



## **MID YEAR FINANCIAL REPORT**

**For the 1<sup>st</sup> semester 2009**

**According to Law 3556/ 2007**

**August 2009**

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

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**STATEMENT (article 5 of L. 3556/2007)**

To the best of our knowledge, the 2009 Interim Financial Statements, which have been prepared in accordance with the applicable accounting standards, give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Bank S.A. and of the undertakings included in the consolidated accounts, taken as a whole, as provided in art. 5 par. 3 - 5 of Law 3556/2007 and the Board of Director's interim report presents fairly the information required by art. 5 par. 6 of Law 3556/2007.

Michalis G. Sallas

Theodoros N. Pantalakis

Alexandros St. Manos

Chairman of BoD & CEO

Vice-Chairman of BoD  
and Deputy CEO

Managing Director

## BOARD OF DIRECTORS' INTERIM MANAGEMENT REPORT

(according to Greek Law 3556/2007)

During the first half of 2009 the global economic environment remained unfavourable, while the efforts to escape the crisis were focused on two axes: the reinforcement of the liquidity of the banking system and consequently, of the economic activity, and also the adoption of measures in order to enhance demand, stimulate employment and, finally, activate mechanisms of growth.

In the first half of 2009, stabilization was achieved by the coordinated interventions of governments and central banks since 2008, through various support measures for the economies and the banking system. Within this context, the London Summit of the leaders of the twenty most powerful countries (G20), which took place in early April 2009, signaled the first turn in sentiment towards a more positive outlook in global developments by assuming initiatives for an exit from the crisis, along with the commitments of the International Monetary Fund (IMF) and the European Union for the reinforcement of emerging economies, without however excluding the possibility of a new deterioration.

The data of the second quarter 2009 seem to lead along the same line to the conclusion that financial stability with several diversifications per country will gradually materialize, depending on the particular condition prevalent in each economy before the crisis. IMF's recent forecasts (July 2009) anticipated a 1.4% contraction in global GDP in 2009 and a positive growth rate forecast of 2.5% for 2010.

The Greek economy has undoubtedly been affected by the global economic developments, however, at a smaller scale, due to its lower level of extroversion and its focus on the services sector. Thus, the economic growth rate in Greece, although decelerating at 0% in the first half of 2009 against 3.3% in the first half of 2008, was significantly higher than the respective Euro zone average (-4.8%).

In the midst of this climate and with a view to preserve the banking system's stability, the primary orientation of the banks globally remains focused on issues of liquidity, capital adequacy and risk management. Within this context, Piraeus Bank has timely adjusted its policies and priorities in order to cope with the new situation, with its primary strategic targets being the preservation of satisfactory capital adequacy and capital quality, asset quality, high level of liquidity and to attain the most efficient operation possible.

Among the major developments of Piraeus Bank for the first half of 2009, were the following:

- according to the resolution of the Ordinary General Meeting of the Shareholders on 30.04.09, a dividend was distributed to the Bank's shareholders in the form of shares, through the issuance of 6,728,991 common voting shares with a nominal value of €4.77 each, with the distribution of 1 new share for every 47 old common shares. This distribution corresponds to a total net amount of dividend of €32,097,287 or €0.10 per share;
- on 04.05.09 and 07.05.09 respectively, the Bank completed two securitizations, the first regarding consumer loans amounting to €725 mn and the second business loans amounting to €900 mn. 59% of these issuances were rated as "Aaa" by Moody's rating agency;
- on 14.05.09 the contract with the Greek state was signed, under which the state acquired 77,568,134 preferred shares of the Bank without voting rights with a total value of €370 mn, according to L.3723/2008 for the reinforcement of the Greek economy's liquidity, while the process of the share capital increase was completed on 22.05.09. Following this, according to L.3723/2008, Mr. Georgios Chiotis was assigned as state representative and participates in the meetings of the Board of Directors of the Bank;
- on 01.06.09, the private placement of 13,280,976 treasury shares of the Bank took place; the shares were offered to institutional investors and corresponded to 3.95% of the total number of common shares, with a price of €7.70 per share. This transaction enhanced Piraeus Bank Group's equity capital by €102 mn;
- on 03.06.09 a 2-year senior bond issue without guarantee in the amount of €500 mn was successfully completed, under the Bank's EMTN programme (Euro Medium Term Note) in order to raise medium to long term funds. This issue was 2.5 times oversubscribed and 60% of the amount was distributed to institutional investors abroad.

Furthermore, on 02.07.2009 the Bank announced the conclusion of a strategic partnership with BNP Wealth Management in global Wealth Management in the countries where Piraeus Bank Group is present. The partnership, which is expected to begin in the last quarter of 2009 upon the receipt of the required approvals, will be implemented through the establishment of two investment services joint ventures. Moreover, the agreement of the subsidiary Piraeus Asset Management Mutual Funds S.A. was announced on 13.07.09, to undertake the management of five (Greek) Mutual Funds of ING Mutual Funds S.A., while it also proceeded with an agreement with ING Hellenic Insurance Company S.A. for the distribution of the above M/Fs to investors, within the same framework of strategy implementation to reinforce its activities in third-party asset management.

Also, on 18.08.09 the completion of three new loan securitizations of Piraeus Bank Group was announced, with a total issue size of €3,450 mn (of which €540 mn regarded leasing balances, €558 mn consumer and credit card loans and €2,352 mn business loans). In total, 67% of the total issues' size was rated as "Aaa" from Moody's rating agency.

Conclusively, it is worth noting that due to the unfavourable macroeconomic developments, credit rating agencies have negatively revised the ratings of a significant number of banks. Hence, on 03.02.09 international credit rating agency Moody's proceeded to a review of the Bank's credit rating to A2 with negative outlook (reaffirmed on 10.08.09). On 13.03.09, Fitch rating agency proceeded to a revision of the Bank's outlook to negative from stable, with a rating of A- (reaffirmed on 31.07.09). Also, on 04.05.09 Standard & Poor's revised the Bank's credit rating to BBB from BBB+, with stable outlook (reaffirmed on 30.07.09).

Piraeus Bank Group's total assets at the end of June 2009 reached €54 bn. Pre provision and tax profit amounted to €368 mn from €436 mn a year ago, reduced by 16%. Net profit attributable to shareholders for the first half of 2009 reached €128 mn versus €284 mn last year, reduced by 55% y-o-y, mainly due to the significant increase in provisions which were 2.5 times higher than in the respective period of 2008. Net profit of the second quarter of 2009 was increased by 48% compared to the first quarter of 2009, (€76 mn versus €52 mn respectively). After tax earnings per share for the first half of 2009 amounted to €0.38 versus €0.85 in last year's respective period. Net interest income for the first half of 2009 amounted to €528 mn, reduced by 5% on a year on year basis, but improved by 7% in the second quarter of 2009 versus the previous quarter (€272 mn versus €255 mn respectively).

Total deposits and retail bonds amounted to €31.8 bn, recording an increase of 8% in a year on year basis, while loans before provisions amounted to €38.3 bn, increased by 5%. Since the beginning of 2009, the respective growth rates were +1.5% for deposits and -1.9% for loans. The focus on acquiring deposits has contributed to a further improvement of the "loans to deposits" ratio, adjusted for securitizations, at 107% at the end of June 2009 versus 112% at the end of 2008. The biggest possible dissemination of wholesale funding sources, along with policies that focused on raising deposits, the implementation of the securitizations programme and the Bank's participation in the liquidity enhancement programme for the Greek economy have contributed decisively in achieving the target to preserve the necessary liquidity, which at the end of June 2009 approached a historically high level for Piraeus Bank.

Regarding performance ratios, the net interest margin on average interest earning assets (NIM) reached 2.5%, the return on average common shareholders' equity (RoE) was set to 8.6%, while the return on average assets (RoA) stood at 0.5%. "Cost to Income" efficiency ratio reached 53% from 49% in the first half of 2008. It is worth noting that operating cost was significantly contained, and increased marginally in the first half of 2009 by 1% as a result of targeted actions in this domain, with the Group's aim to sustain this year's operating costs on the same level as 2008.

Group non performing loans above 180 days represented 2.3% of total loans at the end of June 2009, with provision coverage ratio at 92%. Loans in arrears above 90 days according to IFRS 7 corresponded to 4.5% of loans, thus placing Piraeus Bank's non performing loans ratio significantly lower than the market's respective ratios. The provision coverage ratio of loans in arrears above 90 days was 48%.

