikelli Real Estate LTD	Property management	40.00%	Cyprus
33.	Philoktimatiki Public LTD	Land and property development	6.39%	Cyprus
34.	New Evolution S.A.	Property, tourism & development company	100.00%	Greece
35.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece
36.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia
37.	Vitria Investments S.A.	Investment company	100.00%	Panama
38.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
39.	Piraeus Insurance - Reinsurance Broker Romania S.R.L.	Insurance and reinsurance Brokerage	95.00%	Romania
40.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases - rent-a-car and long term rental of vehicles	94.00%	Greece
41.	Piraeus Rent Doo Beograd	Operating leases	100.00%	Serbia
42.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom
43.	Piraeus Leasing Doo Beograd	Financial leasing	51.00%	Serbia
44.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece
45.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	5.67%	Greece
46.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
47.	Praxis I Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
48.	Piraeus Insurance Agency S.A.	Insurance agency	95.00%	Greece
49.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom
50.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
51.	Axia III APC LTD	SPE for securitization of corporate loans	-	United Kingdom
52.	Praxis II APC LTD	SPE for securitization of consumer loans	-	United Kingdom
53.	R.E. Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus
54.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus
55.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country
56.	Kosmopolis A' Shopping Centers S.A.	Shopping Center's Management	100.00%	Greece
57.	Pleiades Estate S.A.	Property management	14.76%	Greece
58.	Exus Software Ltd.	IT products Retailer	50.10%	United Kingdom
59.	Piraeus Real Estate Egypt LLC	Property management	99.90%	Egypt
60.	ATE Insurance S.A.	Insurance	100.00%	Greece
61.	Centre of Sustainable Entrepreneurship Excelixi S.A. (former Atexcelixi S.A.)	Consulting Services - Hotel - Training & Seminars	100.00%	Greece
62.	Piraeus Asset Management Europe S.A.	Mutual funds management	99.94%	Luxemburg
63.	R.E. Anodus Two Ltd	Holding and Investment Company	99.09%	Cyprus
64.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece
65.	Kion Mortgage Finance Plc	SPE for securitization of mortgage loans	-	United Kingdom
66.	Tellurion Ltd	Holding company	100.00%	Cyprus

Companies numbered 30, 42, 46, 47, 49-52 and 65 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 32, 33, 45, and 57, are included in the Bank's subsidiaries portfolio due to the existence of control in Group level. In addition, the companies numbered 17 and 36-37 are under liquidation as at 30/6/2014. Company numbered 60 has been classified in line "Assets held for sale" as the classification criteria IFRS 5 are met.

During the first semester of 2014, the Bank' s investment in subsidiary companies was impaired by € 123 million, due to the unfavourable developments in specific countries and sectors of the Greek economy, where subsidiaries operate. The aforementioned impairment is included in line "Impairment on participations and investment securities". The most material amounts relate to companies that operate in Ukraine (€ 57 million) and companies that operate in the "property management" sector (€ 66 million).

B) Associate companies

s/n	Name of Company	Activity	% holding	Country
1.	Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece
2.	"Evros" Development Company S.A.	European community programs management	30.00%	Greece
3.	Project on Line S.A.	Information technology & software	40.00%	Greece
4.	APE Commercial Property Real Estate Tourist & Development S.A.	Holding Company	27.80%	Greece
5.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece
6.	Trieris Real Estate LTD	Property Management	22.94%	British Virgin Islands
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece
8.	Trastor Real Estate Investment Company	Real estate investment property	33.80%	Greece
9.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece
10.	Sciens International Investments & Holding S.A.	Holding Company	28.10%	Greece
11.	Euroterra S.A.	Property Management	39.22%	Greece

Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country
12.	Rebikat S.A.	Property Management	40.00%	Greece
13.	Abies S.A.	Property Management	40.00%	Greece
14.	ACT Services S.A.	Accounting and tax consulting	49.00%	Greece
15.	Exus S.A.	Information technology & software	49.90%	Greece
16.	Piraeus - TANEO Capital Fund	Close end Venture capital fund	50.01%	Greece
17.	AIK Banka	Banking activities	20.86%	Serbia
18.	Teiresias S.A.	Inter banking company. Development, operation and management of information systems	22.30%	Greece
19.	Pyrrichos S.A.	Property management	34.65%	Greece
20.	Hellenic Seaways Maritime S.A.	Maritime transport - Coastal shipping	23.42%	Greece
21.	Euroak S.A. Real Estate	Real Estate Investment	32.81%	Greece
22.	Olganos Real Estate S.A.	Property management/Electricity Production from Hydropower Stations	32.27%	Greece

The company numbered 16 is included in the associate companies' portfolio, due to the fact that Piraeus Bank exercises significant influence on the investment committee of the fund, which takes the investment decisions.

17 Due to credit institutions

"Due to credit institutions" includes refinancing operations through repo transactions within the eurosystem amounting to € 9.8 billion (31/12/2013: € 17.8 billion). The decrease in the refinancing raised from the eurosystem during the first semester of 2014 is mainly due to the improvement of liquidity due to the share capital increase (€ 1.75 billion), interbank repo transactions, the repayment of loans to OPEKEPE (€ 1.9 billion) and the issue of a senior bond (€ 500 million).

18 Due to customers

	30 June 2014	31 December 2013
Corporate		
Current and sight deposits	5,758,044	6,098,036
Term deposits	4,747,181	4,663,162
Blocked deposits, guarantee deposits and other accounts	95,932	190,007
Repurchase agreements	1,775	855
Total (A)	**10,602,932**	**10,952,060**
Retail		
Current and sight deposits	2,033,327	1,994,802
Savings account	11,403,674	12,082,282
Term deposits	23,792,865	23,364,750
Blocked deposits, guarantee deposits and other accounts	13,723	11,370
Repurchase agreements	-	42
Total (B)	**37,243,589**	**37,453,247**
Cheques payable and remittances (C)	**184,634**	**93,084**
Total Due to Customers (A)+(B)+(C)	**48,031,156**	**48,498,391**

Amounts in thousand euros (Unless otherwise stated)

19 Debt securities in issue

	30 June 2014	31 December 2013
Euro Medium Term Note		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 500 m. fixed rate notes due 2017	497,671	-
Accrued interest and other expenses	6,963	1,203
Total (A)	**564,634**	**61,203**
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	51,622	56,665
€ 1,250 m. floating rate notes due 2054	97,205	116,098
€ 600 m. floating rate notes due 2051	42,650	71,297
Total (B)	**191,477**	**244,060**
Total debt securities in issue (A)+(B)	**756,111**	**305,263**

It should be noted that, apart from the debt securities in the table above, as at 30/6/2014 liabilities arising from securitisations of loans are retained by Piraeus Bank. These issues are the first and third securitisation of corporate loans in the amount of € 1,750 million and € 2,352 million respectively as well as the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively.

