

**PIRAEUS BANK**



**PIRAEUS BANK GROUP**

**Consolidated Interim Condensed  
Financial Information**

31 March 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 May 30th, 2014 and it is available on the web site of Piraeus Bank at [www.piraeusbankgroup.com](http://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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**CONSOLIDATED INTERIM INCOME STATEMENT**

	Note	Period from 1 January to	
		31 March 2014	31 March 2013
Interest and similar income		876,911	763,648
Interest expense and similar charges		(397,896)	(449,128)
<b>NET INTEREST INCOME</b>		<b>479,014</b>	<b>314,520</b>
Fee and commission income		89,199	63,058
Fee and commission expense		(9,165)	(8,036)
<b>NET FEE AND COMMISSION INCOME</b>		<b>80,033</b>	<b>55,022</b>
Dividend income		26	118
Net income from financial instruments designated at fair value through profit or loss		(20,342)	44,759
Results from investment securities		5,366	6,146
Other operating income		9,149	11,163
Negative goodwill due to acquisitions		-	3,413,691
<b>TOTAL NET INCOME</b>		<b>553,246</b>	<b>3,845,419</b>
Staff costs		(189,621)	(148,624)
Administrative expenses		(122,674)	(87,726)
Depreciation and amortisation		(43,404)	(27,635)
Gains/ (losses) from sale of assets		213	301
<b>TOTAL OPERATING EXPENSES BEFORE PROVISIONS</b>		<b>(355,486)</b>	<b>(263,684)</b>
<b>PROFIT BEFORE PROVISIONS, IMPAIRMENT AND INCOME TAX</b>		<b>197,760</b>	<b>3,581,735</b>
Impairment losses on loans and other receivables	12	(514,649)	(505,107)
Impairment on investment securities		(176)	(432)
Other provisions and impairment		(688)	(724)
Share of profit of associates		(3,963)	1,823
<b>PROFIT/ (LOSS) BEFORE INCOME TAX</b>		<b>(321,715)</b>	<b>3,077,296</b>
Income tax	7	75,406	537,438
<b>PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS</b>		<b>(246,309)</b>	<b>3,614,733</b>
Profit/ (loss) after income tax from discontinued operations	6	(1,974)	12,175
<b>PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD</b>		<b>(248,283)</b>	<b>3,626,908</b>
<b>From continuing operations</b>			
Profit/ (loss) for the period attributable to equity holders of the parent entity		(246,630)	3,616,661
Non controlling interest		321	(1,927)
<b>From discontinued operations</b>			
Profit/ (loss) for the period attributable to equity holders of the parent entity		(1,973)	12,175
Non controlling interest		(1)	-
<b>Earnings/ (losses) per share attributable to equity holders of the parent entity (in euros):</b>			
From continuing operations			
- Basic and Diluted	8	(0.0472)	30.5483
From discontinued operations			
- Basic and Diluted	8	(0.0004)	0.1028

**CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME**

	Note	Period from 1 January to	
		31 March 2014	31 March 2013
<b>CONTINUING OPERATIONS</b>			
<b>Profit/ (loss) after tax for the period (A)</b>		<b>(246,309)</b>	<b>3,614,733</b>
<b>Other comprehensive income, net of tax:</b>			
<b>Amounts that can be reclassified in the Income Statement</b>			
Change in available for sale reserve	9	26,046	(2,291)
Change in currency translation reserve	9	(4,543)	1,760
<b>Amounts that cannot be reclassified in the Income Statement</b>			
Change in reserve of defined benefit obligations	9	7	-
<b>Other comprehensive income for the period, net of tax (B)</b>	9	<b>21,510</b>	<b>(531)</b>
<b>Total comprehensive income for the period, net of tax (A+B)</b>		<b>(224,799)</b>	<b>3,614,202</b>
- Attributable to equity holders of the parent entity		(225,147)	3,616,144
- Non controlling interest		348	(1,941)
<b>DISCONTINUED OPERATIONS</b>			
<b>Profit/ (loss) after tax for the period (C)</b>		<b>(1,974)</b>	<b>12,175</b>
<b>Other comprehensive income, net of tax:</b>			
<b>Amounts that can be reclassified in the Income Statement</b>			
Change in available for sale reserve	9	3,426	(22)
Change in currency translation reserve	9	140	30
<b>Other comprehensive income for the period, net of tax (D)</b>	9	<b>3,566</b>	<b>8</b>
<b>Total comprehensive income for the period, net of tax (C+D)</b>		<b>1,592</b>	<b>12,183</b>
- Attributable to equity holders of the parent entity		1,592	12,184
- Non controlling interest		-	(1)

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	31 March 2014	31 December 2013
<b>ASSETS</b>			
Cash and balances with Central Banks	10	3,154,456	2,874,771
Loans and advances to credit institutions		355,961	293,035
Financial instruments at fair value through profit or loss	11	267,530	214,113
Derivative financial instruments - assets		401,710	325,032
Reverse repos with customers		111,249	7,124
Loans and advances to customers (net of provisions)	12	59,455,312	62,365,774
Available for sale securities	13	1,101,362	1,377,749
Debt securities - receivables	14	15,685,032	15,628,221
Held to maturity		32,744	58,041
Assets held for sale		33,837	34,743
Inventories property		695,373	669,125
Investment property		900,623	902,859
Investments in associated undertakings		301,521	304,967
Property, plant and equipment		1,386,472	1,416,404
Intangible assets		294,446	300,345
Deferred tax assets		2,928,598	2,861,716
Other assets		2,015,743	2,017,917
Assets from discontinued operations	16	335,310	357,657
<b>TOTAL ASSETS</b>		<b>89,457,278</b>	<b>92,009,592</b>
<b>LIABILITIES</b>			
Due to credit institutions	17	23,097,102	26,274,952
Due to customers	18	54,609,280	54,279,320
Liabilities at fair value through profit or loss		-	549
Derivative financial instruments - liabilities		403,020	329,618
Debt securities in issue	19	784,842	305,361
Current income tax liabilities		42,545	35,390
Deferred tax liabilities		39,286	42,300
Retirement benefit obligations		163,315	161,397
Other provisions		38,625	39,882
Other liabilities		1,149,353	1,185,347
Hybrid capital and other borrowed funds	20	256,026	256,004
Liabilities from discontinued operations	16	554,256	556,574
<b>TOTAL LIABILITIES</b>		<b>81,137,651</b>	<b>83,466,694</b>
<b>EQUITY</b>			
Share capital	22	2,271,770	2,271,770
Share premium	22	10,008,734	10,008,734
Less: Treasury shares	22	(142)	(113)
Other reserves	23	105,281	82,604
Amounts recognized directly in equity relating to non-current assets from discontinued operations	23	21,671	18,106
Retained earnings	23	(4,207,024)	(3,957,192)
<b>Capital and reserves attributable to equity holders of the parent entity</b>		<b>8,200,290</b>	<b>8,423,909</b>
Non controlling interest		119,338	118,990
<b>TOTAL EQUITY</b>		<b>8,319,628</b>	<b>8,542,899</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>89,457,278</b>	<b>92,009,592</b>