Piraeus Bank Group's total equity at the end of June 2009 amounted to €3.3 bn excluding the Greek state's stake through preferred shares of €370 mn. When the Greek state's preferred shares are included, total equity amounted to €3.6 bn versus €3.0 bn at the end of 2008.

The level of the capital adequacy ratio according to Basel II regulatory framework was particularly satisfactory, with total capital adequacy ratio at 11.2% (estimate) at the end of June 2009, while Tier I ratio reached 9.3% (estimate). Finally, Equity Tier I ratio, excluding hybrid capital and the Greek state's preferred shares, was set to 7.9% (estimate), thus demonstrating the Group's strong position and the quality of its capital. Piraeus Bank, taking into account its strong capital base and liquidity position and after having received the appropriate approval of the Bank of Greece, will proceed to the early redemption of the €400 million Lower Tier II bond on the 29th September 2009, in accordance with the original terms and conditions of the issue conducted by its subsidiary Piraeus Group Finance PLC.

The Group's network reached 877 branches at the end of June 2009, with 358 branches in Greece and 519 internationally. The Group's employees numbered 13,800 people on 30.06.09, of which 6,826 were in Greece and 6,974 abroad. The network's presence along with the continuous effort of the Bank's employees have contributed to the increase of customers in Greece, who reached 2.2 mn. When including the customers of Piraeus Group outside of Greece, the overall number of Group customers reached 3.3 mn at the end of June 2009.

Regarding the transactions of Piraeus Bank with associate parties, such as members of the Board of Directors and of the Management of Piraeus Bank and its affiliates, it is noted that these were not significant during the first half of 2009, whereas in any case they are included in the Group's financial statements.

Regarding the assumption of business initiatives for the benefit of the Bank's customers in the midst of the difficult economic conditions, the Bank further developed its cooperation with the Athens Chamber of Commerce and Industry, which began in January 2009 for the support of small and medium-sized enterprises, and other professional chambers in Greece, as well as the European Investment Bank and the Credit Guarantee Fund for Small and Very Small Enterprises (TEMPME). Furthermore, the Bank announced in mid-March 2009 a new programme of €2 bn, for the financing of small and medium sized enterprises, with an additional primary criterion being the number of employees of each enterprise, with the aim to protect job positions and, consequently, to strengthen economic activity.

At the same time the Bank, following the course of relevant initiatives it has undertaken in the recent years, developed a policy in order to stimulate “green” entrepreneurship (Green Banking), continuing with the financing of eco-friendly activities. Within this context, it established the General Division of Green Banking in July 2009, while on 09.07.09 the Bank announced a new financing programme of €1.2 bn for the next two years to individuals and businesses for “green” products, apart from the already approved €500 mn loans. These groups of products regard the financing of projects in Renewable Energy Sources (RES), energy saving, waste management, “green” transportation, organic farming, ecotourism-agritourism and “green” chemistry products.

Forecasts regarding the macroeconomic conditions in the wider field of the Group's activity for the remaining year stay negative, with a significant level of volatility. The evolution of the economic environment constitutes the catalyst for the developments in all particular matters.

Piraeus Bank Group is closely following the developments and effectively adjusts its policies, is aware of the problems and difficulties, while it undertakes every necessary measure to shield itself in the negative international conjuncture. At the same time, the Bank keeps contributing to the normalization of the markets in which it operates, creating value for its shareholders, customers and employees.

Michalis Sallas  
Chairman of the BoD & CEO

**Report on review of interim financial information**

To the Shareholders of Piraeus Bank S.A.

**Introduction**

We have reviewed the accompanying company and consolidated condensed statement of financial position of Piraeus Bank S.A (the "Bank") as of 30 June 2009 and the related company and consolidated condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. The Bank's Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

**Scope of review**

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

**Review conclusion**

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

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to note 19 of the condensed interim company financial information and to note 20 of the condensed interim consolidated financial information, which refer to prospective amendments in the terms of the preference shares issued by the Bank in the context of Law 3723/2008 (Enhancement of the Greek economy's liquidity in the context of the current global financial crisis").

**Reference to Other Legal Requirements**

Based on our review, we concluded that the information included in the six-month financial report as required by article 5 of L.3556/2007 is consistent with the accompanying interim condensed financial information.



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

Athens, 26th August 2009  
THE CERTIFIED AUDITOR

Konstantinos Michalatos  
SOEL Reg. No. 17701







## **PIRAEUS BANK GROUP**

# **Consolidated Interim Condensed Financial Information**

30 June 2009

According to the International Financial  
Reporting Standards

The attached consolidated interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on August 26th, 2009 and it is available on the web site of Piraeus Bank at [www.piraeusbank.gr](http://www.piraeusbank.gr)

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		Period from 1 April to	
		30 June 2009	30 June 2008	30 June 2009	30 June 2008
Interest and similar income		1,530,013	1,726,947	650,522	903,490
Interest expense and similar charges		(1,002,435)	(1,170,990)	(378,197)	(613,928)
<b>NET INTEREST INCOME</b>		<b>527,578</b>	<b>555,956</b>	<b>272,326</b>	<b>289,561</b>
Fee and commission income		119,002	148,744	60,296	77,209
Fee and commission expense		(18,427)	(21,451)	(9,696)	(11,400)
<b>NET FEE AND COMMISSION INCOME</b>		<b>100,575</b>	<b>127,293</b>	<b>50,600</b>	<b>65,809</b>
Dividend income		11,231	16,254	10,143	14,677
Net trading income	6	77,901	34,689	62,125	21,797
Net income from financial instruments designated at fair value through profit or loss		(1,805)	(12,282)	1,214	(14,079)
Gains/ (Losses) from investment securities		(366)	17,548	325	7,714
Other operating income	7	64,698	104,561	36,278	47,808
<b>TOTAL NET INCOME</b>		<b>779,812</b>	<b>844,019</b>	<b>433,011</b>	<b>433,287</b>
Staff costs		(202,502)	(208,706)	(98,337)	(105,800)
Administrative expenses		(169,793)	(163,344)	(95,461)	(91,754)
Depreciation and amortisation		(45,239)	(42,764)	(23,351)	(22,252)
Gains/ (Losses) from sale of assets		605	2,809	(444)	208
Impairment losses on loans and receivables	11	(204,983)	(82,217)	(124,439)	(41,123)
Other provisions		(2,013)	(555)	(1,772)	(34)
<b>TOTAL OPERATING EXPENSES</b>		<b>(623,925)</b>	<b>(494,778)</b>	<b>(343,805)</b>	<b>(260,756)</b>
Share of profit of associates		5,267	3,751	4,153	2,967
<b>PROFIT BEFORE INCOME TAX</b>		<b>161,154</b>	<b>352,992</b>	<b>93,359</b>	<b>175,498</b>
Income tax expense	8	(31,266)	(60,019)	(15,950)	(24,915)
<b>PROFIT AFTER TAX FOR THE PERIOD</b>		<b>129,888</b>	<b>292,973</b>	<b>77,409</b>	<b>150,583</b>
Profit for the period attributable to owners of the parent		128,310	283,811	76,474	145,271
Minority Interest		1,578	9,162	935	5,313
<b>Earnings per share to owners of the parent (in euros):</b>					
-Basic	9	0.3819	0.8537	0.2209	0.4383
-Diluted	9	0.3819	0.8517	0.2209	0.4373

**CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	30 June 2009	31 December 2008
<b>ASSETS</b>			
Cash and balances with central banks		3,884,142	3,740,708
Treasury bills and other eligible bills		198,736	207,023
Loans and advances to credit institutions		831,049	2,348,289
Derivative financial instruments - assets		176,297	366,253
Trading securities	12	2,240,024	1,300,519
Financial instruments at fair value through profit or loss		28,885	89,224
Loans and advances to customers (net of provisions)	11	37,463,323	38,312,669
Investment securities			
-Available for sale securities		955,976	875,892
-Held to maturity		3,392,484	3,372,205
Debt securities - receivables	14	901,448	527,699
Investments in associated undertakings		237,956	219,399
Intangible fixed assets		324,212	302,994
Property, plant and equipment		994,898	970,990
Investment property		736,684	710,374
Assets held for sale		40,675	10,557
Deferred tax assets		251,590	254,422
Inventories - property		204,566	186,069
Other assets		1,098,354	1,094,572
<b>TOTAL ASSETS</b>		<b>53,961,300</b>	<b>54,889,856</b>
<b>LIABILITIES</b>			
Due to credit institutions		12,943,462	14,121,872
Derivative financial instruments - liabilities		189,245	369,692
Due to customers	16	30,112,179	28,380,817
Debt securities in issue	17	4,974,847	6,488,225
Other borrowed funds	18	757,943	765,959
Hybrid capital	18	162,978	201,444
Retirement benefit obligations		212,902	198,605
Other provisions		19,278	24,160
Current income tax liabilities		38,327	98,758
Deferred tax liabilities		146,303	127,770
Other liabilities		772,849	1,087,353
<b>TOTAL LIABILITIES</b>		<b>50,330,313</b>	<b>51,864,656</b>
<b>EQUITY</b>			
Share capital	20	1,604,020	1,571,923
Preference shares	20	370,000	-
Share premium	20	927,739	927,775
Less: Treasury shares	20	(3)	(167,321)
Other reserves	21	(148,119)	(177,586)
Retained earnings	21	730,464	721,359
<b>Capital and reserves attributable to owners of the parent</b>		<b>3,484,102</b>	<b>2,876,149</b>
Minority Interest		146,885	149,051
<b>TOTAL EQUITY</b>		<b>3,630,986</b>	<b>3,025,200</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>53,961,300</b>	<b>54,889,856</b>

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2009	30 June 2008	30 June 2009	30 June 2008
<b>PROFIT AFTER TAX FOR THE PERIOD (A)</b>		<b>129,888</b>	<b>292,973</b>	<b>77,409</b>	<b>150,583</b>
<b>Other comprehensive income, net of tax:</b>					
Net change in available for sale investments	10	44,794	(66,918)	49,950	(20,025)
Change in currency translation reserve	10	(24,648)	(10,110)	(14,993)	15,423
Expenses on issuance of preference shares	10	(4,110)	-	(4,110)	-
<b>Other comprehensive income, net of tax (B)</b>	10	<b>16,036</b>	<b>(77,028)</b>	<b>30,847</b>	<b>(4,602)</b>
<b>Total comprehensive income for the period, net of tax (A+B)</b>		<b>145,924</b>	<b>215,945</b>	<b>108,256</b>	<b>145,982</b>
-Attributable to owners of the parent		144,216	207,190	107,951	140,633
-Minority Interest		1,708	8,756	305	5,350

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Attributable to owners of the parent					Minority interests	TOTAL
		Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
<b>Opening balance as at 1 January 2008</b>		<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,862)</b>	<b>53,939</b>	<b>561,058</b>	<b>227,564</b>	<b>3,309,579</b>
Other comprehensive income for the period, net of tax	10				(76,622)		(406)	(77,028)
Profit after tax for the period of 1/1/2008 - 30/6/2008	21					283,811	9,162	292,973
<b>Total recognised income for the period of 1/1/2008 - 30/6/2008</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(76,622)</b>	<b>283,811</b>	<b>8,756</b>	<b>215,945</b>
Cancellation of treasury shares	20	(49,644)	(184,526)	234,170				0
Share capital increase due to reinvestment of dividends	20	3,589	12,398					15,987
Purchases of treasury shares	20			(72,925)				(72,925)
Prior year dividends						(118,122)	(6,522)	(124,644)
Transfer between other reserves and retained earnings	21				4,825	(4,825)		0
Acquisitions and movement in subsidiaries holding					(2,866)	(4,812)	(1,535)	(9,213)
Other movements					1,668	(2,455)	(2,517)	(3,304)
<b>Balance as at 30 June 2008</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(89,618)</b>	<b>(19,055)</b>	<b>714,655</b>	<b>225,746</b>	<b>3,331,425</b>
<b>Opening balance as at 1 July 2008</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(89,618)</b>	<b>(19,055)</b>	<b>714,655</b>	<b>225,746</b>	<b>3,331,425</b>
Other comprehensive income for the period, net of tax					(159,026)		807	(158,219)
Profit after tax for the period 1/7/2008 - 31/12/2008	21					31,276	7,018	38,294
<b>Total recognised income for the period 1/7/2008 - 31/12/2008</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(159,026)</b>	<b>31,276</b>	<b>7,825</b>	<b>(119,925)</b>
Prior year dividends							4,306	4,306
Purchases of treasury shares	20			(115,820)				(115,820)
Sale of treasury shares	20			38,116		(13,431)		24,685
Transfer between other reserves and retained earnings	21				7,765	(7,765)		0
Acquisitions, disposals and movement in subsidiaries holding					(1,005)	(3,434)	(90,214)	(94,653)
Other movements					(6,265)	58	1,388	(4,819)
<b>Balance as at 31 December 2008</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(167,321)</b>	<b>(177,586)</b>	<b>721,359</b>	<b>149,051</b>	<b>3,025,200</b>
<b>Opening balance as at 1 January 2009</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(167,321)</b>	<b>(177,586)</b>	<b>721,359</b>	<b>149,051</b>	<b>3,025,200</b>
Other comprehensive income for the period, net of tax	10				20,016	(4,110)	130	16,036
Profit after tax for the period of 1/1/2009 - 30/6/2009	21					128,310	1,578	129,888
<b>Total recognised income for the period of 1/1/2009 - 30/6/2009</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>20,016</b>	<b>124,200</b>	<b>1,708</b>	<b>145,924</b>
Prior year dividends						(35,664)	(2,088)	(37,752)
Share capital increase due to reinvestment of dividends	20	32,097	(36)					32,061
Issue of preference shares	20	370,000						370,000
Purchases of treasury shares	20			(4,119)				(4,119)
Sale of treasury shares	20			171,437		(69,393)		102,044
Transfer between other reserves and retained earnings	21				8,560	(8,560)		0
Acquisitions, disposals, absorptions and movement in subsidiaries holding						(357)	(2,511)	(2,868)
Other movements					891	(1,121)	725	495
<b>Balance as at 30 June 2009</b>		<b>1,974,020</b>	<b>927,739</b>	<b>(3)</b>	<b>(148,119)</b>	<b>730,464</b>	<b>146,885</b>	<b>3,630,986</b>

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

		<u>From January 1st to</u>	
	<b>Note</b>	<b>30 June 2009</b>	<b>30 June 2008</b>
<i>Cash flows from operating activities</i>			
Profit before tax		161,154	352,992
<i>Adjustments to profit before tax</i>			
Add: impairment for loans and advances and other provisions	11	206,995	82,773
Add: depreciation and amortisation		45,239	42,764
Add: retirement benefits		19,166	18,665
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		(10,850)	4,616
(Gains)/ losses from investing activities		<u>(36,484)</u>	<u>(73,717)</u>
<i>Cash flows from operating profits before changes in operating assets and liabilities</i>		<b>385,221</b>	<b>428,093</b>
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		252,520	(321,750)
Net (increase)/ decrease in treasury bills and other eligible bills		18,008	74,473
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		(584,831)	933,255
Net (increase)/ decrease in debt securities - receivables		(373,750)	-
Net (increase)/ decrease in loans and advances to credit institutions		271,655	541,016
Net (increase)/ decrease in loans and advances to customers		665,808	(5,471,449)
Net (increase)/ decrease in other assets		(77,749)	14,996
Net increase/ (decrease) in due to credit Institutions		(1,178,411)	(916,219)
Net increase/ (decrease) in amounts due to customers		1,731,362	4,759,291
Net increase/ (decrease) in other liabilities		<u>(333,984)</u>	<u>(104,085)</u>
<i>Net cash from operating activities before income tax payment</i>		<b>775,850</b>	<b>(62,379)</b>
Income tax paid		<u>(5,174)</u>	<u>(41,979)</u>
<b>Net cash inflow/ (outflow) from operating activities</b>		<b>770,676</b>	<b>(104,358)</b>
<i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(138,059)	(148,804)
Sales of property, plant and equipment		15,921	35,725
Purchases of intangible assets		(7,370)	(16,795)
Purchases of available for sale securities		(138,400)	(89,658)
Disposals of available for sale securities		74,819	635,513
Purchase of held to maturity securities		(53,246)	(16,382)
Maturity of held to maturity securities		28,814	23,669
Acquisition of subsidiaries (net of cash & cash equivalents acquired)	23	(4,906)	160,970
Disposals of subsidiaries (net of cash & cash equivalents disposed)		-	34
Acquisition of associates	23	(18,173)	(3,650)
Disposal of associates	23	3,100	120
Dividends receipts		<u>9,361</u>	<u>12,345</u>
<b>Net cash inflow/ (outflow) from investing activities</b>		<b>(228,139)</b>	<b>593,087</b>
<i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(1,559,860)	937,274
Net proceeds from issue of share capital due to reinvestment of dividends	20	32,061	15,987
Net proceeds from issue of preference shares - Greek State	20	370,000	-
Prior year dividends		(35,810)	(122,385)
Purchases of treasury shares	20	(4,119)	(72,925)
Sales of treasury shares		102,045	-
Other cashflows from financing activities		<u>5,947</u>	<u>4,168</u>
<b>Net cash inflow/ (outflow) from financing activities</b>		<b>(1,089,736)</b>	<b>762,119</b>
Foreign exchange differences on cash and cash equivalents		<u>(14,639)</u>	<u>5,552</u>
<b>Net increase/ (decrease) in cash and cash equivalents of the period</b>		<b>(561,838)</b>	<b>1,256,400</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>5,009,265</b>	<b>5,062,568</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>4,447,427</b>	<b>6,318,968</b>