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

In February 2014, Piraeus Bank issued a € 1,750 million senior bond, due March 2015, with the unconditional and irrevocable guarantee of the Hellenic Republic, under Art. 2 of Law 3723/2008, through Piraeus Bank's EMTN programme. The bond pays a floating rate coupon of 3M Euribor plus 1200 bps and is retained by Piraeus Bank.In May 2014 and June 2014, bonds of € 2,370 million and € 2,206.5 million respectively,issued in 2013 by Piraeus Bank with the unconditional and irrevocable guarantee of the Hellenic Republic (art. 2 of Law 3723/2008) and were retained by Piraeus Bank, matured and have not been renewed.

In March 2014, Piraeus Bank issued a 3-year fixed rate senior bond in the amount of € 500 million through its subsidiary Piraeus Group Finance PLC under the EMTN programme in order to raise medium term funds. The new 3-year bond pays a 5.00% fixed coupon and is listed on the Luxembourg Stock Exchange.

Piraeus Bank, during the period 1/4/2014 – 30/6/2014, proceeded to the buy back of bonds of securitised loans of total amount after amortization of € 27 million.

20 Hybrid capital and other borrowed funds

	30 June 2014	31 December 2013
Hybrid Capital (Tier I)		
€ 200 m. floating rate notes due 2034	18,459	18,500
	18,459	**18,500**
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	227,240	236,490
Accrued interest and other expenses	995	1,014
	228,235	**237,504**
Total hybrid capital and other borrowed funds	**246,694**	**256,004**

Amounts in thousand euros (Unless otherwise stated)

The Bank is not in default of any payments of principal and interest of the subordinated debt. In the third quarter of 2012, it has been decided that the interest return on hybrid capital will not be paid, taking into account the special terms and conditions that rule out the related payments.

Piraeus Bank, during the period 1/4/2014 – 30/6/2014, proceeded to the buy back of hybrid securities and subordinated securities of total amount € 9.3 million.

21 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Bank as at 30/6/2014, are not expected to have any significant impact on the financial statements of the Bank. It is noted that the Bank as at 30/6/2014 has raised a provision for outstanding litigations of amount € 6.7 million.

B) Credit commitments

As at 30/6/2014 the Bank had the following capital commitments:

	30 June 2014	31 December 2013
Letters of guarantee	3,107,674	3,108,064
Letters of credit	54,725	46,647
Commitments to extent credit	1,284,435	1,279,749
	4,446,834	**4,434,461**

C) Assets pledged

	30 June 2014	31 December 2013
Cash and balances with Central Bank	911,674	873,743
Financial instruments at fair value through profit or loss	71,720	25,345
Investment securities	624,156	321,784
Loans and advances to customers	3,985,211	2,361,371
Debt securities - receivables	6,559,414	8,005,582
	12,152,175	**11,587,825**

Apart from the above mentioned assets, the Bank pledges debt securities own issue amounting to € 5,361 million as at 30/6/2014 (31/12/2013: € 16,419 million). The amount of € 5,361 million includes equal amount securities that had been issued with the unconditional guarantee of the Hellenic Republic. The aforementioned securities are not included in Bank's assets.

D) Operating lease commitments

The future minimum lease payments, under non-cancellable operating leases, are analysed as follows:

	30 June 2014	31 December 2013
Up to 1 year	68,156	83,368
From 1 to 5 years	278,633	339,773
More than 5 years	519,582	636,881
	866,371	**1,060,022**

Amounts in thousand euros (Unless otherwise stated)

22 Share capital

	Share Capital	Share premium	Total
Opening balance at 1 January 2013	**1,092,998**	**2,953,356**	**4,046,353**
Increase of share capital	1,487,471	6,746,680	8,234,151
Decrease of the nominal value of common shares	(308,698)	308,698	0
Balance at 31 December 2013	**2,271,770**	**10,008,734**	**12,280,505**
Increase of share capital	308,824	1,384,581	1,693,404
Repurchase of preferred shares	(750,000)	-	(750,000)
Balance at 30 June 2014	**1,830,594**	**11,393,315**	**13,223,910**

	Number of shares
Opening balance at 1 January 2013	**2,487,561,364**
Adjustment (decrease) in the number of ordinary shares due to reverse split (10:1)	(1,028,993,907)
Adjusted opening balance at 1 January 2013	**1,458,567,457**
Increase of share capital	4,958,235,294
Balance at 31 December 2013	**6,416,802,751**
Increase of share capital	1,029,411,764
Preferred shares repurchase	(1,344,234,800)
Balance at 30 June 2014	**6,101,979,715**

On 1/1/2014, the Bank's share capital amounted to € 2,271,770,384.28 divided to 5,072,567,951 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 preference non-voting shares, each with a nominal value of € 4.77 and (b) 1,266,666,666 preference non-voting shares, each with a nominal value of € 0.30.

The Extraordinary General Meeting of the ordinary shareholders of the Bank which took place on 28/3/2014 (the decision of which was approved by the 28/3/2014 decision of the Extraordinary General Meeting of the preference shareholder of the Bank), decided the Bank's share capital increase in order to raise capital up to € 1.75 billion, through contribution in cash and the issuance of ordinary registered shares and the cancellation of the pre-emption rights of the existing shareholders. Specifically, it was decided a € 308,823,529.20 share capital increase of the Bank with the cancellation of the pre-emption rights of the existing shareholders and the issuance of 1,029,411,764 new ordinary registered voting shares with a nominal value of € 0.30 each and an offer price of € 1.70 per share. Further to the said increase, the Bank's share capital amounted to € 2,580,593,913.48 divided into 6,101,979,715 ordinary registered voting shares of a nominal value of € 0.30 each and 77,568,134 preference non-voting shares of a nominal value of € 4.77 each, and 1,266,666,666 preference non-voting shares of a nominal value of € 0.30 each.

The Share premium reserve increased by € 1,384,580,554.64 after the reduction of the expenses related to the share capital increase and the respective deferred tax. It is noted that the expenses on share capital increase at 30/6/2014 amounted to € 76,480,966.17 before tax and € 56,595,914.97 after tax.

On 21 May 2014, Piraeus Bank S.A. fully redeemed to the Hellenic Republic the total amount of preference shares (Pillar I Law 3723/2008) in the amount of € 750 million, issued to the latter by the Bank. Following the redemption of preference shares, the share capital of the Bank on 30/6/2014 amounts to € 1,830,593,914.50 divided to 6,101,979,715 ordinary registered shares, with a nominal value of € 0.30 each. Relevant amendment to the articles of association of the Bank will be resolved by the general meeting of shareholders.

Amounts in thousand euros (Unless otherwise stated)

The Annual Ordinary General Meeting of Shareholders, held on 16/5/2014, decided not to distribute dividend for the fiscal year 2013, according to the established provisions of article 1 of Law 3723/2008, as amended is in force, for the credit institutions participating in the Economy reinforcement plan, combined with article 44a of C. Law 2190/1920.