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		
<b>Opening balance as at 1 January 2013</b>		<b>1,092,998</b>	<b>2,953,355</b>	<b>(36)</b>	<b>4,647</b>	<b>(6,503,766)</b>	<b>128,495</b>	<b>(2,324,306)</b>
Other comprehensive income, net of tax	9				(508)		(13)	(522)
Results after tax for the period 1/1/2013 - 31/3/2013	23					3,628,836	(1,927)	3,626,908
<b>Total recognised income for the period 1/1/2013 - 31/3/2013</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(508)</b>	<b>3,628,836</b>	<b>(1,941)</b>	<b>3,626,387</b>
(Purchases)/ sales of treasury shares	22, 23			21		23		44
Transfer between other reserves and retained earnings	23				781	(781)		0
Expenses on Increase of share capital of subsidiary companies	23					(1,449)	(14)	(1,462)
Acquisitions, liquidation and movement in participating interest	23					33	36	69
<b>Balance as at 31 March 2013</b>		<b>1,092,998</b>	<b>2,953,355</b>	<b>(15)</b>	<b>4,920</b>	<b>(2,877,103)</b>	<b>126,576</b>	<b>1,300,731</b>
<b>Opening balance as at 1 April 2013</b>		<b>1,092,998</b>	<b>2,953,355</b>	<b>(15)</b>	<b>4,920</b>	<b>(2,877,103)</b>	<b>126,576</b>	<b>1,300,731</b>
Other comprehensive income, net of tax					85,472		120	85,592
Results after tax for the period 1/4/2013-31/12/2013	23					(1,066,747)	(14,003)	(1,080,750)
<b>Total recognised income for the period 1/4/2013 - 31/12/2013</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>85,472</b>	<b>(1,066,747)</b>	<b>(13,883)</b>	<b>(995,157)</b>
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
Prior year dividends of ordinary shares							(1,049)	(1,049)
(Purchases)/ sales of treasury shares	22, 23			(98)		90		(8)
Transfer between other reserves and retained earnings	23				10,318	(10,318)		0
Expenses on Increase of share capital of subsidiary companies	23					(177)		(177)
Acquisitions, disposals, absorptions and movement in participating interest	23					(2,937)	7,345	4,408
<b>Balance as at 31 December 2013</b>		<b>2,271,770</b>	<b>10,008,734</b>	<b>(113)</b>	<b>100,710</b>	<b>(3,957,191)</b>	<b>118,989</b>	<b>8,542,899</b>
<b>Opening balance as at 1 January 2014</b>		<b>2,271,770</b>	<b>10,008,734</b>	<b>(113)</b>	<b>100,710</b>	<b>(3,957,191)</b>	<b>118,989</b>	<b>8,542,899</b>
Other comprehensive income, net of tax	9				25,048		27	25,075
Results after tax for the period 1/1/2014 - 31/3/2014	23					(248,603)	320	(248,283)
<b>Total recognised income for the period 1/1/2014-31/3/2014</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>25,048</b>	<b>(248,603)</b>	<b>348</b>	<b>(223,207)</b>
(Purchases)/ sales of treasury shares	22, 23			(29)		(36)		(65)
Transfer between other reserves and retained earnings	23				1,194	(1,194)		0
<b>Balance as at 31 March 2014</b>		<b>2,271,770</b>	<b>10,008,734</b>	<b>(142)</b>	<b>126,951</b>	<b>(4,207,024)</b>	<b>119,337</b>	<b>8,319,627</b>

**CONSOLIDATED INTERIM CASH FLOW STATEMENT**

	Note	Period from 1 January to	
		31 March 2014	31 March 2013
<i>Cash flows from operating activities from continuing operations</i>			
Profit/ (Loss) before tax		(321,715)	3,077,296
<i>Adjustments to profit/ loss before tax:</i>			
Add: provisions and impairment		515,513	506,263
Add: depreciation and amortisation charge		43,404	27,635
Add: retirement benefits		3,176	3,932
(Gains)/ losses from valuation of financial instruments at fair value through profit or loss		14,927	(7,577)
(Gains)/ losses from investing activities		(2,041)	(11,015)
Deduct: negative goodwill due to the acquisitions		-	(3,413,691)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>		253,264	182,842
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Banks		7,446	41,528
Net (increase)/ decrease in financial instruments at fair value through profit or loss		(68,461)	87,186
Net (increase)/ decrease in debt securities - receivables		(85,992)	(779,829)
Net (increase)/ decrease in loans and advances to credit institutions		436	(4,849)
Net (increase)/ decrease in loans and advances to customers		2,433,776	1,945,449
Net (increase)/ decrease in reverse repos with customers		(104,125)	(471)
Net (increase)/ decrease in other assets		(17,774)	448,778
Net increase/ (decrease) in amounts due to credit institutions		(3,177,850)	(4,456,027)
Net increase/ (decrease) in liabilities at fair value through profit or loss		(549)	(21,349)
Net increase/ (decrease) in amounts due to customers		329,959	1,399,700
Net increase/ (decrease) in other liabilities		(44,374)	(38,138)
<i>Net cash flow from operating activities before income tax payment</i>		(474,244)	(1,195,181)
Income tax paid		(674)	(947)
<b>Net cash inflow/ (outflow) from continuing operating activities</b>		<b>(474,918)</b>	<b>(1,196,127)</b>
<i>Cash flows from investing activities of continuing operations</i>			
Purchases of property, plant and equipment		(37,456)	(40,936)
Sales of property, plant and equipment		21,874	5,587
Purchases of intangible assets		(4,189)	(4,611)
Purchases of assets held for sale		(290)	(3,293)
Sales of assets held for sale		948	534
Purchases of investment securities		(1,868,433)	(1,576,109)
Disposals/ maturity of investment securities		2,208,900	2,953,185
Sales of subsidiaries excluding cash and balances sold		-	888
Acquisition and participation in share capital increases of associates	25	(528)	(193)
Dividends received		-	116
<b>Net cash inflow/ (outflow) from continuing investing activities</b>		<b>320,827</b>	<b>1,335,169</b>
<i>Cash flows from financing activities of continuing operations</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		470,521	(37,281)
Prior year dividends paid		(1,899)	(7)
Purchases/ sales of treasury shares and preemption rights		(65)	44
Other cashflows from financing activities		5,465	4,179
<b>Net cash inflow/ (outflow) from continuing financing activities</b>		<b>474,022</b>	<b>(33,066)</b>
Effect of exchange rate changes on cash and cash equivalents		24,738	(13,203)
<b>Net increase/ (decrease) in cash and cash equivalents of the period from continuing activities (A)</b>		<b>344,670</b>	<b>92,774</b>
<i>Net cash flows from discontinued operating activities</i>			
Net cash flows from discontinued operating activities		(22,309)	(25,646)
Net cash flows from discontinued investing activities		22,982	25,832
Net cash flows from discontinued financing activities		-	-
Exchange difference of cash and cash equivalents		25	-
<b>Net increase/ (decrease) in cash and cash equivalents of the period from discontinued activities (B)</b>		<b>697</b>	<b>187</b>
<b>Cash and cash equivalents at the beginning of the period (C)</b>		<b>1,888,466</b>	<b>2,473,084</b>
Cash and cash equivalents at the acquisition date of assets and liabilities of Cypriot banks' network in Greece (D)		-	11,696
<b>Cash and cash equivalents at the end of the period (A)+(B)+(C)+(D)</b>		<b>2,233,833</b>	<b>2,577,740</b>

The notes on pages 7 to 28 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 sociétés 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 22,604 people of which 207 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 quarter of 2014 are not comparable with the relevant figures for the first quarter 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 consists an additional risk factor for the Greek banking system.