The notes on pages 6 to 20 are an integral part of these 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 (together "the Group") provide services in the Southeastern Europe, Egypt, the U.S., as well as Western Europe. The Group employs 13,800 people.

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices such as FTSE/ATHEX-20, FTSE/ATHEX-CYSE Banking Index, MSCI (World, Europe, EMU, EAFE, Greece), DJ Euro Stoxx, DJ Euro Stoxx Banks and FTSE4Good Index Series.

## 2 General accounting policies of the Group

The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2008 have been followed.

Piraeus Bank Group has adopted the amended International Accounting Standard (IAS) 1, "Presentation of financial statements". The amendments refer to the changes on equity financial statement as well as the presentation of other comprehensive income.

Additionally, Piraeus Bank has adopted IFRS 8, 'Operating segments' which introduces new disclosures relating to operating segments, products, services, geographical areas in which the Group operates and its major customers. IFRS 8 supersedes IAS 14 "Segment Reporting".

The following amendments to standards and interpretations are effective from 1 January 2009, but currently, they do not have a significant effect to the Group's activities:

IFRS 2 (Amendment), "Share-based payment"  
IAS 23 (Amendment), "Borrowing costs"  
IAS 32 (Amendment), "Financial instruments: Presentation"  
IAS 39 (Amendment), "Financial instruments: Recognition and measurement"  
IFRIC 13, "Customer loyalty programmes"  
IFRIC 15, "Agreements for the construction of real estate"  
IFRIC 16, "Hedges of a net investment in a foreign operation"

The amounts of the consolidated interim condensed financial information attached are expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand.

## 3 Basis of presentation of the consolidated interim condensed financial information

The consolidated interim condensed financial information has been prepared in accordance with 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 2008.

## 4 Critical accounting estimates and judgements

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 1. Impairment losses on loans and advances

The Group examines, at every reporting period, whether trigger for impairment exists for its loans or loans 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 profit or loss statement. The estimates, methodology and assumptions used are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

### 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 to make estimates. Assumptions that affect the reported fair values of financial instruments are examined regularly.

### 3. Impairment of available for sale investments

The available for sale portfolio is recorded at fair value and any changes in fair value are recorded in the available for sale reserve. Available for sale investments are impaired when there is significant or prolonged decline (judgement is required) in the fair value below cost. When this occurs, the relevant portion of the available for sale reserve is recycled to the income statement of the period. Judgement is also required for the estimation of the fair value of investments that are not traded in a market. For these investments, the fair value computation through financial models takes also into account evidence of deterioration in the financial health of the investee, industry and sector performance and changes in technology.



#### 4. Securitisations and special purpose entities

The Group sponsors the formation of special purpose financing entities (SPEs) for various purposes including asset securitisation. The Group does not consolidate SPEs that it does not control. As it can sometimes be difficult to determine whether the Group does control an SPE, it makes judgements about its exposure to the risks and rewards, as well as about its ability to make operational decisions for the SPE in question. In many instances, elements are present that, considered in isolation, indicate control or lack of control over an SPE, but when considered together make it difficult to reach a clear conclusion. In such cases, the SPE is consolidated.

#### 5. Held to maturity investments

The Group follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances -for example, selling an insignificant amount close to maturity- it will be required to reclassify the entire class as available for sale. The investments would therefore be remeasured at fair value.

#### 6. Income taxes

The Group is subject to income taxes in the countries in which operates. This requires estimates in determining the provision for income taxes and therefore the final income tax determination is uncertain during the fiscal year. Where the final income tax expense is different from the amounts that were initially recorded, differences will impact the income tax and deferred tax provisions in the period in which the tax computation is finalised.

### 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 and stock exchange services, underwriting services and public listings, etc.).

**Asset Management and Treasury** – This segment includes asset management facilities for clients of the Group and for 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 Committee in order to monitor each segment's performance. Significant elements are the progress of figures and results per Segment.

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

<b>1st Semester 2009</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>Eliminations</b>	<b>Group</b>
Revenues	996,577	309,399	15,833	369,705	109,159	-	1,800,674
Revenues from other business segments	147,418	14,306	234	909	227,775	(390,642)	0
<b>Revenues</b>	<b>1,143,995</b>	<b>323,705</b>	<b>16,067</b>	<b>370,614</b>	<b>336,935</b>	<b>(390,642)</b>	<b>1,800,674</b>
Net interest income	492,876	116,318	1,423	47,157	(130,196)	-	527,578
Net interest income from other business segm.	(53,582)	(9,025)	(1,362)	905	70,754	(7,689)	0
<b>Net interest revenue</b>	<b>439,293</b>	<b>107,293</b>	<b>61</b>	<b>48,061</b>	<b>(59,442)</b>	<b>(7,689)</b>	<b>527,578</b>
Net revenues	628,721	147,098	12,734	47,749	(56,490)	-	779,812
Net revenues from other business segments	(43,024)	(9,508)	(4,277)	(540)	85,668	(28,319)	0
<b>Net revenues</b>	<b>585,697</b>	<b>137,590</b>	<b>8,457</b>	<b>47,209</b>	<b>29,178</b>	<b>(28,319)</b>	<b>779,812</b>
<b>Segment results</b>	<b>98,795</b>	<b>32,279</b>	<b>6,421</b>	<b>54,211</b>	<b>(35,819)</b>	<b>-</b>	<b>155,887</b>
Share of profit of associates							5,267
<b>Profit before tax</b>							<b>161,154</b>
Income tax expense							(31,266)
<b>Profit after tax</b>							<b>129,888</b>
<b>Other segment items</b>							
Capital expenditure	85,345	36,109	56	495	23,423	-	145,428
Depreciation and amortisation	26,226	4,346	352	281	14,035	-	45,239
Impairment charge - loans	163,600	35,891	-	-	5,492	-	204,983