According to article 28, Law 3756/2009 (Gov. Gazette A' 53/31.3.2009) the acquisition of treasury shares is not permitted for so long as the Bank participates in the reinforcement programmes, provided by the Law 3723/2008 (Gov. Gazette A' 250/9.12.2008). Furthermore, pursuant to par. 1, art. 16C of law 3864/2010 the acquisition of treasury shares by the Bank is not permitted for so long as the HFSF is a shareholder of the Bank.

23 Other reserves and retained earnings

	30 June 2014	31 December 2013
Legal reserve	69,442	69,442
Available for sale reserve	64,863	108,039
Reserve of defined benefit obligations	6,252	6,252
Other reserves	32	-
Total other reserves	**140,588**	**183,732**

The movement in the available for sale reserve for the period is as follows:

Available for sale reserve	30 June 2014	31 December 2013
Opening balance for the period	108,039	60,830
Opening balance of acquired banking activities	-	(1,558)
Gains/ (losses) from the valuation of bonds and Greek government treasury bills	16,300	58,655
Gains/ (losses) from the valuation of shares and mutual funds	874	60,150
Recycling to income statement of shares and mutual funds impairment	-	2,100
Deferred income taxes	15,170	(22,985)
Recycling of the accumulated fair value adjustment of disposed securities	(75,520)	(49,152)
Closing balance for the period	**64,863**	**108,039**

Retained earnings movement	30 June 2014	31 December 2013
Opening balance for the period	(4,195,148)	(6,920,981)
Profit/ (loss) after tax for the period	(271,782)	2,506,328
Absorbtion of Millennium Bank	-	219,506
Absorbtion of company	(3,603)	-
Closing balance for the period	**(4,470,533)**	**(4,195,148)**

24 Related parties transactions

Related parties include: a) Members of the Bank Board of Directors and key management personnel of the Bank, b) Close family and financially dependants (husbands, wives, children etc) of Board of Directors members and key management personnel, c) Companies having transactions with Piraeus Bank, if the total cumulative participating interest (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds cumulatively 20% and in any case companies on which the above mentioned persons have significant influence and d) HFSF, which in accordance with IAS 24 is related party of Piraeus Bank, after the recapitalization in the context of the law 3864. There are no material transactions with companies related to HFSF.

Amounts in thousand euros (Unless otherwise stated)

Transactions with related parties are the following:

	30 June 2014	31 December 2013
Loans	142,488	141,747
Deposits	24,306	25,401

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/6/2014 are € 3.3 million (31/12/2013: € 3.3 million). Letters of guarantee to subsidiaries of the Group as at 30/6/2014 are € 433.4 million (31/12/2013: € 302.3 million). The total income that relates to members of the Board of Directors and the key management personnel for the period 1/1-30/6/2014 is € 1.8 million (1/1-30/6/2013: € 1.4 million). The total expense that relates to the prementioned related parties for the period 1/1-30/6/2014 is € 0.2 million (1/1-30/6/2013: € 0.3 million).

Loans and letters of guarantee issued to related parties represent an insignificant part of total loans and letters of guarantee issued by the Bank, respectively. Loans and letters of guarantee have been issued to related parties in the normal course of business, within the approved credit policies and Bank procedures, adequately collateralized. Loans to related parties are performing and no provision has been raised for their balances.

Directors' remuneration	1/1 - 30/6/2014	1/1 - 30/6/2013
Wages, salaries, employers' share of social contributions and charges	4,061	2,750
Provisions for compensation and retirement programs	472	442

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel remain at the same level as at 31/12/2013 (€ 27 million approximately). The full amount of the above provisions has been included in the retirement benefit obligations.

Bank's balances from transactions with subsidiaries and associates from continuing and discontinued operations and the relevant results are as follows:

I. Subsidiaries

	30 June 2014	31 December 2013
Assets		
Cash and balances with Central Bank	21,271	7,107
Loans and advances to credit institutions	1,052,443	1,154,480
Loans and advances to customers	2,054,752	2,072,783
Other assets	445,295	455,165
Total	**3,573,760**	**3,689,535**
Liabilities		
Due to credit institutions	1,606,218	1,383,911
Due to customers	824,706	828,544
Debt securities in issue	933,836	458,190
Hybrid capital and other borrowed funds	246,694	256,004
Other liabilities	16,746	23,012
Total	**3,628,200**	**2,949,662**

Amounts in thousand euros (Unless otherwise stated)

	1/1 - 30/6/2014	1/1 - 30/6/2013
Revenues		
Interest and similar income	38,026	39,026
Fee and commission income	5,997	5,567
Other operating income	941	1,577
Total	**44,964**	**46,170**
Expenses		
Interest expense and similar charges	(56,253)	(41,102)
Fee and commission expense	(2,035)	(3,231)
Operating expenses	(17,867)	(14,735)
Total	**(76,156)**	**(59,068)**

II. Associates

	30 June 2014	31 December 2013
Deposits and other liabilities	41,723	32,924
Loans and other receivables	246,722	230,646

	1/1 - 30/6/2014	1/1 - 30/6/2013
Total expense and capital expenditure	(5,579)	(5,007)
Total income	4,179	3,537

25 Capital adequacy

Piraeus Bank has been compliant from January 2014 with the new regulatory framework of Capital adequacy of credit institutions, under the standards of Basel III which came into force with the Directive 2013/36/EU and Regulation 575/2013 (CRD IV).

Bank of Greece requires from each Banking Institution to maintain a minimum level of regulatory capital related to the undertaken risks.

The minimum Capital Adequacy Ratios that Banking Institutions are required to keep from 1/1/2014 according to the new regulatory framework are:

- Common Equity Tier 1 Ratio (CET1): 4.5%
- Tier 1 Ratio (T1): 6%
- Total Capital Ratio (TC): 8%

The main Piraeus Bank objectives related to the capital adequacy management are the following:

- To comply with the regulatory requirements against the undertaken risks according to the regulatory framework.
- Preserve the Group's ability to continue unhindered its operations, thus to continue providing returns and benefits to its shareholders, and ensure the confidence of its customers.
- To retain a sound and stable capital base in order to support the Bank's management business plans.

For the calculation of regulatory capital there have been applied the regulatory adjustments as defined in the scheme of the transitional period in Regulation 575/2013 (CRD IV).

Capital adequacy ratios as of 31/12/2013, according to the Basel II rules and as of 30/6/2014, based on the new rules of Basel III, are the following:

Amounts in thousand euros (Unless otherwise stated)

	30 June 2014	31 December 2013
Common Equity Tier 1 Capital (CET1)	8,568,741	7,998,488
Tier 2 Capital (T2)	102,706	100,952
Total Capital (TC)	8,671,447	8,099,440
Total risk weighted assets (on and off-balance sheet items)	53,189,371	52,503,489
Common Equity Tier 1 ratio	16.1%	15.2%
Tier 1 ratio	16.1%	15.2%
Total Capital ratio	16.3%	15.4%

As of 30th June 2014, the abovementioned ratios are fully complying with the regulatory demands showing the strong capital base of the Bank.