On 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.

On 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.

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 have been prepared on a going concern basis.

#### 4 Fair values of assets and liabilities

##### a) Assets and liabilities not held 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.

	Carrying Value		Fair Value	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<b>Assets</b>				
Loans and advances to credit institutions	355,961	293,035	355,961	293,035
Loans and advances to customers (net of provisions)	59,455,312	62,365,774	58,982,161	62,255,628
Debt securities - receivables	15,685,032	15,628,221	15,969,592	15,860,534
Reverse repos with customers	111,249	7,124	111,240	7,115
Held to maturity investment securities	32,744	58,041	32,744	58,041
<b>Liabilities</b>				
Due to credit institutions	23,097,102	26,274,952	23,097,102	26,274,952
Due to customers	54,609,280	54,279,320	54,609,280	54,279,320
Debt securities in issue	784,842	305,361	666,647	175,825
Hybrid capital and other borrowed funds	256,026	256,004	137,580	137,559

The fair values as at 31/3/2014 of loans and advances to credit institutions, 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 held 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:

- 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, which 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 tables present financial assets and liabilities measured at fair value, categorized in the three levels mentioned above, reconciliation of level 3 items for the period 1/1-31/3/2014 and sensitivity analysis:

<b>Assets &amp; Liabilities measured at fair value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Derivative financial instruments - assets	1,165	400,546	-	<b>401,710</b>
Financial Assets at FV through PL				
- Trading bonds	192,791	36,565	-	<b>229,355</b>
- Trading treasury bills	11,001	5,449	-	<b>16,449</b>
- Shares & other variable income securities of trading portfolio	5,295	639	-	<b>5,933</b>
- Shares at FV through PL	15,792	-	-	<b>15,792</b>
Available for Sale Securities				
- Bonds	256,914	105,136	-	<b>362,050</b>
- Shares & other variable income securities	312,672	4,115	194,880	<b>511,668</b>
- Treasury bills	118,985	108,659	-	<b>227,644</b>
<b>Liabilities</b>				
Derivative financial instruments - liabilities	129	402,892	-	<b>403,020</b>
				<b>Shares &amp; Other variable Income securities</b>
<b>Reconciliation of level 3 items</b>				
Opening balance				194,427
Profit/ (loss) for the period				37
Shares purchases				35
Impairment				(99)
Disposals				(45)
FX differences				525
Transfer to level 3				-
Transfer from level 3				-
<b>Total</b>				<b>194,880</b>

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

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

Sensitivity Analysis of level 3 measurements to alternative assumptions, in million euros reflected in :	Favourable changes	Unfavourable changes
<b>Income Statement</b>		
Available for sale securities	-	(20)
<b>Equity Statement</b>		
Available for sale securities	18	-

## 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** – Includes 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 quarter 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 quarter of 2013 has been changed accordingly.

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

1/1-31/3/2014	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	308,290	180,102	240	18,830	(28,448)	479,014
Net fee and commission income	57,691	15,132	4,255	2,741	214	80,033
Other operating income	4,114	3,134	1,299	1,433	(15,781)	(5,802)
<b>Net Income</b>	<b>370,096</b>	<b>198,369</b>	<b>5,794</b>	<b>23,004</b>	<b>(44,016)</b>	<b>553,246</b>
Depreciation and amortisation	(29,098)	(1,434)	(94)	(141)	(12,638)	(43,404)
Impairment losses on loans and other receivables	(399,343)	(96,809)	(46)	-	(18,451)	(514,649)
Impairment on investment securities	-	-	-	-	(176)	(176)
Other provisions and impairment	(532)	(157)	-	-	-	(688)
Share of profit of associates	-	-	-	-	(3,963)	(3,963)
<b>Results before tax</b>	<b>(320,604)</b>	<b>72,815</b>	<b>3,089</b>	<b>10,747</b>	<b>(87,762)</b>	<b>(321,715)</b>
Income tax						75,406
<b>Profit/ (Loss) after tax from continuing operations</b>						<b>(246,309)</b>
Profit/ (loss) after income tax from discontinued operations						(1,974)
<b>Profit/ (Loss) after tax for the period</b>						<b>(248,283)</b>
<b>As at 31 March 2014</b>						
Segment assets	45,999,716	16,126,011	70,165	17,799,819	9,461,568	89,457,278
Segment liabilities	49,526,088	2,620,821	851,803	24,274,209	3,864,730	81,137,651
Capital expenditure	25,579	1,240	34	446	14,653	41,953

**Piraeus Bank Group - 31 March 2014**  
Amounts in thousand euros (Unless otherwise stated)

1/1-31/3/2013	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Group
Net interest income	245,297	94,102	160	27,142	(52,181)	314,520
Net fee and commission income	39,223	8,699	1,532	661	4,907	55,022
Other operating income	9,716	7,609	77	42,112	3,416,364	3,475,877
<b>Net Income</b>	<b>294,235</b>	<b>110,410</b>	<b>1,769</b>	<b>69,915</b>	<b>3,369,090</b>	<b>3,845,419</b>
Depreciation and amortisation	(14,125)	(2,190)	(92)	(321)	(10,907)	(27,635)
Impairment losses on loans and other receivables	(445,319)	(50,687)	-	-	(9,102)	(505,107)
Impairment on investment securities	(340)	(85)	-	-	(7)	(432)
Other provisions and impairment	(600)	(123)	-	-	-	(724)
Share of profit of associates	-	-	-	-	1,823	1,823
<b>Results before tax</b>	<b>(417,394)</b>	<b>41,053</b>	<b>(1,546)</b>	<b>63,561</b>	<b>3,391,621</b>	<b>3,077,296</b>
Income tax						537,438
<b>Profit/ (Loss) after tax from continuing operations</b>						<b>3,614,733</b>
Profit/ (loss) after income tax from discontinued operations						12,175
<b>Profit/ (Loss) after tax for the period</b>						<b>3,626,908</b>
<b>As at 31 December 2013</b>	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Asset Management &amp; Treasury</b>	<b>Other business segments</b>	<b>Group</b>
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
<b>As at 31 March 2013</b>						
Capital expenditure	28,716	1,945	38	217	14,947	45,863

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.

At the 1st quarter 2013 negative goodwill due to the acquisition of the Greek banking operations of the three Cypriot banks is included in lines "Other operating income", "Net Income" and "Segment Results" 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 Profit/ (Loss) after income tax from discontinued operations

Both periods 1/1-31/3/2014 and 1/1-31/3/2013 include the results of ATE Insurance S.A. and ATE Insurance Romania S.A., for which the sale process is in progress.