**Piraeus Bank Group - 30 June 2009**  
Amounts in thousand euros (Unless otherwise stated)

<b>1st Semester 2008</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>Eliminations</b>	<b>Group</b>
Revenues	991,971	341,853	27,966	558,256	116,414	-	2,036,460
Revenues from other business segments	146,093	15,003	712	818	248,676	(411,302)	0
<b>Revenues</b>	<b>1,138,064</b>	<b>356,856</b>	<b>28,678</b>	<b>559,074</b>	<b>365,090</b>	<b>(411,302)</b>	<b>2,036,460</b>
Net interest income	618,320	117,935	1,950	27,952	(210,201)	-	555,956
Net interest income from other business segments	(161,975)	(19,576)	(1,330)	776	187,991	(5,886)	0
<b>Net interest revenue</b>	<b>456,345</b>	<b>98,358</b>	<b>620</b>	<b>28,728</b>	<b>(22,210)</b>	<b>(5,886)</b>	<b>555,956</b>
Net revenues	724,786	147,611	22,255	58,952	(109,585)	-	844,019
Net revenues from other business segments	(150,634)	(19,279)	(4,067)	(2,079)	206,769	(30,710)	0
<b>Net revenues</b>	<b>574,152</b>	<b>128,332</b>	<b>18,188</b>	<b>56,873</b>	<b>97,184</b>	<b>(30,710)</b>	<b>844,019</b>
<b>Segment results</b>	<b>213,712</b>	<b>68,883</b>	<b>14,739</b>	<b>38,493</b>	<b>13,414</b>	<b>-</b>	<b>349,241</b>
Share of profit of associates							3,751
<b>Profit before tax</b>							<b>352,992</b>
Income tax expense							(60,019)
<b>Profit after tax</b>							<b>292,973</b>
<b>Other segment items</b>							
Capital expenditure	105,406	19,167	269	163	40,594	-	165,599
Depreciation and amortisation	20,834	3,158	323	316	18,133	-	42,764
Impairment charge - loans	59,782	17,364	53	-	5,018	-	82,217
	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Investment Banking</b>	<b>Asset Management &amp; Treasury</b>	<b>Other business segments</b>	<b>Eliminations</b>	<b>Group</b>
<b>At 30 June 2009</b>							
Segment assets	26,174,031	10,774,407	159,529	13,592,686	3,260,647	-	53,961,300
Segment liabilities	23,628,966	3,248,373	126,041	13,506,849	9,820,084	-	50,330,313
<b>At 31 December 2008</b>							
Segment assets	26,863,788	12,242,046	129,375	11,986,665	3,667,983	-	54,889,856
Segment liabilities	21,205,171	3,356,584	84,070	20,848,310	6,370,522	-	51,864,656

Regarding the profit before tax of other business segments for the 1st semester of 2009, there is not any sector that contributes more than 10%.

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

Revenues, net interest income and net revenues from other business segments include revenues, net interest income and net revenues derived from transactions between business segments. The mentioned intercompany transactions are realised under normal commercial terms.

## 6 Net trading income

The increase of net trading income from € 34.7 million for the first semester of 2008 to € 77.9 million for the first semester of 2009 is mainly due to increased gains from transactions of bonds, as a result of the improved conditions that took place in the financial markets during the first semester of 2009.

## 7 Other operating income

The decrease of other operating income from € 104.6 million for the first semester of 2008 to € 64.7 million for the first semester of 2009 derives from real estate companies that presented decreased income due to the deterioration of the economic activity in the market.

## 8 Income tax expense

	<b>1st Semester 2009</b>	<b>1st Semester 2008</b>
Current Tax	(11,665)	(45,768)
Deferred tax	(17,373)	(14,251)
Tax provisions	(2,229)	-
	<b>(31,266)</b>	<b>(60,019)</b>

The tax rate for Greek legal entities, in accordance with the provisions in force of article 109, par. 1 of Law 2238/1994, is 25% for the years 2008 and 2009. For the subsidiaries operating abroad, the tax has been calculated according to the respective nominal tax rates that were imposed in the fiscal years of 2008 and 2009 (Bulgaria: 10%, Romania: 16%, U.S.A.: 35%, Serbia: 10%, Ukraine: 25%, Egypt: 20%, Cyprus 10% and Albania 10%).

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2006 have been finalized. The unaudited tax years of the subsidiaries and associates are included in note 15. For the unaudited tax years, a provision has been raised according to International Financial Reporting Standards (IFRS).

## 9 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to common shareholders of the parent by the weighted average number of common shares in issue during the period, excluding the average number of common shares purchased by the Group and held as treasury shares. For the calculation of the diluted earnings per share, all the dilutive potential common shares are taken into consideration.

<b>Basic earnings per share</b>	<b>1/1 - 30/6/2009</b>	<b>1/1 - 30/6/2008</b>	<b>1/4 - 30/6/2009</b>	<b>1/4 - 30/6/2008</b>
Net profit attributable to common shareholders of the parent	128,310	283,811	76,474	145,271
Less: Accrued dividends of preference shares	(4,111)	-	(4,111)	-
Net profit attributable to common shareholders of the parent	124,199	283,811	72,363	145,271
Weighted average number of shares in issue	325,205,073	332,446,048	327,543,836	331,419,459
Basic earnings per share (in euro)	0.3819	0.8537	0.2209	0.4383
<b>Diluted earnings per share</b>				
	<b>1/1 - 30/6/2009</b>	<b>1/1 - 30/6/2008</b>	<b>1/4 - 30/6/2009</b>	<b>1/4 - 30/6/2008</b>
Net profit attributable to common shareholders of the parent	128,310	283,811	76,474	145,271
Less: Accrued dividends of preference shares	(4,111)	-	(4,111)	-
Net profit attributable to common shareholders of the parent	124,199	283,811	72,363	145,271
Weighted average number of shares in issue	325,205,073	332,446,048	327,543,836	331,419,459
Adjustment for share options	-	791,283	-	751,657
Weighted average number of shares in issue for the diluted earnings per share calculation	325,205,073	333,237,332	327,543,836	332,171,116
Diluted earnings per share (in euro)	0.3819	0.8517	0.2209	0.4373

Potential common shares of the 3rd share option scheme did not have an effect to the calculation of diluted earnings per share, as the average market price of common shares during the first semester of 2009 did not exceed the option's exercise price.

According to the requirements of IAS 33, the weighted average number of common shares has been adjusted for the comparison period of 2008 by a 1.020419 factor, in order to adjust earnings per share (basic and diluted) for the share capital increase performed through reinvestment of dividend that took place during June 2009 with the issue of 6,728,991 new common shares of nominal value of € 4.77 each.

## 10 Analysis of other comprehensive income

<b>1st Semester 2009</b>	<b>Before-Tax amount</b>	<b>Tax</b>	<b>Net-of-Tax amount</b>
Net change in available for sale investments	49,481	(4,687)	44,794
Change in currency translation reserve	(24,648)	-	(24,648)
Expenses on issuance of preference shares	(4,110)	-	(4,110)
<b>Other Comprehensive Income</b>	<b>20,723</b>	<b>(4,687)</b>	<b>16,036</b>
<b>1st Semester 2008</b>			
	<b>Before-Tax amount</b>	<b>Tax</b>	<b>Net-of-Tax amount</b>
Net change in available for sale investments	(90,066)	23,148	(66,918)
Change in currency translation reserve	(10,110)	-	(10,110)
<b>Other Comprehensive Income</b>	<b>(100,176)</b>	<b>23,148</b>	<b>(77,028)</b>

## 11 Loans and advances to customers

<b>Loans to individuals</b>	<b>30 June 2009</b>	<b>31 December 2008</b>
Mortgages	6,552,287	6,692,625
Consumer/ personal and other loans	4,217,487	4,488,349
Credit cards	794,650	775,434
	<b>11,564,423</b>	<b>11,956,407</b>
<b>Loans to corporate entities</b>	<b>26,707,424</b>	<b>27,059,248</b>
<b>Total loans and advances to customers</b>	<b>38,271,847</b>	<b>39,015,655</b>
Less: Allowance for losses (impairment) on loans and advances to customers	(808,524)	(702,987)
<b>Total loans and advances to customers (less allowances for losses)</b>	<b>37,463,323</b>	<b>38,312,669</b>
Current loans and advances to customers	14,359,933	15,400,814
Non current loans and advances to customers	23,103,390	22,911,854
	<b>37,463,323</b>	<b>38,312,669</b>