26 Changes in presentation of financial information for the comparative period

In the interim statement of financial position as at 30/6/2014, “Trading securities” are included in the “Financial instruments at fair value through profit or loss”. Therefore, in the interim statement of financial position of 31/12/2013, the presentation of the “Trading securities” of amount € 27.7 million has been changed and it has been included in the “Financial instruments at fair value through profit or loss”.

In the interim income statement of the 1st semester 2014, “Net trading income” is included in the “Net income from financial instruments designated at fair value through profit or loss”. Therefore, in the interim income statement of the 1st semester 2013, the presentation of the “Net trading income” of amount € 53.8 million has been changed and it has been included in the "Net income from financial instruments designated at fair value through profit or loss”.

Amounts in thousand euros (Unless otherwise stated)

27 Events subsequent to the end of the interim period

• On 07/07/2014, Piraeus Bank announced that on 02/07/2014 4,951,260 warrants in total were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF) corresponding to 22,160,707 common shares of the Bank, or 0.363% of the total shares outstanding. The total consideration paid by the warrant holders to the HFSF amounted to EUR 39,180,129.98. Following this warrants exercise, the HFSF percentageof Bank's total share capital decreased to 66.93%.

• On 23/07/2014, the European Commission announced the approval of the Restructuring Plan of Piraeus Bank, as submitted to the European Commission (DG Competition) through the Ministry of Finance on 19 June 2014. The announcement is available at: http://europa.eu/rapid/press-release_IP-14-870_en.htm

The European Commission noted that Piraeus Bank's Restructuring Plan is in line with EU State Aid rules. The measures already implemented and those included in the Restructuring Plan, will enable the Bank to fully restore its long term viability.

• On 14/08/2014, Piraeus Bank announced the agreement for the sale of 100% of ATE Insurance to ERGO Insurance Group, a subsidiary of Munich Re. The total consideration amounts to € 90.1 million in cash and is subject to customary net asset value adjustments upon closing. The transaction is subject to regulatory approvals and is expected to be completed by the end of 2014, with no significant effect on the financial position of the Group.

Athens, August 29th, 2014

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR & C.E.O.	CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
MICHALIS G. SALLAS	STAVROS M. LEKKAKOS	GEORGE I. POULOPOULOS	KONSTANTINOS S. PASCHALIS

PIRAEUS BANK S.A.

General commercial registry number 225501000
(Former Companies registration number 6065/06/B/86/04)
Head Office: 4, Amerikis st., 105 64, Athens, Greece

FINANCIAL STATEMENTS INFORMATION FOR THE PERIOD from 1st January 2014 to 30th June 2014

(according to the Rule 4/507/28.04.2009 of the Capital Market Commission)

The figures presented below, derive from the interim condensed financial information and aim to a general information about the financial position and results of Piraeus Bank S.A. and Piraeus Bank Group. We therefore recommend the reader, prior to making any investment decision or other transaction concerning the Bank, to visit the Bank's web site, where the set of interim condensed financial information is posted, as well as the auditor's report when necessary.

COMPANY'S PROFILE

Company's web site:	www.piraeusbankgroup.com
Date of approval by the Board of Directors of the interim condensed financial information for the period ended as at June 30th, 2014:	August 29th, 2014
The certified auditor:	Dimitrios A. Sourbis
Auditing company:	PricewaterhouseCoopers S.A.
Type of review report:	Non qualified

STATEMENT OF FINANCIAL POSITION

Amounts in thousand euros

	GROUP				BANK			
		30 June 2014		31 December 2013		30 June 2014		31 December 2013
ASSETS								
Cash and balances with Central Banks		3,462,310		2,874,771		2,424,844		1,912,478
Loans and advances to credit institutions		282,431		293,035		1,060,563		1,163,172
Financial instruments at fair value through profit or loss		251,712		214,113		90,212		44,875
Derivative financial instruments - assets		471,407		325,032		459,067		321,307
Reverse repos with customers		132,266		7,124		131,434		6,353
Loans and advances to customers (net of provisions)		58,712,258		62,365,774		53,717,669		57,399,117
Available for sale securities		1,491,351		1,377,749		1,022,624		888,538
Debt securities - receivables		14,416,316		15,628,221		14,288,424		15,569,474
Held to maturity		33,076		58,041		-		-
Assets held for sale		36,719		34,743		10,307		10,307
Inventories property		696,802		669,125		377,535		351,498
Investment property		927,187		902,859		297,268		291,057
Investments in subsidiaries		-		-		1,638,032		1,707,317
Investments in associated undertakings		299,548		304,967		292,212		291,901
Property, plant and equipment		1,381,035		1,416,404		771,391		785,813
Intangible assets		293,365		300,345		217,426		222,427
Deferred tax assets		3,260,275		2,861,716		3,103,640		2,706,304
Other assets		1,976,910		2,017,916		2,033,581		2,105,932
Assets from discontinued operations		326,280		357,657		-		-
TOTAL ASSETS		88,451,248		92,009,592		81,936,229		85,777,870
LIABILITIES								
Due to credit institutions		21,377,785		26,274,952		22,605,015		27,251,988
Due to customers		54,177,658		54,279,320		48,031,156		48,498,391
Liabilities at fair value through profit or loss		-		549		-		549
Derivative financial instruments - liabilities		452,742		329,618		450,413		325,996
Debt securities in issue		756,085		305,361		756,111		305,263
Current income tax liabilities		41,725		35,390		24,023		17,583
Deferred tax liabilities		36,786		42,300		-		-
Retirement benefit obligations		165,874		161,397		151,147		145,844
Other provisions		41,550		39,882		28,179		20,879
Other liabilities		1,248,771		1,185,346		749,527		686,284
Hybrid capital and other borrowed funds								
Hybrid capital (Tier I)	18,459		18,500		18,459		18,500	
Subordinated debt capital (Tier II)	228,235	246,694	237,504	256,004	228,235	246,694	237,504	256,004
Liabilities from discontinued operations		539,512		556,574		-		-
Total Liabilities		79,085,182		83,466,693		73,042,265		77,508,781
EQUITY								
Share Capital		1,830,594		2,271,770		1,830,594		2,271,770
Share premium		11,393,315		10,008,734		11,393,315		10,008,734
Less: Treasury shares		(65)		(113)		-		-
Other reserves and retained earnings		(3,999,810)		(3,874,588)		(4,329,945)		(4,011,415)
Amounts recognized directly in equity relating to non-current assets from discontinued operations		22,438		18,106		-		-
Capital and reserves attributable to equity holders of the parent entity		9,246,472		8,423,909		8,893,964		8,269,089
Non controlling interest		119,594		118,990		-		-
Total Equity		9,366,066		8,542,899		8,893,964		8,269,089
TOTAL LIABILITIES AND EQUITY		88,451,248		92,009,592		81,936,229		85,777,870