	1/1-31/3/2014	1/1-31/3/2013
Net interest income	476	459
Net fee and commission income	(11)	(11)
Dividend Income	3	-
Net income from financial instruments designated at fair value through profit or loss	2,548	590
Results from investment securities	44	-
Other operating income/ (loss)	5,066	16,566
<b>Total net income</b>	<b>8,126</b>	<b>17,603</b>
Staff costs	(3,933)	(4,215)
Administrative expenses	(2,610)	(2,179)
Depreciation and amortization	(401)	(456)
Profit/ (loss) from sale of assets	-	3
<b>Total operating expenses before provisions</b>	<b>(6,944)</b>	<b>(6,846)</b>
Other provisions and impairment	(2,017)	-
<b>Profit/ (loss) before income tax</b>	<b>(835)</b>	<b>10,757</b>
Income tax	(1,138)	1,418
<b>Profit/ (loss) after income tax from discontinued operations</b>	<b>(1,974)</b>	<b>12,175</b>



## 7 Income tax

	<b>1/1-31/3/2014</b>	<b>1/1-31/3/2013</b>
Current Tax	(8,818)	(3,028)
Deferred tax	84,224	540,466
	<b>75,406</b>	<b>537,438</b>

As provided for by Article 9 of the Greek Tax Law 4110/23.1.2013, the income tax rate for Greek legal entities increased from 20% to 26% from 01/01/2013 whereas the tax rate for dividends distribution decreased from 25% to 10% for profits distribution which will be approved from 01/01/2014 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 10,000,000 EGP and 25% for net income exceeding the above amount, Serbia: 15%, Ukraine: 16% for 2014 and 19% for 2013, Cyprus: 12.5%, Albania: 10% and United Kingdom: 21% from 01/04/2014 and 23% from 01/04/2013 until 31/03/2014).

From the 2011 financial year and onwards, all Greek Societe Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements must in addition obtain an "Annual Tax Certificate" as provided for by paragraph 5 of Article 82 of L.2238/1994. This "Annual Tax Certificate" must be issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm must issue to the entity a "Tax Compliance Report" which will subsequently be submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. This "Tax Compliance Report" must be submitted to the Ministry of Finance, within ten days of the date of approval of the financial statements by the General Meeting of Shareholders. The Ministry of Finance in accordance with Law regulations will select a sample of companies for tax audit by the relevant auditors from the Ministry of Finance. The audit by the Ministry of Finance must be completed within a period of eighteen months from the date when the "Tax Compliance Report" was submitted to the Ministry of Finance.

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 and 2012, 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 and 2012 has been completed and the relevant Tax Compliance Reports have been issued.

The unaudited tax years of the Group's subsidiaries and affiliates, are included in note 15 of the Consolidated Financial Statements and therefore their tax liabilities for these years have not been finalized.

For the fiscal year 2013, the tax audit by the statutory auditors of the Group companies is still in progress and no material findings are expected.

## 8 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.

	<b>1/1-31/3/2014</b>	<b>1/1-31/3/2013</b>
<b>Basic and diluted earnings/ (losses) per share from continuing operations</b>		
Profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(246,630)	3,616,661
Weighted average number of ordinary shares in issue	5,223,131,617	118,391,641
Basic and diluted earnings/ (losses) per share (in euros) from continuing operations	(0.0472)	30.5483
<b>Basic and diluted earnings per share from discontinued operations</b>		
Profit attributable to ordinary shareholders of the parent entity from discontinued operations	(1,973)	12,175
Weighted average number of ordinary shares in issue	5,223,131,617	118,391,641
Basic and diluted earnings per share (in euros) from discontinued operations	(0.0004)	0.1028

According to the requirements of IAS 33, the weighted average number of shares for the comparative period from 1/1/2013 - 31/3/2013 has been adjusted by 1.0297 and 1.0057 factors, in order to adjust earnings per share for the discount price of the rights issue of the share capital increase that took place in April 2014 and in June 2013 respectively. Comparative period has been also adjusted by a factor 1/10 in order to adjust earnings per share for the reverse split performed in June 2013.

## 9 Analysis of other comprehensive income

### A. Continuing operations

	Before-Tax amount	Tax	Net-of-Tax amount
<b>1/1-31/3/2014</b>			
<b>Amounts that can be reclassified in the Income Statement</b>			
Change in available for sale reserve	35,573	(9,526)	26,046
Change in currency translation reserve	(4,543)	-	(4,543)
<b>Amounts that cannot be reclassified in the Income Statement</b>			
Change in reserve of defined benefit obligations	7	-	7
<b>Other comprehensive income from continuing operations</b>	<b>31,036</b>	<b>(9,526)</b>	<b>21,510</b>
<b>1/1-31/3/2013</b>			
<b>Amounts that can be reclassified in the Income Statement</b>			
Change in available for sale reserve	3,054	(5,345)	(2,291)
Change in currency translation reserve	1,760	-	1,760
<b>Amounts that cannot be reclassified in the Income Statement</b>			
Change in reserve of defined benefit obligations	-	-	0
<b>Other comprehensive income from continuing operations</b>	<b>4,814</b>	<b>(5,345)</b>	<b>(531)</b>
<b>B. Discontinued operations</b>			
<b>1/1-31/3/2014</b>			
<b>Amounts that can be reclassified in the Income Statement</b>			
Change in available for sale reserve	3,426	-	3,426
Change in currency translation reserve	140	-	140
<b>Amounts that cannot be reclassified in the Income Statement</b>			
Change in reserve of defined benefit obligations	-	-	0
<b>Other comprehensive income from discontinued operations</b>	<b>3,566</b>	<b>0</b>	<b>3,566</b>
<b>1/1-31/3/2013</b>			
<b>Amounts that can be reclassified in the Income Statement</b>			
Change in available for sale reserve	(22)	-	(22)
Change in currency translation reserve	30	-	30
<b>Amounts that cannot be reclassified in the Income Statement</b>			
Change in reserve of defined benefit obligations	-	-	0
<b>Other comprehensive income from discontinued operations</b>	<b>8</b>	<b>0</b>	<b>8</b>

## 10 Cash and balances with Central Banks

	31 March 2014	31 December 2013
Cash in hand	662,414	765,839
Nostros and sight accounts with other banks	328,607	416,691
Balances with Central banks	757,927	246,221
Cheques clearing system - Central Banks	131,579	164,645
Blocked deposits	874,471	873,743
Mandatory reserves with Central Banks	399,458	407,633
	<b>3,154,456</b>	<b>2,874,771</b>

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.