**Movement in allowance (impairment) for losses on loans and advances to customers:**

a) Loans to individuals	Mortgages	Consumer/ personal and other loans	Credit cards	Total
<b>Balance at 1/1/2008</b>	15,519	121,081	30,126	166,726
Opening balance of new subsidiaries	-	1,574	180	1,754
Charge for the period	5,066	31,561	7,712	44,339
Loans written-off	(4)	(2,842)	(5)	(2,851)
Foreign exchange differences	(29)	(65)	(36)	(130)
<b>Balance at end of period 30/6/2008</b>	<b>20,552</b>	<b>151,309</b>	<b>37,977</b>	<b>209,838</b>
	Mortgages	Consumer/ personal and other loans	Credit cards	Total
<b>Balance at 1/7/2008</b>	20,552	151,309	37,977	209,838
Charge for the period	36,584	63,010	20,261	119,855
Loans written-off	-	(2,423)	(15)	(2,438)
Foreign exchange differences	(42)	(4,497)	(375)	(4,914)
<b>Balance at end of year 31/12/2008</b>	<b>57,094</b>	<b>207,399</b>	<b>57,848</b>	<b>322,341</b>
<b>Balance at 1/1/2009</b>	57,094	207,399	57,848	322,341
Charge for the period	26,481	89,959	27,517	143,957
Loans written-off	-	(41,673)	(19,322)	(60,995)
Foreign exchange differences	(165)	(2,506)	(942)	(3,613)
<b>Balance at end of period 30/6/2009</b>	<b>83,410</b>	<b>253,179</b>	<b>65,101</b>	<b>401,690</b>
<b>b) Loans to corporate entities</b>				
<b>Balance at 1/1/2008</b>				249,298
Opening balance of new subsidiaries				10,397
Charge for the period				34,540
Loans written-off				(2,482)
Foreign exchange differences				(793)
<b>Balance at end of period 30/6/2008</b>				<b>290,960</b>
<b>Balance at 1/7/2008</b>				290,960
Charge for the period				168,187
Loans written-off				(78,950)
Foreign exchange differences				448
<b>Balance at end of year 31/12/2008</b>				<b>380,646</b>
<b>Balance at 1/1/2009</b>				380,646
Charge for the period				46,812
Loans written-off				(17,005)
Foreign exchange differences				(3,619)
<b>Balance at end of period 30/6/2009</b>				<b>406,834</b>

The charge for the first semester of 2009 amount € 205 million (30/6/2008: € 82.2 million) in the income statement includes amount of € 14.2 million (30/6/2008: € 3.3 million) which relates to impairment of other receivables and insurance expense for covering of credit risk.

## 12 Trading securities

Trading securities	30 June 2009	31 December 2008
Greek government bonds	1,335,410	872,439
Foreign government bonds	19,255	58,656
Corporate entities bonds	60,499	166,658
Bank bonds	17,382	10,204
Greek government treasury bills	537,096	101,945
Other government treasury bills	188,989	26,540
	<b>2,158,630</b>	<b>1,236,441</b>

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	30 June 2009	31 December 2008
Athens stock exchange listed shares	79,107	63,706
Foreign stock exchanges listed shares	61	63
Mutual funds	2,227	309
	<b>81,394</b>	<b>64,078</b>
<b>Total trading securities</b>	<b>2,240,024</b>	<b>1,300,519</b>

### 13 Reclassification of financial assets

Investment portfolio on 30/6/2009 includes shares and bonds, which have been reclassified on 1/7/2008 and 1/10/2008 respectively, in accordance with the amendments of IAS 39 and IFRS 7. Specifically, the "Available for sale securities" portfolio as at 30/6/2009 includes shares and mutual funds with fair value of € 38.6 million, which were reclassified from the "Trading securities" on 1/7/2008. The revaluation gain of € 4.5 million for the 1st semester of 2009 has been recognized in the "Available for sale reserve". A loss of € 0.2 million from the sale of reclassified mutual funds has been recognized in the Income Statement for the period. The "Available for sale securities" portfolio as at 30/6/2009 also includes bonds with fair value of € 223.2 million which were reclassified from the "Trading securities" on 1/10/2008. The revaluation gain of € 1 million for the period has been recognized in the "Available for sale reserve". A loss of € 2.2 million from the sale of reclassified bonds has been recognized in the Income Statement for the period. "Held to maturity" portfolio includes bonds with fair value of € 775.8 million as at 30/6/2009 (amortized cost of € 863.2 million), which were reclassified on 1/10/2008, from "Trading securities" and "Available for sale securities". If these bonds had not been reclassified, a revaluation loss of € 51.7 million would be recognized in "Net trading Income" for the period and a revaluation loss of € 20.4 million would be recognized in the "Available for sale reserve" for the period. "Debt securities - receivables" include corporate bonds with fair value of € 30.4 million as at 30/6/2009 (amortized cost of € 38.4 million) and "Loans and advances to credit institutions" include bank bonds with fair value of € 26.4 million as at 30/6/2009 (amortized cost of € 30.6 million) which were reclassified on 1/10/2008 from the "Available for sale securities". If these bonds had not been reclassified, a revaluation gain of € 19.7 million would be recognized in the "Available for sale reserve" for the period.

### 14 Debt securities - receivables

Debt securities - receivables as at 30/6/2009 include Greek Government Bonds of nominal value € 370 million, which transferred to Piraeus Bank, according to the requirements of Law 3723/2008 "Enhancement of the Greek economy's liquidity in response to the impact of international financial crisis" in order to cover equal amount issuance of Piraeus Bank's preference shares (note 20) to the Greek State.

### 15 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

#### A) Subsidiaries companies (full consolidation method)

a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Marathon Banking Corporation	Banking Activities	91.03%	U.S.A	2008
2.	Tirana Bank I.B.C. S.A.	Banking Activities	94.72%	Albania	2007-2008
3.	Piraeus Bank Romania S.A.	Banking Activities	100.00%	Romania	2007-2008
4.	Piraeus Bank Beograd A.D.	Banking Activities	100.00%	Serbia	2006-2008
5.	Piraeus Bank Bulgaria A.D.	Banking Activities	99.98%	Bulgaria	2008
6.	Piraeus Bank Egypt S.A.E.	Banking Activities	95.37%	Egypt	1999-2008
7.	OJSC Piraeus Bank ICB	Banking Activities	99.96%	Ukraine	2008
8.	Piraeus Bank Cyprus LTD	Banking Activities	100.00%	Cyprus	2006-2008
9.	Piraeus Asset Management Europe S.A.	Mutual Funds Management	100.00%	Luxemburg	-
10.	Piraeus Leasing S.A.	Finance Leases	100.00%	Greece	2006-2008
11.	Piraeus Leasing Romania S.R.L.	Finance Leases	100.00%	Romania	2003-2008
12.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and Reinsurance Brokerage	100.00%	Greece	2007-2008
13.	Tirana Leasing S.A.	Finance Leases	100.00%	Albania	-
14.	Piraeus Securities S.A.	Stock Exchange Operations	100.00%	Greece	2006-2008
15.	Piraeus Group Capital LTD	Debt Securities Issue	100.00%	United Kingdom	-
16.	Piraeus Leasing Bulgaria EAD.	Finance Leases	100.00%	Bulgaria	2008
17.	Piraeus Auto Leasing Bulgaria EAD.	Auto Leases	100.00%	Bulgaria	2008
18.	Piraeus Group Finance P.L.C.	Debt Securities Issue	100.00%	United Kingdom	2008
19.	Multicollection S.A.	Assessment and collection of commer. debts	51.00%	Greece	2007-2008
20.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2008
21.	Piraeus Multifin S.A.	Motor vehicles trading	100.00%	Greece	2007-2008
22.	Picar S.A.	City Link Areas Management	100.00%	Greece	2007-2008
23.	Bulfina S.A.	Property Management	100.00%	Bulgaria	2008
24.	Piraeus ATFS S.A.	Accounting and tax consulting	100.00%	Greece	2007-2008
25.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece	2008
26.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2007-2008
27.	Exodus S.A.	Information technology & software	50.10%	Greece	2008
28.	Komotini Real Estate Development S.A.	Property Management	100.00%	Greece	2007-2008
29.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2008
30.	ND Development S.A.	Property Management	100.00%	Greece	2007-2008
31.	Property Horizon S.A.	Property Management	100.00%	Greece	2007-2008