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euros

	GROUP			BANK		
	1 Jan - 30 Jun 2014	1 Jul - 31 Dec 2013	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2014	1 Jul - 31 Dec 2013	1 Jan - 30 Jun 2013
Opening balance	8,542,899	9,462,375	(2,324,307)	8,269,089	8,633,803	(2,744,356)
Total comprehensive income for the period, net of tax	(120,222)	(923,725)	3,554,954	(314,958)	(584,220)	3,144,008
Increase of share capital	1,693,405	-	8,234,151	1,693,405	-	8,234,151
Preferred shares repurchase	(750,000)	-	-	(750,000)	-	-
Prior year dividends of ordinary shares	-	(1,049)	-	-	-	-
(Purchases)/ sales of treasury shares	(13)	95	(59)	-	-	-
Expenses on Increase of share capital of subsidiary companies	-	(177)	(1,449)	-	-	-
Acquisitions, disposals, absorptions, liquidation and movement in participating interest	(3)	5,380	(915)	(3,572)	219,506	-
Closing balance	9,366,066	8,542,899	9,462,375	8,893,964	8,269,089	8,633,803

CASH FLOW STATEMENT

Amounts in thousand euros

	GROUP		BANK	
	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013
Net cash inflow/ (outflow) from continuing operating activities	(830,333)	(3,117,574)	(723,625)	(2,749,502)
Net cash inflow/ (outflow) from discontinued operating activities	(21,806)	(36,771)	-	-
Total inflows/ (outflows) from operating activities	(852,139)	(3,154,345)	(723,625)	(2,749,502)
Net cash inflow/ (outflow) from continuing investing activities	(181,959)	2,079,572	(163,088)	1,777,825
Net cash inflow/ (outflow) from discontinued investing activities	22,631	36,826	-	-
Total inflows/ (outflows) from investing activities	(159,328)	2,116,398	(163,088)	1,777,825
Net cash inflow/ (outflow) from continuing financing activities	1,359,132	922,073	1,348,869	914,515
Net cash inflow/ (outflow) from discontinued financing activities	-	-	-	-
Total inflows/ (outflows) from financing activities	1,359,132	922,073	1,348,869	914,515
Net increase/ (decrease) in cash and cash equivalents of the period	347,665	(115,874)	462,156	(57,162)
Effect of exchange rate changes on cash and cash equivalents	41,261	(15,747)	17,574	(12,046)
Total inflows/ (outflows) for the period	388,926	(131,621)	479,730	(69,208)
Cash and cash equivalents at the beginning of the period	1,888,467	2,473,085	1,040,989	1,389,561
Cash and cash equivalents at the acquisition date, of assets and liabilities of Cypriot banks' network in Greece	-	11,696	-	11,696
Cash and cash equivalents from absorption of company	-	-	43	-
Cash and cash equivalents at the end of the period	2,277,393	2,353,160	1,520,762	1,332,049

Notes:

1) The accounting policies, adopted by the Group according to the International Financial Reporting Standards (IFRS), have been applied in consistency with those in the annual financial statements of the year 2013. Relevant disclosure is note 2 of the Stand alone and the Consolidated Interim Condensed Financial Information.

2) Property, plant and equipment are free of any liens or encumbrances.

3) Tax authorities have audited Piraeus Bank's tax position for the years up to and including 2010. The unaudited tax years of Group subsidiaries are included in note 18 of the Consolidated Interim Condensed Financial Information. For the fiscal years 2011, 2012 and 2013, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A. has been completed and a non qualified Tax Compliance Report has been issued.

4) The Bank's provisions for outstanding litigations amount to € 6.7 million, whereas the Group's provision amounts to € 14.9 million from continuing operations and € 4.0 million from discontinued operations. The provision raised for the tax differences that may arise during the finalization of the tax audit, which is included in the current tax liabilities, amounts to € 10.7 million for the Bank and to € 13.9 million for the Group. Other provisions amount for the Bank to € 21.5 million and for the Group to € 26.7 million for the continuing operations and € 492.0 million for the discontinued operations, relating mostly to insurance provisions.

5) The companies which have been consolidated as at 30/6/2014, apart from the parent company Piraeus Bank S.A., are included in note 18 of the Consolidated Interim Condensed Financial Information. Note 18 includes information about the country of incorporation, the percentage of holding by the Group, as well as the applied consolidation method. The direct shareholding percentages by the Bank are included in note 16 of the Bank's Interim Condensed Financial Information.

6) The following companies that are consolidated under the full method of consolidation as at 30/6/2014, had not been included in the consolidation as at 30/6/2013: a) "Re Anodus Two Ltd", b) "Sinitem LLC", c) "Beta Asset Management EOOD", d) "Linklife Food & Entertainment Hall S.A.", e) "R.E. Anodus SRL", f) "Tellurion Ltd", g) "Tellurion Two Ltd", h) "Entropia Ktimatiki S.A.", i) "Akinita Ltd LLC", j) "Daphne Real Estate Consultancy SRL", k) "Rhesus Development Projects SRL", l) "Varna Asset Management EOOD" and m) "Piraeus Real Estate Tirana Sh.P.K.". From these companies, the companies numbered (a)-(k) were consolidated under the full method of consolidation as at 31/3/2014, as well. The company numbered (a) was established in September 2013, whereas the company numbered (b) was established in August 2013. The company numbered (c) was established in June 2013. The companies numbered (d)-(f) were established in October 2013, whereas the company numbered (g) was established in December 2013. The company numbered (h) was transferred during the 4th quarter of 2013 to the subsidiaries' portfolio as a result of the increase of the Group's shareholding percentage in the company. The company numbered (i) was acquired in January 2014, whereas the companies numbered (j)-(k) were established in February 2014. The company numbered (l) was established in April 2014, whereas the company numbered (m) started operating during the 2nd quarter of 2014. The companies: a) Piraeus Egypt Asset Management Co., b) Astraios Energy Photovoltaics S.A., c) Orion Energy Photovoltaics S.A., d) ATE Bank Romania S.A., e) Geniki Leasing S.A., f) Millennium Bank S.A. and g) Piraeus Wealth Management A.E.P.E.Y. that were fully consolidated as at 30/6/2013, are not included in the consolidation as at 30/6/2014. The company numbered (a) was disposed in September 2013. The companies numbered (b)-(c) were disposed in November 2013, whereas the company numbered (d) was disposed in December 2013. The company numbered (e) was absorbed in December 2013 by the subsidiary company "Piraeus Leases S.A.", whereas the company numbered (f) was absorbed by Piraeus Bank S.A. in December 2013. The company numbered (g) was merged through absorption with Piraeus Bank S.A. in June 2014. The companies "Estia Mortgage Finance PLC", "Estia Mortgage Finance II PLC", "Axia Finance PLC", "Axia Finance III PLC", "Axia III APC Limited", "Praxis Finance PLC", "Praxis II Finance PLC", "Praxis II APC Limited", "Kion Mortgage Finance Plc", "Kion Mortgage Finance No.3 Plc" and "Kion CLO Finance No.1 Plc" are consolidated as special purpose entities. Note 27 of the Consolidated Interim Condensed Financial Information includes information about the changes in the subsidiaries' portfolio of the Group. The companies "ATE Insurance S.A." and "ATE Insurance Romania S.A." have been classified in the Assets held for sale, as the classification criteria of IFRS 5 are met. Therefore, the financial figures and results of "ATE Insurance S.A." and "ATE Insurance Romania S.A." are presented as "Discontinued operations". Relevant are the notes 9 and 18 of the Consolidated Interim Condensed Financial Information. The subsidiaries that are excluded from the consolidation are as follows: a) "Asbestos Mines S.A.", b) "Hellenic Industry of Aluminum S.A.", c) "ELSYP S.A.", d) "Blue Wings Ltd", e) "Piraeus Bank's Congress Centre", f) "Piraeus Bank Group Cultural Foundation", g) "Torborg Maritime Inc.", h) "Isham Marine Corp.", i) "Cybele Management Company", j) "Alegre Shipping Ltd", k) "Maximus Chartering Co.", l) "Lantana Navigation Corp.", m) "Bayamo Shipping Co.", n) "Pallas Shipping S.A.", o) "Sybil Navigation Co.", p) "Zephyros Marine INC.", q) "Procas Holding Ltd", r) "Phoebe Investments SRL", s) "Core Investments Project SRL", t) "Amaryllis Investments Consultancy SRL" and u) "Priam Business Consultancy SRL". The companies numbered (a)-(c) are fully depreciated, under liquidation or dissolution status. The company numbered (d) is under idle status. The companies numbered (g)-(p) have been inactivated and they will be set under dissolution. The companies numbered (q)-(u) have not started operating yet. The consolidation of the above mentioned companies does not affect the financial position and result of the Group.