## 11 Financial assets at fair value through profit or loss

	31 March 2014	31 December 2013
<b>Trading securities</b>		
Greek government bonds	45,956	20,888
Foreign government bonds	183,400	163,083
Greek government treasury bills	12,188	5,360
Foreign government treasury bills	4,261	-
<b>Total</b>	<b>245,805</b>	<b>189,330</b>
Athens stock exchange listed shares	5,289	6,989
Foreign stock exchanges listed shares	5	5
Mutual funds	639	606
<b>Total</b>	<b>5,933</b>	<b>7,599</b>
<b>Total trading securities (A)</b>	<b>251,738</b>	<b>196,930</b>
<b>Other financial assets at fair value through profit or loss (B)</b>	<b>15,792</b>	<b>17,183</b>
<b>Total (A) + (B)</b>	<b>267,530</b>	<b>214,113</b>

## 12 Loans and advances to customers

	31 March 2014	31 December 2013
Mortgages	17,496,164	17,657,558
Consumer/ personal and other loans	5,026,831	5,102,862
Credit cards	1,214,727	1,248,952
<b>Loans to individuals</b>	<b>23,737,723</b>	<b>24,009,372</b>
<b>Loans to corporate entities and Public sector</b>	<b>41,833,615</b>	<b>44,065,175</b>
<b>Total loans and advances to customers</b>	<b>65,571,337</b>	<b>68,074,546</b>
Less: Allowance for impairment on loans and advances to customers	(6,116,025)	(5,708,773)
<b>Total loans and advances to customers (net of provisions)</b>	<b>59,455,312</b>	<b>62,365,774</b>

### 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
<b>Opening balance at 1/1/2013</b>	<b>190,168</b>	<b>789,796</b>	<b>190,796</b>	<b>1,170,760</b>	<b>2,662,204</b>	<b>3,832,964</b>
Charge for the period	36,145	74,000	2,143	112,288	384,201	496,489
Loans written-off	(3,270)	(23,081)	(5,811)	(32,162)	(73,022)	(105,183)
Foreign exchange differences	131	(383)	(127)	(379)	2,832	2,452
<b>Balance at 31/3/2013</b>	<b>223,175</b>	<b>840,331</b>	<b>187,000</b>	<b>1,250,506</b>	<b>2,976,215</b>	<b>4,226,722</b>
<b>Opening balance at 1/4/2013</b>	<b>223,175</b>	<b>840,331</b>	<b>187,000</b>	<b>1,250,506</b>	<b>2,976,215</b>	<b>4,226,722</b>
Charge for the period	90,522	247,865	124,753	463,140	1,257,726	1,720,866
Loans written-off	(3,141)	(45,504)	(36,118)	(84,764)	(92,588)	(177,352)
Foreign exchange differences and other movements	(1,651)	(9,291)	(1,958)	(12,901)	(48,562)	(61,463)
<b>Balance at 31/12/2013</b>	<b>308,904</b>	<b>1,033,400</b>	<b>273,678</b>	<b>1,615,982</b>	<b>4,092,791</b>	<b>5,708,773</b>
<b>Opening balance at 1/1/2014</b>	<b>308,904</b>	<b>1,033,400</b>	<b>273,678</b>	<b>1,615,982</b>	<b>4,092,791</b>	<b>5,708,773</b>
Charge for the period	23,359	35,104	32,313	90,776	389,968	480,744
Loans written-off	(334)	(9,333)	(12,262)	(21,929)	(14,229)	(36,158)
Foreign exchange differences and other movements	296	502	(102)	696	(38,030)	(37,334)
<b>Balance at 31/3/2014</b>	<b>332,225</b>	<b>1,059,673</b>	<b>293,627</b>	<b>1,685,524</b>	<b>4,430,501</b>	<b>6,116,025</b>

"Impairment losses on loans and other receivables" in the Interim Income Statement for the 1st quarter 2014 includes an amount of € 33.9 million that relates to impairment losses on other receivables.

It should be 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:

	31 March 2014	31 December 2013
<b>Loans to individuals</b>	<b>(1,936,803)</b>	<b>(1,936,803)</b>
Mortgages	(426,770)	(426,770)
Consumer/ personal loans	(1,160,754)	(1,160,754)
Credit cards	(349,280)	(349,280)
<b>Corporate/ Public sector loans</b>	<b>(6,102,277)</b>	<b>(6,102,277)</b>
<b>Total adjustment</b>	<b>(8,039,080)</b>	<b>(8,039,080)</b>

### 13 Available for sale securities

	31 March 2014	31 December 2013
<b>Bonds and other fixed income securities</b>		
Greek government bonds	36,672	38,636
Foreign government bonds	307,649	320,091
Corporate entities bonds	16,389	41,608
Bank bonds	1,339	1,162
Greek government treasury bills	112,114	381,825
Foreign government treasury bills	115,531	111,916
<b>Total (A)</b>	<b>589,694</b>	<b>895,238</b>
<b>Shares and other variable income securities</b>		
Athens stock exchange listed shares	221,642	196,461
Foreign stock exchange listed shares	25,128	26,162
Unlisted shares	150,301	150,813
Mutual funds	54,415	56,808
Other variable income securities	60,181	52,268
<b>Total (B)</b>	<b>511,668</b>	<b>482,512</b>
<b>Total available for sale securities (A) + (B)</b>	<b>1,101,362</b>	<b>1,377,750</b>

### 14 Debt securities - receivables

	31 March 2014	31 December 2013
<b>Debt securities - receivables</b>		
Corporate entities debt securities - receivables	4,425	4,535
Bank debt securities - receivables	23,846	23,846
Greek government bonds debt securities - receivables	1,216,658	1,272,203
Foreign government bonds debt securities - receivables and EFSF bonds	14,463,949	14,351,482
<b>Total debt securities - receivables</b>	<b>15,708,877</b>	<b>15,652,066</b>
Less: Allowance for impairment on debt securities - receivables	(23,846)	(23,846)
<b>Debt securities - receivables (less allowances for losses)</b>	<b>15,685,032</b>	<b>15,628,221</b>

Debt securities - receivables as at 31/3/2014 include Greek Government Bonds of nominal value € 1,245 million, which were issued according to the requirements of Law 3723/2008 "Enhancement of the Greek economy's liquidity". From these, debt securities with nominal value of € 782 million were transferred to Piraeus Bank in order to cover the issuance of Piraeus Bank's preference shares to the Greek State of amount € 370 million in 2009 and € 380 million in 2011. Additionally, securities of nominal value € 463 million were acquired by the Bank in the context of the transfer of selected assets and liabilities of former ATEbank. The book value of the aforementioned securities amounted to € 1,217 million as at 31/3/2014.

Foreign Government Debt Securities include 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 € 14,320 million as at 31/3/2014. Bonds of book value € 144 million held by subsidiaries of the Group are also included in line "Foreign government bonds debt securities - receivables and EFSF bonds".