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a/a	Name of Company	Activity	% holding	Country	Unaudited tax years
32.	ETBA Industrial Estates S.A.	Development/ Management of Industrial Areas	65.00%	Greece	2006-2008
33.	Piraeus Property S.A.	Property Management	100.00%	Greece	2006-2008
34.	Piraeus Development S.A.	Property Management	100.00%	Greece	2006-2008
35.	Piraeus Asset Management S.A.	Mutual Funds Management	100.00%	Greece	2007-2008
36.	Piraeus Buildings S.A.	Property Development	100.00%	Greece	2006-2008
37.	Piraeus Developer S.A.	Property Management	100.00%	Greece	2006-2008
38.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
39.	Euroinvestment & Finance Public LTD	Banking, Asset Management, real estate operat.	90.85%	Cyprus	2002-2008
40.	Lakkos Mikelli Real Estate LTD	Property Management	50.66%	Cyprus	2005-2008
41.	Philokimatiki Public LTD	Land and property development	53.29%	Cyprus	2005-2008
42.	Philokimatiki Ergoliptiki LTD	Construction company	53.29%	Cyprus	2005-2008
43.	AGR Investments S.A.	Securitized Receivable Investments	100.00%	Greece	2005-2008
44.	New Evolution S.A.	Property, Tourism & Development Company	100.00%	Greece	2005-2008
45.	Imperial Stockbrokers Limited	Stock Exchange Operations	100.00%	Cyprus	2002-2008
46.	Imperial Eurobrokers Limited	Stock Exchange Operations	100.00%	Cyprus	2002-2008
47.	EMF Investors Limited	Investment company	100.00%	Cyprus	2002-2008
48.	Euroinvestment Mutual Funds Limited	Mutual Funds Management	100.00%	Cyprus	2002-2008
49.	Bull Fund Limited	Investment company	100.00%	Cyprus	2002-2008
50.	Good Works Energy Photovoltaics S.A.	Construction & Operation PV Solar Projects	33.15%	Greece	2005-2008
51.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2005-2008
52.	New Up Dating Development Real Estate and Tourism S.A.	Property, Tourism & Development Company	100.00%	Greece	2005-2008
53.	Sunholdings Properties Company LTD	Land and property development	26.65%	Cyprus	2005-2008
54.	Piraeus Cards S.A.	Financial services and consultancy	100.00%	Greece	2008
55.	Polytropon Properties Limited	Land and property development	39.97%	Cyprus	2006-2008
56.	Shinefocus Limited	Land and property development	53.29%	Cyprus	2003-2008
57.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
58.	Maples Invest & Holding S.A.	Investment company	100.00%	British Virgin Islands	-
59.	Margetson Invest & Finance S.A.	Investment company	100.00%	British Virgin Islands	-
60.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
61.	Piraeus Insurance Brokerage EOOD	Insurance Brokerage	99.98%	Bulgaria	2007-2008
62.	SSIF Piraeus Securities Romania S.A.	Stock Exchange Operations	99.33%	Romania	2007-2008
63.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
64.	Phoenix Kato Asset Management Co.	Property Administration	85.83%	Egypt	2005-2008
65.	Piraeus Egypt Leasing Co.	Finance Leases	95.33%	Egypt	2007-2008
66.	Piraeus- Egypt for Securities Brokerage Co.	Stock Exchange Operations	95.17%	Egypt	2007-2008
67.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and Reinsurance Brokerage	100.00%	Romania	-
68.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007-2008
69.	Piraeus Leases S.A.	Finance Leases	100.00%	Greece	2007-2008
70.	Iapetos Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2008
71.	Phoebe Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2008
72.	Orion Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2008
73.	Astraios Energy Photovoltaics S.A.	PV Solar projects development	33.16%	Greece	2007-2008
74.	Multicollection Romania S.R.L.	Assessment and collection of commerc. debts	51.00%	Romania	2006-2008
75.	Olympic Commercial & Tourist Enterprises S.A.	Oper. Leases- Rent-a-Car and long term rental of vehicl.	74.90%	Greece	2008
76.	Piraeus Rent Doo Beograd	Operating Leasing	100.00%	Serbia	2007-2008
77.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
78.	Piraeus Leasing Doo Beograd	Financial Leasing	100.00%	Serbia	2007-2008
79.	Piraeus Real Estate Consultants Doo	Construction company	100.00%	Serbia	2006-2008
80.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2008
81.	Piraeus Real Estate Egypt LLC	Construction company	99.80%	Egypt	2007-2008
82.	Piraeus Bank Egypt Investment Company	Investment company	95.18%	Egypt	2007-2008
83.	Piraeus Best Leasing Bulgaria EAD	Auto Leasing	99.98%	Bulgaria	2007-2008
84.	Piraeus Insurance Agency S.A.	Insurance Agency	100.00%	Greece	2007-2008
85.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece	2008
86.	Estia Mortgage Finance III PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
87.	Piraeus Insurance Brokerage-Egypt	Insurance Brokerage	93.35%	Egypt	2008
88.	Integrated Storage System Co.	Warehouse & Mail Distribution Management	89.54%	Egypt	2004-2008
89.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
90.	PLG Finance S.A.	Real estate, development/ tourist services	100.00%	Greece	2008
91.	Axia Finance II PLC	SPE for securitization of corporate loans	-	United Kingdom	-
92.	Praxis Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-

Companies numbered 38, 77, 86, 89, 91 and 92 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 50, 53, 55 and 70-73, which are mentioned above are shown with percentages less than 50%, are subsidiaries due to significant influence.

**B) Associate companies (equity accounting method)**

a/a	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	2000-2008
2.	"Evros" Development Company S.A.	European community programs management	30.00%	Greece	2000-2008
3.	Delphi Advanced Research Technologies LTD	Information technology services	25.00%	Cyprus	2006-2008
4.	Project on Line S.A.	Information technology & software	40.00%	Greece	2004-2008
5.	Alexandria for Development and Investment	Investment company	20.98%	Egypt	2008
6.	Nile Shoes Company	Footwear Seller- Manufacturer	37.51%	Egypt	2003-2008
7.	APE Commercial Property Real Estate Tourist & Develop.S.A.	Real estate, development/ tourist services	27.80%	Greece	2008
8.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2006-2008
9.	Trieris Real Estate LTD	Property Management	22.80%	British Virgin Islands	-
10.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece	2007-2008
11.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2008
12.	Sciens International S.A.	Holding company	29.80%	Greece	2008
13.	Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	Greece	2007-2008
14.	Trastor Real Estate Investment Company (former Piraeus Real Estate Investment Property S.A.)	Real estate investment property	33.80%	Greece	2006-2008
15.	Proton Bank S.A.	Banking Activities	31.31%	Greece	2007-2008
16.	Euroterra S.A.	Property Management	29.22%	Greece	2008
17.	Rebikat S.A.	Property Management	30.00%	Greece	2008
18.	Abies S.A.	Property Management	30.00%	Greece	2002-2008
19.	Atlantic Insurance Public Company LTD.	General Insurances	21.66%	Cyprus	2003-2008

The changes in the portfolio of subsidiaries and associates are referred at note 23.

**16 Due to customers**

	30 June 2009	31 December 2008
Current and sight deposits	5,139,354	4,468,736
Savings account	3,682,468	3,382,247
Term deposits	21,013,423	19,727,066
Other accounts	246,400	244,165
Repurchase agreements	30,535	558,603
	<b>30,112,179</b>	<b>28,380,817</b>
Current due to customers	29,357,481	27,858,388
Non current due to customers	754,698	522,429
	<b>30,112,179</b>	<b>28,380,817</b>

**17 Debt securities in issue**

	Currency	Average interest rate (%)		30 June 2009	31 December 2008
		1st Semester 2009	2008		
<b>ETBA bonds</b>	EUR	5.27%	4.70%	<b>1,227,054</b>	<b>2,513,581</b>
<b>Euro Commercial Paper (Short term securities)</b>	EUR	4.06%	4.84%	186,614	272,588
	USD	2.59%	3.84%	76,032	20,567
	GBP	3.29%	5.85%	11,728	311
				<b>274,375</b>	<b>293,467</b>
<b>Other debt securities</b>	BGN	7.54%	7.43%	<b>19,077</b>	<b>19,083</b>
<b>Euro Medium Term Note (Medium/ long term securities)</b>			<b>Interest rate (%)</b>		
€ 32.5 m. floating rate notes due 2010			Variable	-	705
€ 21.65 m. floating rate notes due 2010			Variable	-	430
€ 700 m. floating rate notes due 2010			Euribor + 0.30	449,449	493,272
€ 3.43 m. floating rate notes due 2009			Variable	390	390
USD 15 m. floating rate notes due 2009			Libor + 0.10	-	7,292
USD 20 m. floating rate notes due 2009			Libor + 0.20	1,651	-
€ 500 m. floating rate notes due 2009			Euribor + 0.20	-	497,944
€ 60 m. floating rate notes due 2015			Variable	60,000	60,000
€ 10 m. floating rate notes due 2013			Euribor + 0.30	9,992	9,991
€ 650 m. floating rate notes due 2011			Euribor + 0.25	430,966	488,601
€ 5.05 m. floating rate notes due 2011			Variable	3,750	4,750
€ 50 m. floating rate notes due 2010			Euribor + 0.225	50,000	50,000