7) The following companies that are consolidated under the equity method of accounting as at 30/6/2014, had not been included in the consolidation as at 30/6/2013: a) "Euroak S.A. Real Estate", b) "Gaia S.A." and c) "Olganos S.A.". The company numbered (a) was acquired in October 2013, whereas the company numbered (b) was established in January 2014. The company numbered (c) was established in January 2014 and started operating during the 2nd quarter of 2014. The company "Entropia Ktimatiki S.A." has not been included in the consolidation as at 30/6/2014 as well as 31/3/2014 as it was fully consolidated for the first time as at 31/12/2013, since it was reclassified during the 4th quarter of 2013 to the subsidiaries' portfolio as a result of the increase of the Group's shareholding percentage. The associate company "Evrytania S.A. Agricultural Development Company" has been excluded from the consolidation under the equity method of accounting since it is under idle status. Note 27 of the Consolidated Interim Condensed Financial Information includes information about the changes in the associates' portfolio of the Group.

8) The Group's balances with related parties are as follows: assets € 401.3 million, liabilities € 69.0 million, letters of guarantee € 3.3 million, income € 8.0 million and expense € 11.4 million. The Bank's balances with related parties (subsidiaries included) are as follows: assets € 3,963.0 million, liabilities € 3,694.2 million, letters of guarantee € 436.7 million, income € 50.9 million and expense € 81.9 million. The balances of assets and liabilities of the Group with members of the Board of Directors and key management personnel amount to € 142.5 million and € 25.6 million respectively. The respective amounts for the Bank amount to € 142.5 million and € 24.3 million. The transactions and remuneration of the Bank and its Group with the members of the Board of Directors and key management personnel amount to € 4.5 million.

9) As at 30/6/2014, subsidiary company of Piraeus Group owned a total number of 35,058 treasury shares of the parent company Piraeus Bank S.A., at a value of € 65 thousand. The Bank did not hold any treasury shares as at 30/6/2014. Relevant information is provided in note 24 of the Consolidated Interim Condensed Financial Information.

10) At the Statement of Total Comprehensive Income of the Consolidated and Stand alone Interim Condensed Financial Information, "Other comprehensive income, net of tax" includes as amounts that can be reclassified in the Income Statement, the change in currency translation reserve of € - 2.5 million from continuing operations and € 0.2 million from discontinued operations for the Group and the change in available for sale reserve of € - 39.8 million from continuing operations and € 4.1 million from discontinued operations for the Group and € - 43.2 million for the Bank. In addition, "Other comprehensive income, net of tax" includes as amounts that can not be reclassified in the Income Statement, the change in reserve of defined benefit obligations of € 0.3 million from continuing operations for the Group.

11) Changes in presentation of financial information for the comparative period were presented in the Stand alone as well as the Consolidated Interim Condensed Financial Information of 30 June 2014. More specifically, in the statement of financial position of 31/12/2013, the presentation of the "Trading securities" has been included in the "Financial instruments at fair value through profit or loss" and in the interim income statement of the 1st half 2013, the presentation of the "Net trading income" has been included in the "Net income from financial instruments designated at fair value through profit or loss". Further information concerning these restatements is provided in note 26 of the Bank's Interim Condensed Financial Information as well as in note 29 of the Consolidated Interim Condensed Financial Information.

12) On March 6, 2014 Bank of Greece published the capital needs for each of the Greek banks. As concerns Piraeus Bank, the capital requirement has been assessed at €425 mn in the baseline scenario (binding) and €757 mn in the adverse. On 10/4/2014, Piraeus Bank's share capital increase of € 1.75 billion was completed.

13) The Annual Ordinary General Meeting of Shareholders, held on 16/5/2014, decided not to distribute dividend for the fiscal year 2013, according to the established provisions of article 1 of Law 3723/2008, as amended is in force, for the credit institutions participating in the Economy reinforcement plan, combined with article 44a of C. Law 2190/1920.

14) On 21 May 2014, Piraeus Bank S.A. fully redeemed to the Hellenic Republic the total amount of preference shares (Pillar I Law 3723/2008) in the amount of €750 million, issued to the latter by the Bank. Following the share capital increase and the redemption of preference shares, the share capital of the Bank on 30/6/2014 amounted to € 1,830,593,914.50 and was divided into 6,101,979,715 ordinary registered shares, with a nominal value of € 0.30 each.

15) On 30.5.2014, the Board of Directors of Piraeus Bank S.A. during its session resolved to initiate the necessary procedures for a merger with GENIKI Bank S.A. through its absorption by Piraeus Bank S.A., in accordance with the provisions of article 68 and following articles of CL 2190/1920 in conjunction with article 16 par. 5 of Law 2515/1997, and the provisions of Law 2166/1993 as in force, with a common (for both merging credit institutions) transformation balance sheet date set on 31.12.2013.

16) On 07/07/2014, Piraeus Bank announced that on 02/07/2014 4,951,260 warrants in total were exercised on shares issued by the Bank and owned by the Hellenic Financial Stability Fund (HFSF) corresponding to 22,160,707 common shares of the Bank, or 0.363% of the total shares outstanding. The total consideration paid by the warrant holders to the HFSF amounted to EUR 39,180,129.98. Following this warrants exercise, the HFSF percentage of Bank's total share capital decreased to 66.93%.