### 15 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	98.30%	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

**Piraeus Bank Group - 31 March 2014**  
**Amounts in thousand euros** (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
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
17.	Bulfin 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.	Piraeus 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	98.30%	Egypt	2007-2013
44.	Piraeus Egypt for Securities Brokerage Co.	Stock exchange operations	98.30%	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.	Multicollecion S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2013
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	98.28%	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	96.33%	Egypt	2008-2013
60.	Integrated Services Systems Co.	Warehouse & mail distribution management	98.29%	Egypt	2004-2013
61.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
62.	Piraeus Wealth Management A.E.P.E.Y.	Wealth management	100.00%	Greece	2010,2012-2013
63.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
64.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
65.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
66.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
67.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
68.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	-
69.	R.E Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus	2009-2013
70.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010,2012-2013
71.	Solum Limited Liability Company	Property management	99.00%	Ukraine	2009-2013
72.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance brokerage	100.00%	Cyprus	2009-2013
73.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2010-2013
74.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010,2012-2013
75.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus	2011-2013
76.	Piraeus Equity Advisors Ltd.	Investment advise	100.00%	Cyprus	2009-2013
77.	Achaia Clauss Estate S.A.	Property management	74.76%	Greece	2010,2012-2013
78.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2013
79.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
80.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-

**Piraeus Bank Group - 31 March 2014**  
Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% Holding	Country	Unaudited tax years
81.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2013
82.	Curdart Holding Ltd	Holding company	100.00%	Cyprus	2009-2013
83.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2013
84.	Piraeus Clean Energy Holdings LTD	Holding Company	100.00%	Cyprus	2010-2013
85.	Visa Rent A Car S.A.	Rent A Car company	94.00%	Greece	2010,2012-2013
86.	Adflikton Investments LTD	Property Management	100.00%	Cyprus	2009-2013
87.	Costpleo Investments LTD	Property Management	100.00%	Cyprus	2010-2013
88.	Cutsofiar Enterprises LTD	Property Management	100.00%	Cyprus	2010-2013
89.	Gravieron Company LTD	Property Management	100.00%	Cyprus	2008-2013
90.	Kaihur Investments LTD	Property Management	100.00%	Cyprus	2007-2013
91.	Pertanam Enterprises LTD	Property Management	100.00%	Cyprus	2007-2013
92.	Rockory Enterprises LTD	Property Management	100.00%	Cyprus	2010-2013
93.	Topuni Investments LTD	Property Management	100.00%	Cyprus	2007-2013
94.	Albalate Company LTD	Property Management	100.00%	Cyprus	2011-2013
95.	Akimoria Enterprises LTD	Property Management	100.00%	Cyprus	2011-2013
96.	Alarconaco Enterprises LTD	Property Management	100.00%	Cyprus	2011-2013
97.	Kosmopolis A' Shopping Centers S.A.	Shopping Center's Management	100.00%	Greece	2010,2012-2013
98.	Parking Kosmopolis S.A.	Parking Management	100.00%	Greece	2010,2012-2013
99.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011-2013
100.	Bulfinace E.A.D.	Property Management	100.00%	Bulgaria	2008-2013
101.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	2013
102.	Asset Management Bulgaria EOOD	Travel - rental services and property management	100.00%	Bulgaria	2012-2013
103.	Arigeo Energy Holdings Ltd	Holding Company in Renewable Energy	100.00%	Cyprus	2012-2013
104.	Exus Software Ltd.	IT products Retailer	50.10%	United Kingdom	2012-2013
105.	Proiect Season Residence SRL	Real Estate Development	100.00%	Romania	2012-2013
106.	Piraeus Jeremie Technology Catalyst Management S.A.	Management of Venture Capital Fund	100.00%	Greece	2013
107.	KPM Energy S.A.	Energy generation and exploitation through renewable energy resources	80.00%	Greece	2013
108.	Piraeus Asset Management Europe S.A.	Mutual funds management	100.00%	Luxemburg	-
109.	Geniki Financial & Consulting Services S.A.	Financial & Consulting Services	99.94%	Greece	2010-2013
110.	Geniki Insurance Agency S.A.	Insurance Agency	99.94%	Greece	2010-2013
111.	Geniki Information S.A.	Assessment and collection of commercial debts	99.94%	Greece	2010-2013
112.	Solum Enterprise LLC	Property management	99.00%	Ukraine	2012-2013
113.	General Business Management Investitii S.R.L.	Development of Building Projects	100.00%	Romania	2013
114.	Centre of Sustainable Entrepreneurship Excelixi S.A. (former Ateexcelixi S.A.)	Consulting Services - Hotel - Training & Seminars	100.00%	Greece	2010,2012-2013
115.	Piraeus Bank (Cyprus) Nominees Limited	Defunct	100.00%	Cyprus	2012-2013
116.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010,2012-2013
117.	Mille Fin S.A.	Vehicle Trading	100.00%	Greece	2010,2012-2013
118.	Geniki Asset Management A.E.D.A.K. (former Millennium A.E.D.A.K.)	Mutual funds management	100.00%	Greece	2010,2012-2013
119.	Kion Mortgage Finance Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
120.	Kion Mortgage Finance No.3 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
121.	Kion CLO Finance No.1 Plc	SPE for securitization of mortgage loans	-	United Kingdom	-
122.	Re Anodus Two Ltd	Holding and Investment Company	99.09%	Cyprus	2013
123.	Sinitem Llc	Sale and Purchase of Real Estate	99.00%	Ukraine	2013
124.	Beta Asset Management Eood	Rent and Management of Real Estate	99.98%	Bulgaria	2013
125.	Linklife Food & Entertainment Hall S.A.	Operation of Food and Entertainment Halls	100.00%	Greece	2013
126.	R.E. Anodus SRL	Real Estate Development	99.09%	Romania	2013
127.	Entropia Ktimatiki S.A.	Property Management	66.70%	Greece	2010-2013
128.	Tellurion Ltd	Holding Company	100.00%	Cyprus	2013
129.	Tellurion Two Ltd	Holding Company	99.09%	Cyprus	2013
130.	Akinita LTD LLC	Real estate investment property	99.09%	Ukraine	-
131.	Daphne Real Estate Consultancy SRL	Real estate investment property	99.09%	Romania	-
132.	Rhesus Development Projects SRL	Real estate investment property	99.09%	Romania	-

Companies numbered 28, 51, 61, 63 - 67 and 119 - 121 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 31/3/2014 the companies numbered 27, 39, 40, 44, 48, 53 and 120 - 121 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) "Oblivio Co. Ltd", d) "ELSYF S.A.", e) "Blue Wings Ltd", f) "Piraeus Bank's Congress Centre", g) "Piraeus Bank Group Cultural Foundation", h) "Procas Holding Ltd", i) "Phoebe Investments SRL", j) "Core investments Project SRL", k) "Amaryllis Investments Consultancy SRL", l) "Torborg Maritime Inc.", m) "Isham Marine Corp.", n) "Cybele Management Company", o) "Alegre Shipping Ltd", p) "Maximus Chartering Co." and q) "Lantana Navigation Corp.". The companies numbered (a)-(d) are fully depreciated, under liquidation or dissolution status. The company numbered (e) is under idle status. The companies numbered (h)-(k) have not started operating yet. The companies numbered (l)-(q) 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.

**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	21.63%	Egypt	2008-2013
5.	Nile Shoes Company	Footwear seller- manufacturer	38.67%	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	2010,2012-2013
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 - TANEQ 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	-

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 18 is under liquidation as at 31/3/2014. The company numbered 23 is included in the associate companies' portfolio since the Group has significant influence and not control.