17) On 23/07/2014, the European Commission announced the approval of the Restructuring Plan of Piraeus Bank, as submitted to the European Commission (DG Competition) through the Ministry of Finance on 19 June 2014.

18) On 14/08/2014, Piraeus Bank announced the agreement for the sale of 100% of ATE Insurance to ERGO Insurance Group, a subsidiary of Munich Re. The total consideration amounts to € 90.1 million in cash and is subject to customary net asset value adjustments upon closing. The transaction is subject to regulatory approvals and is expected to be completed by the end of 2014, with no significant effect on the financial position of the Group.

19) On June 30th 2014, the number of staff employed by the Bank was 14,090 people and by the Group 22,551 people out of which 209 people refer to discontinued operations (ATE Insurance S.A., ATE Insurance Romania S.A.). The number of staff employed by the Bank as at 30 June 2013 was 14,621 people and by the Group 25,017 people out of which 274 people referred to discontinued operations (ATE Insurance S.A., ATE Insurance Romania S.A.).

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in thousand euros

GROUP

	1 Jan - 30 Jun 2014			1 Jan - 30 Jun 2013			1 Apr - 30 Jun 2014			1 Apr - 30 Jun 2013		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Interest and similar income	1,765,009	1,010	1,766,019	1,707,766	1,036	1,708,802	888,099	472	888,571	944,118	522	944,640
Interest expenses and similar charges	(785,689)	(126)	(785,815)	(974,094)	(112)	(974,206)	(387,793)	(64)	(387,857)	(524,965)	(58)	(525,023)
Net interest income	979,320	884	980,204	733,672	924	734,596	500,306	408	500,714	419,153	464	419,617
Fee and commission income	179,642	-	179,642	141,254	-	141,254	90,443	-	90,443	78,197	-	78,197
Fee and commission expense	(19,637)	(19)	(19,656)	(19,468)	(18)	(19,486)	(10,472)	(8)	(10,480)	(11,433)	(6)	(11,439)
Net fee and commission income	160,005	(19)	159,986	121,786	(18)	121,768	79,971	(8)	79,963	66,764	(6)	66,758
Dividend income	14,478	28	14,506	5,300	6	5,306	14,453	25	14,478	5,181	6	5,187
Net income from financial instruments designated at fair value through profit or loss	(42,850)	2,591	(40,259)	60,726	3,399	64,125	(22,508)	43	(22,465)	15,968	2,809	18,777
Results from investment securities	76,538	44	76,582	13,789	-	13,789	71,172	-	71,172	7,643	-	7,643
Other operating income	186,198	16,556	202,754	20,421	33,536	53,957	177,050	11,490	188,540	9,257	16,970	26,227
Negative goodwill due to acquisitions	-	-	-	3,810,338	-	3,810,338	-	-	-	396,647	-	396,647
Total net income	1,373,689	20,084	1,393,773	4,766,032	37,847	4,803,879	820,444	11,958	832,402	920,613	20,243	940,856
Staff costs	(365,184)	(6,877)	(372,061)	(347,197)	(8,746)	(355,943)	(175,563)	(2,944)	(178,507)	(198,572)	(4,532)	(203,104)
Administrative expenses	(272,339)	(5,356)	(277,695)	(236,674)	(5,419)	(242,093)	(149,878)	(2,746)	(152,624)	(149,249)	(3,244)	(152,493)
Depreciation and amortisation	(88,546)	(765)	(89,311)	(60,264)	(923)	(61,187)	(45,142)	(364)	(45,506)	(32,629)	(465)	(33,094)
Total operating expenses before provisions	(726,069)	(12,998)	(739,067)	(644,135)	(15,088)	(659,223)	(370,583)	(6,054)	(376,637)	(380,450)	(8,241)	(388,691)
Profit before provisions, impairment and income tax	647,620	7,086	654,706	4,121,897	22,759	4,144,656	449,861	5,904	455,765	540,163	12,002	552,165
Provisions and impairment	(1,087,957)	(5,783)	(1,093,740)	(1,164,512)	-	(1,164,512)	(572,445)	(3,766)	(576,211)	(658,250)	-	(658,250)
Share of profit of associates	4,190	-	4,190	(3,932)	-	(3,932)	8,153	-	8,153	(5,755)	-	(5,755)
Profit/ (Loss) before tax	(436,147)	1,303	(434,844)	2,953,453	22,759	2,976,212	(114,431)	2,138	(112,293)	(123,842)	12,002	(111,840)
Income tax	354,199	(1,868)	352,331	551,020	(1,614)	549,406	278,792	(729)	278,063	13,582	(3,032)	10,550
Profit/ (Loss) after tax (A)	(81,948)	(565)	(82,513)	3,504,473	21,145	3,525,618	164,361	1,409	165,770	(110,260)	8,970	(101,290)
Less: Non controlling interest	395	(1)	394	(4,450)	-	(4,450)	74	(1)	73	(2,522)	-	(2,522)
Profit/ (Loss) after tax attributable to equity holders of the parent entity	(82,343)	(564)	(82,907)	3,508,923	21,145	3,530,068	164,287	1,410	165,697	(107,738)	8,970	(98,768)
Other comprehensive income, net of tax (B)	(42,043)	4,334	(37,709)	27,060	2,276	29,336	(63,553)	768	(62,785)	27,591	2,268	29,859
Total comprehensive income for the period,net of tax (A+B)	(123,991)	3,769	(120,222)	3,531,533	23,421	3,554,954	100,808	2,177	102,985	(82,669)	11,238	(71,431)
-Attributable to equity holders of the parent entity	(124,428)	3,770	(120,658)	3,535,943	23,421	3,559,364	100,719	2,178	102,897	(80,200)	11,237	(68,963)
-Non controlling interest	437	(1)	436	(4,410)	-	(4,410)	89	(1)	88	(2,469)	1	(2,468)
Profit/ (Loss) after tax per share (in euros):												
- Basic and diluted	(0.0147)	(0.0001)	(0.0148)	21.5560	0.1299	21.6859	0.0276	0.0002	0.0278	(0.5101)	0.0425	(0.4676)