The changes in the portfolio of subsidiaries and associates are included in note 25.

The following associate companies have been excluded from the consolidation under the equity method of accounting: a) "Evrytania S.A. Agricultural Development Company", since it is under idle status and b) "Olganos S.A.", which was established as at 29/1/2014 but it has not started business operation as at 31/3/2014.

**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

## 16 Balance sheet - Discontinued operations

The assets and liabilities as at 31/3/2014 and 31/12/2013 relate to the companies ATE Insurance S.A and ATE Insurance Romania S.A.:

	31 March 2014	31 December 2013
<b>ASSETS</b>		
Cash and balances with Central Banks	706	817
Loans and advances to credit institutions	2,309	1,989
Financial instruments at fair value through profit or loss	11,501	9,569
Available for sale securities	70,101	90,813
Held to maturity	19,696	19,976
Investment property	2,072	2,246
Property, plant and equipment	45,576	47,894
Intangible assets	1,104	898
Deferred tax assets	64,325	64,263
Other assets	117,919	119,192
<b>Total Assets</b>	<b>335,310</b>	<b>357,657</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	18	17
Retirement benefit obligations	7,376	7,376
Other provisions	505,375	505,976
Other liabilities	41,488	43,205
<b>Total Liabilities</b>	<b>554,256</b>	<b>556,574</b>

## 17 Due to credit institutions

“Due to credit institutions” includes refinancing operations through repo transactions within the eurosystem amounting to € 10.4 billion (31/12/2013: € 17.9 billion). The decrease in the refinancing raised from the eurosystem during the first quarter of 2014 is mainly due to 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

	31 March 2014	31 December 2013
<b>Corporate</b>		
Current and sight deposits	6,961,764	6,681,967
Term deposits	5,699,785	5,575,333
Blocked deposits, guarantee deposits and other accounts	228,580	249,080
Repurchase agreements	43,078	14,411
<b>Total (A)</b>	<b>12,933,207</b>	<b>12,520,790</b>
<b>Retail</b>		
Current and sight deposits	2,224,869	2,281,624
Savings account	12,282,864	12,870,403
Term deposits	26,987,684	26,481,239
Blocked deposits, guarantee deposits and other accounts	23,758	23,783
Repurchase agreements	628	784
<b>Total (B)</b>	<b>41,519,803</b>	<b>41,657,833</b>
<b>Cheques payable and remittances (C)</b>	<b>156,270</b>	<b>100,697</b>
<b>Total Due to Customers (A) + (B) + (C)</b>	<b>54,609,280</b>	<b>54,279,320</b>



**19 Debt securities in issue**

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Euro Medium Term Note</b>		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 500 m. fixed rate notes due 2017	497,840	-
Accrued interest and other expenses	1,480	1,197
<b>Total (A)</b>	<b>559,320</b>	<b>61,197</b>
<b>Securitisation of mortgage loans</b>		
€ 750 m. floating rate notes due 2040	53,911	56,665
€ 1,250 m. floating rate notes due 2054	103,271	116,098
€ 600 m. floating rate notes due 2051	68,340	71,400
<b>Total (B)</b>	<b>225,522</b>	<b>244,163</b>
<b>Total debt securities in issue (A)+(B)</b>	<b>784,842</b>	<b>305,360</b>

It should be noted that, apart from the debt securities in the table above, as at 31/3/2014 liabilities arising from securitisations of loans are retained by Piraeus Bank. These issues are the first and third securitization 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 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 1/1/2014 – 31/3/2014, proceeded to the buy back of bonds of securitised loans of total amount after amortization € 10.4 million.

**20 Hybrid capital and other borrowed funds**

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Hybrid capital (Tier I)</b>		
€ 200 m. floating rate notes due 2034	18,500	18,500
	<b>18,500</b>	<b>18,500</b>
<b>Subordinated debt (Tier II)</b>		
€ 400 m. floating rate notes due 2016	236,490	236,490
Accrued interest and other expenses	1,036	1,014
	<b>237,526</b>	<b>237,504</b>
<b>Total hybrid capital and other borrowed funds</b>	<b>256,026</b>	<b>256,004</b>

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.

## 21 Contingent liabilities and commitments

### A) Legal procedures

According to the opinion of the legal affairs division of the Bank and its subsidiaries, the legal proceedings outstanding against the Group as at 31/3/2014 are not expected to have any significant impact on the financial statements of the Group. The Group's provision for outstanding litigations amounts to € 14.2 million from continuing operations and € 4.0 million from discontinued operations.

### B) Credit commitments

As at 31/3/2014 the Group had undertaken the following commitments:

	31 March 2014	31 December 2013
Letters of guarantee	3,191,418	3,339,169
Letters of credit	68,605	64,442
Commitments to extent credit	1,994,246	1,881,437
	<b>5,254,268</b>	<b>5,285,048</b>

### C) Assets pledged

	31 March 2014	31 December 2013
Cash and balances with central banks	874,929	874,155
Financial instruments at fair value through profit or loss	115,101	126,983
Investment securities	218,088	416,638
Loans and advances to customers	2,545,268	2,513,325
Debt securities - receivables	3,479,023	8,005,582
	<b>7,232,409</b>	<b>11,936,682</b>

Apart from the above mentioned assets, the Group pledges debt securities own issue amounting to € 16,397 million as at 31/3/2014 (31/12/2013: € 16,419 million). The amount of € 16,397 million includes € 10,004 million which refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic, € 5,142 million that refers to securities issued under the securitization of mortgage, consumer and corporate loans of the Bank and an amount of € 1,251 million that refers to Bank's. The aforementioned securities are not included in Group's assets.issuance of covered bonds.

### D) Operating lease commitments

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

	31 March 2014	31 December 2013
Up to 1 year	78,376	94,526
From 1 to 5 years	298,858	359,157
More than 5 years	499,178	594,168
	<b>876,412</b>	<b>1,047,851</b>

## 22 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
<b>Opening balance at 1 January 2013</b>	<b>1,092,998</b>	<b>2,953,355</b>	<b>(36)</b>	<b>4,046,317</b>
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)
<b>Balance at 31 December 2013</b>	<b>2,271,770</b>	<b>10,008,733</b>	<b>(113)</b>	<b>12,280,392</b>
<b>Opening balance at 1 January 2014</b>	<b>2,271,770</b>	<b>10,008,733</b>	<b>(113)</b>	<b>12,280,392</b>
Effect from sales and purchases of treasury shares	-	-	(29)	(29)
<b>Balance at 31 March 2014</b>	<b>2,271,770</b>	<b>10,008,733</b>	<b>(142)</b>	<b>12,280,361</b>

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

	Number of shares		Net number of shares
	Issued shares	Treasury shares	
<b>Opening balance at 1 January 2013</b>	<b>2,487,561,364</b>	<b>(83,588)</b>	<b>2,487,477,776</b>
Adjustment (decrease) in the number of ordinary shares due to reverse split (10:1)	(1,028,993,907)	75,229	(1,028,918,678)
<b>Adjusted opening balance at 1 January 2013</b>	<b>1,458,567,457</b>	<b>(8,359)</b>	<b>1,458,559,098</b>
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)
<b>Balance at 31 December 2013</b>	<b>6,416,802,751</b>	<b>(15,715)</b>	<b>6,416,787,036</b>
<b>Opening balance at 1 January 2014</b>	<b>6,416,802,751</b>	<b>(15,715)</b>	<b>6,416,787,036</b>
Purchases of treasury shares	-	(626,564)	(626,564)
Sales of treasury shares	-	570,499	570,499
<b>Balance at 31 March 2014</b>	<b>6,416,802,751</b>	<b>(71,780)</b>	<b>6,416,730,971</b>

On 31/3/2014, the Bank's share capital amounts to € 2,271,770,384.28 divided to a) 5,072,567,951 ordinary voting registered shares, each with a nominal value of € 0.30, b) 77,568,134 preferred non voting shares, each with a nominal value of € 4.77 and c) 1,266,666,666 preferred 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.