BANK

	1 Jan - 30 Jun 2014	1 Jan - 30 Jun 2013	1 Apr - 30 Jun 2014	1 Apr - 30 Jun 2013
Interest and similar income	1,508,699	1,428,600	760,296	817,664
Interest expenses and similar charges	(720,927)	(870,513)	(359,678)	(475,680)
Net interest income	787,772	558,087	400,618	341,984
Fee and commission income	112,056	90,087	57,710	53,579
Fee and commission expense	(11,352)	(10,211)	(6,129)	(6,079)
Net fee and commission income	100,704	79,876	51,581	47,500
Dividend income	15,454	7,341	15,429	7,273
Net income from financial instruments designated at fair value through profit or loss	(26,647)	58,946	(24,765)	26,255
Results from investment securities	75,978	13,872	70,667	7,689
Other operating income	183,024	16,685	180,273	8,194
Negative goodwill due to acquisitions	-	3,498,036	-	84,345
Total net income	1,136,285	4,232,843	693,803	523,240
Staff costs	(272,033)	(247,769)	(130,032)	(150,588)
Administrative expenses	(214,457)	(167,806)	(120,964)	(112,552)
Depreciation and amortisation	(67,085)	(34,796)	(34,146)	(20,042)
Total operating expenses before provisions	(553,575)	(450,371)	(285,142)	(283,182)
Profit before provisions, impairment and income tax	582,710	3,782,472	408,661	240,058
Provisions and impairment	(1,208,480)	(1,215,168)	(752,089)	(789,389)
Share of profit of associates	-	-	-	-
Profit/ (Loss) before tax	(625,770)	2,567,304	(343,428)	(549,331)
Income tax	353,988	555,087	280,670	10,665
Profit/ (Loss) after tax (A)	(271,782)	3,122,391	(62,758)	(538,666)
Less: Non controlling interest	-	-	-	-
Profit/ (Loss) after tax attributable to equity holders of the parent entity	(271,782)	3,122,391	(62,758)	(538,666)
Other comprehensive income, net of tax (B)	(43,176)	21,617	(69,879)	22,620
Total comprehensive income for the period,net of tax (A+B)	(314,958)	3,144,008	(132,637)	(516,046)
-Attributable to equity holders of the parent entity	-	-	-	-
-Non controlling interest	-	-	-	-
Profit/ (Loss) after tax per share (in euros):				
- Basic and diluted	(0.0486)	19.1806	(0.0106)	(2.5503)

Athens, August 29th, 2014

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR & C.E.O.	CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
MICHALIS G. SALLAS	STAVROS M. LEKKAKOS	GEORGE I. POULOPOULOS	KONSTANTINOS S. PASCHALIS

PIRAEUS BANK

PIRAEUS BANK S.A.
General Commercial Reg. No 225501000
[Former Companies Reg. No 6065/06/B/86/04]

USE OF FUNDS RAISED FROM THE BANK'S SHARE CAPITAL INCREASE THROUGH PAYMENT IN CASH AND ISSUANCE OF ORDINARY REGISTERED SHARES AND CANCELLATION OF PRE-EMPTION RIGHTS OF THE EXISTING SHAREHOLDERS, IN ACCORDANCE WITH THE DECISION OF THE EXTRAORDINARY GENERAL MEETING OF THE ORDINARY SHAREHOLDERS HELD ON 28.03.2014 AS APPROVED BY VIRTUE OF A DECISION OF THE PREFERENCE SHAREHOLDER'S EXTRAORDINARY GENERAL MEETING DATED 28.03.2014

In accordance with article 4.1.2 of the Athens Exchange Regulation and decisions no. 25/17.07.2008 of the Board of Directors of Athens Exchange and no. 7/448/11.10.2007 of the Board of Directors of Hellenic Capital Market Commission, it is hereby announced that the Bank's share capital was increased by the issue of 1,029,411,764 new ordinary registered shares with voting rights and the total funds raised amounted to € 1,749,999,998.80. Total expenses of the share capital increase amounted to € 76,480,966.17 and were fully covered by the proceeds of the above mentioned share capital increase. Thus, total funds raised net of share capital issue costs amounted to € 1,673,519,032.63. The Bank's Board of Directors certified the payment of the share capital increase at its meeting held on 10.04.2014. Athens Exchange approved on 14.04.2014 the admission to trading on ATHEX of the 1,029,411,764 new shares. The new shares commenced trading on the ATHEX on 16.04.2014.

TABLE OF USE OF FUNDS RAISED

Use of Funds raised	Total funds raised (amounts in €)	Use of funds as of 30.6.2014 (amounts in €)	Balance of Funds as of 30.6.2014 (amounts in €)
1. Enhancement of Core Tier I Capital and the redemption of preference shares owned by the Hellenic Republic	1,673,519,032.63	1,673,519,032.63	-
2. Issue Costs	76,480,966.17	76,480,966.17	-
Total	1,749,999,998.80	1,749,999,998.80	-

Athens, August 29th, 2014

CHAIRMAN OF THE BOARD OF DIRECTORS	MANAGING DIRECTOR & C.E.O.	CHIEF FINANCIAL OFFICER	DEPUTY CHIEF FINANCIAL OFFICER
MICHALIS G. SALLAS	STAVROS M. LEKKAKOS	GEORGE I. POULOPOULOS	KONSTANTINOS S. PASCHALIS

Report of factual findings in connection with the 'TABLE OF USE OF FUNDS RAISED'

To the Board of Directors of PIRAEUS BANK SA

We have performed the procedures prescribed and agreed with the Board of Directors of PIRAEUS BANK SA and enumerated below with respect to the 'TABLE OF USE OF FUNDS RAISED' which relates to the share capital increase paid in cash during 2014. PIRAEUS BANK SA Board of Directors is responsible for preparing the aforementioned Table. Our engagement was undertaken in accordance with: the regulatory framework of the Athens Stock Exchange; the relevant legal framework of the Hellenic Capital Markets Committee; and the International Standard on Related Services 4400 applicable to agreed-upon-procedures engagements. Our responsibility is solely for performing the procedures described below and for reporting to you on our findings.

Procedures:

1. We compared the amounts referred to as use of funds in the accompanied 'TABLE OF USE OF FUNDS RAISED' with the relevant amounts recorded in the Bank's books and records in the respective timeframe.

2. We examined the completeness of the Table and the consistency of its content with what is referred to in the relevant Prospectus issued by the company for this purpose and the relevant Bank's decisions and announcements.

We report our findings below:

a) The amounts which appear, per usage of funds, as disbursements in the accompanied 'TABLE OF USE OF FUNDS RAISED' are derived from the Bank's books and records in the relevant timeframe.

b) The content of the Table includes the information which is at minimum required for this purpose from the regulatory framework of the Athens Stock Exchange and the relevant legal framework of the Hellenic Capital Markets Committee and is consistent with what is referred to in the respective Prospectus and the relevant Bank's decisions and announcements.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the report beyond what we have referred to above. Had we performed additional procedures or had we performed an audit or review, other matters might have come to our attention that would have been reported to you, in addition to the ones reported above.

Our report is solely for the purpose set forth in the first paragraph of this report and is addressed exclusively to the Board of Directors of the Bank, so that the later can fulfill its responsibilities in accordance with the legal framework of the Athens Stock Exchange and the relevant regulatory framework of the Hellenic Capital Markets Commission. This report is not to be used for any other purpose, since it is limited to what is referred to above and does not extend to the financial information prepared by the Bank for the period from 01/01/2014 to 30/06/2014, for which we have issued a separate review report, as of 29/08/2014.

pwc

PricewaterhouseCoopers S.A.
268 Kifissias Avenue
152 32 Halandri
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Athens, 29 August 2014
THE CERTIFIED AUDITOR

Dimitris Sourbis
SOEL Reg. No. 16891