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 (article 1 of Law 3723/2008 as in force, combined with the article 4 of Law 4063/2012) for the credit institutions participating in the Economy reinforcement plan.

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.

### 23 Other reserves and retained earnings

	<b>31 March 2014</b>	<b>31 December 2013</b>
Legal reserve	115,302	114,108
Extraordinary reserve	13,940	13,940
Available for sale reserve	120,556	94,491
Currency translation reserve	(170,252)	(165,664)
Other reserves	18,535	18,535
Reserve of defined benefit obligations	7,200	7,193
Amounts recognized directly in equity relating to non-current assets from discontinued operations	21,671	18,106
<b>Total other reserves</b>	<b>126,951</b>	<b>100,709</b>

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.

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Other reserves movement</b>		
Opening balance for the period	100,709	4,646
Movement of available for sale reserve	26,065	52,294
Formation of legal reserve	1,194	6,469
Formation of other reserves	-	4,630
Foreign exchange differences and other adjustments	(4,589)	16,672
Change in reserve of defined benefit obligations	7	7,193
Amounts recognized directly in equity relating to non-current assets from discontinued operations	3,565	8,804
<b>Closing balance for the period</b>	<b>126,951</b>	<b>100,709</b>

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Available for sale reserve movement</b>		
Opening balance for the period	94,490	42,196
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	15,070	58,409
Gains/ (losses) from the valuation of shares and mutual funds	25,472	61,611
Recycling to income statement of shares and mutual funds impairment	-	2,100
Deferred income taxes	(9,526)	(22,068)
Recycling of the accumulated fair value adjustment of disposed securities	(5,365)	(48,291)
Foreign exchange differences and adjustments	413	534
<b>Closing balance for the period</b>	<b>120,555</b>	<b>94,490</b>

	<b>31 March 2014</b>	<b>31 December 2013</b>
<b>Retained earnings movement</b>		
Opening balance	(3,957,191)	(6,503,766)
Profit/ (loss) after tax attributable to the owners of the parent entity	(248,603)	2,562,089
Profit/ (loss) from sales of treasury shares	(36)	113
Share capital increase expenses	-	(1,625)
Transfer between other reserves and retained earnings	(1,194)	(11,099)
Acquisitions, disposals, absorption, liquidation and movements in participating interest	-	(2,903)
<b>Closing balance for the period</b>	<b>(4,207,024)</b>	<b>(3,957,191)</b>

## 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 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. Piraeus Bank Group uses the exemption given by paragraph 25b of IAS 24 relating to the range of disclosures of related parties and does not include the transactions with Eurobank Group in the balances with related parties, as Piraeus Bank Group and Eurobank Group are related parties controlled by the same Greek government related entity (HFSF). It is noted that the transactions with Eurobank Group, during the 1st quarter 2014, are not individually or collectively significant (open balances of € 12 million approximately only at Group level as at 31/3/2014) and they are arm's length. The transactions with related parties are analysed as follows:

	<b>31 March 2014</b>	<b>31 December 2013</b>
Loans	151,223	150,717
Deposits	28,608	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 31/3/2014 are € 3.4 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 - 31/3/2014 is € 1.0 million (1/1 - 31/3/2013: € 0.6 million). The total expense that relates to the prementioned related parties for the first quarter 2014 is € 0.1 million (1/1 - 31/3/2013: € 0.2 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.

<b>Directors' remuneration</b>	<b>1/1-31/3/2014</b>	<b>1/1-31/3/2013</b>
Wages, salaries, employer's share of social contributions and charges	2,371	1,381
Provisions for compensation and retirement programs	236	94

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

	<b>Associates</b>	
	<b>31 March 2014</b>	<b>31 December 2013</b>
Deposits and other liabilities	50,618	35,657
Loans and other receivables	245,742	243,991
	<b>1/1-31/3/2014</b>	<b>1/1-31/3/2013</b>
Total expense & capital expenditure	(5,103)	(5,503)
Total income	2,831	2,432

## 25 Changes in the portfolio of subsidiaries and associates

During the 1st quarter of 2014, Piraeus Bank and its subsidiaries paid for the acquisition, establishment and participation in share capital increases of subsidiaries, a total amount of € 181.7 thousand.

During the 1st quarter of 2014, Piraeus Bank and its subsidiaries paid for the establishment and participation in share capital increases of associates, a total amount of € 527.9 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.

**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.

**d) Liquidation and disposal:**

Piraeus – Egypt For Securities Brokerage Co., 98.30% 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.

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

**26 Changes in presentation of financial information for the comparative period**

In the consolidated interim statement of financial position as at 31/3/2014, "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 quarter 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 quarter 2013, the presentation of the "Net trading income" of amount € 40.2 million has been changed and it has been included in the "Net income from financial instruments designated at fair value through profit or loss".

## 27 Events subsequent to the end of the interim period

- On 10/4/2014, Piraeus Bank's share capital increase of amount € 1.75 billion was completed. In particular, the 28/3/2014 Extraordinary General Meeting of the ordinary shareholders of Piraeus Bank (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, 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 shares with a nominal value of € 0.30 each and an offer 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 21/5/2014, Piraeus Bank fully redeemed to the Hellenic Republic the total amount of preference shares (Pillar I Law 3723/2008) in the amount of € 750 million, issued to the latter by the Bank. The redemption of the preference shares to the Hellenic Republic significantly improves the quality of the Bank's capital position and constitutes a necessary first step to regain flexibility for future dividend payments.

- After the completion of the above, the share capital of the Bank amounted to € 1,830,593,914.50 divided in 6,101,979,715 ordinary registered shares with a nominal value of € 0.30 each.

- 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.

Athens, May 30th, 2014

CHAIRMAN  
OF THE BOARD OF DIRECTORS

MICHALIS G. SALLAS

MANAGING DIRECTOR  
& C.E.O.

STAVROS M. LEKKAKOS

CHIEF FINANCIAL  
OFFICER

GEORGE I. POULOPOULOS

DEPUTY  
CHIEF FINANCIAL  
OFFICER

KONSTANTINOS S. PASCHALIS