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<b>Euro Medium Term Note (Medium/ long term securities)</b>	<b>Interest rate (%)</b>	<b>30 June 2009</b>	<b>31 December 2008</b>
€ 750 m. floating rate notes due 2010	Euribor + 0.20	708,364	707,202
€ 20 m. floating rate notes due 2012	Euribor + 0.20	19,978	19,974
€ 45 m. fixed/ floating rate notes due 2009	Fixed/ Euribor + 0.25	-	45,000
€ 10 m. fixed/ floating rate notes due 2010	Fixed/ Euribor + 0.35	3,212	3,412
€ 500 m. fixed rate notes due 2011	Fixed 4.5	495,292	-
Accrued interest and other expenses		2,879	6,748
		<b>2,235,922</b>	<b>2,395,710</b>
	<b>Average interest rate (%)</b>		
<b>Securitisation of mortgage loans</b>			
€ 750 m. floating rate notes due 2040	Euribor + 0.18	304,154	330,779
€ 1,250 m. floating rate notes due 2054	Euribor + 0.18	914,264	935,605
€ 800 m. floating rate notes due 2055	Euribor + 0.53	-	-
		<b>1,218,418</b>	<b>1,266,384</b>
	<b>Average interest rate (%)</b>		
<b>Securitisation of corporate loans</b>			
€ 1,750 m. floating rate notes due 2035	Euribor + 0.45	-	-
€ 900 m. floating rate notes due 2031	3M Euribor + 0.99	-	-
		<b>0</b>	<b>0</b>
<b>Securitisation of consumer loans</b>			
€ 725 m. fixed rate notes due 2026	1M Euribor + 0.27	-	-
		<b>4,974,847</b>	<b>6,488,225</b>

Issuance under the Euro Commercial Paper and Euro Medium Term Note programs is undertaken through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group.

Piraeus Bank issued its new 2-year fixed rate senior bond in the amount of € 500 million, in June 2009. The bond was issued under Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bond pays a 4.5% fixed coupon and is listed on the Luxembourg Stock Exchange

Piraeus Bank completed its first Residential Mortgage Backed Securitisation (RMBS) transaction called ESTIA I in 2005. ESTIA I in the amount of € 750 million through the UK-based special purpose vehicle Estia Mortgage Finance PLC. The bonds are callable by the issuer after 9 years and have an average coupon of 3 month Euribor plus 18 basis points.

The second RMBS transaction, ESTIA II, was undertaken through the UK-based special purpose vehicle Estia Mortgage Finance II PLC in July 2007 in the amount of € 1.25 billion. The bonds are callable by the issuer after 7 years and have an average coupon of 3 month Euribor plus 18 basis points.

The third RMBS transaction called ESTIA III was completed through the UK-based special purpose vehicle Estia Mortgage Finance III PLC in April 2008 in the amount of € 800 million. The bonds are callable by the issuer after 7 years and have an average coupon of 3 month Euribor plus 53 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

The first SME Loan Backed Transaction, AXIA I was completed through the UK-based special purpose vehicle Axia Finance PLC in November 2008 in the amount of € 1,750 million. The bonds have an average coupon of 3 month Euribor plus 45 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

The first Consumer Loan Backed Transaction was completed through the UK-based special purpose vehicle PRAXIS Finance Plc, in the amount of € 725 million, in April 2009. The bonds have an average coupon of 1 month Euribor plus 27 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

The second SME Loan Backed Transaction, AXIA II, was completed through the UK-based special purpose vehicle AXIA II Finance Plc, in the amount of € 900 million, in May, 2009. The bonds have an average coupon of 3 month Euribor plus 99 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

Other debt securities have been issued by Piraeus Bank Bulgaria on 19/7/2004 (€ 3.6 million, non callable, with a fixed rate 6.67% and 5 years duration) and on 7/3/2007 (€ 15.3 million, non callable, with nominal coupon 3 month Sofibor plus 0.7%, with 3 years duration).



## 18 Hybrid capital and other borrowed funds

	Interest rate (%)	30 June 2009	31 December 2008
<b>Hybrid capital (Tier I)</b>			
€ 200 m. floating rate notes	Euribor + 1.25	162,062	199,191
Accrued interest and other expenses		916	2,253
		<b>162,978</b>	<b>201,444</b>
<b>Subordinated debt (Tier II)</b>			
€ 400 m. floating rate notes due 2014	Euribor + 0.60	378,499	379,493
€ 400 m. floating rate notes due 2016	Euribor + 0.55	374,262	378,335
Accrued interest and other expenses		1,535	4,474
		<b>754,296</b>	<b>762,302</b>
<b>Other borrowed funds (USD)</b>	6.60%	<b>3,647</b>	<b>3,657</b>
<b>Total hybrid capital and other borrowed funds</b>		<b>920,921</b>	<b>967,403</b>

TIER I hybrid capital was issued by Piraeus Group Capital LTD in October 2004. These securities are callable by the issuer after 10 years and bear a nominal coupon of 3 month Euribor plus 125 basis points.

Lower Tier II subordinated debt was issued by Piraeus Group Finance PLC via the EMTN program. On 29/9/2004, an amount of € 400 million was issued, with a 10 year maturity, which is callable by the issuer after 5 years and bears a 3 month Euribor nominal coupon plus 60 basis points. On 20/7/2006, an amount of € 400 million was issued, with a 10 year maturity, which is callable after 5 years and bears a 3 month Euribor nominal coupon plus 55 basis points.

Accrued interest on hybrid capital and other borrowed funds is included in the respective amounts of hybrid capital and other borrowed funds. The Group is not in default of any payments of principal, interest or redemption amounts of the aforementioned hybrid capital and other borrowed funds.

## 19 Contingent liabilities and commitments

### A) Legal procedures

The legal proceedings outstanding against the Group as at 30/6/2009, except from the cases that provisions of such kind have already been raised, are not expected to have any significant impact on the financial statements of the Group, according to the opinion of the legal affairs division of the Bank and its subsidiaries.

### B) Credit commitments

As at 30/6/2009 the Group had the following capital commitments:

	30 June 2009	31 December 2008
Letters of guarantee	3,252,993	3,320,462
Letters of credit	182,831	266,644
Commitments to extent credit	13,437,276	12,715,181
	<b>16,873,100</b>	<b>16,302,287</b>

### C) Assets pledged

	30 June 2009	31 December 2008
Balances with central banks	225	246
Trading securities	3,961,945	1,063,601
Investment securities	1,920,243	3,749,377
Loans and advances to customers	865,000	865,000
Debt securities - receivables	835,013	450,000
	<b>7,582,426</b>	<b>6,128,224</b>

In the "Trading securities" category, an amount of € 3.339 million refers to bonds derived from the securitization of mortgage and corporate loans.

### D) Operating lease commitments and receivables

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

	30 June 2009	31 December 2008
Up to 1 year	38,665	37,661
From 1 to 5 years	158,235	164,370
More than 5 years	317,243	357,125
	<b>514,144</b>	<b>559,156</b>

**20 Share capital**

	Share Capital	Share Premium	Treasury Shares	Total
<b>At 1 January 2008</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,862)</b>	<b>2,467,018</b>
Cancellation of treasury shares	(49,644)	(184,526)	234,170	0
Share capital increase due to reinvestment of dividends	3,589	12,398	-	15,987
Purchases of treasury shares	-	-	(188,745)	(188,745)
Sales of treasury shares	-	-	38,116	38,116
<b>At 31 December 2008</b>	<b>1,571,923</b>	<b>927,775</b>	<b>(167,321)</b>	<b>2,332,376</b>
<b>At 1 January 2009</b>	<b>1,571,923</b>	<b>927,775</b>	<b>(167,321)</b>	<b>2,332,376</b>
Share capital increase due to reinvestment of dividends	32,097	(36)	-	32,061
Issue of preference shares	370,000	-	-	370,000
Purchases of treasury shares	-	-	(4,119)	(4,119)
Sales of treasury shares	-	-	171,437	171,437
<b>At 30 June 2009</b>	<b>1,974,020</b>	<b>927,739</b>	<b>(3)</b>	<b>2,901,756</b>

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

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
<b>Opening balance at 1st January 2008</b>	<b>339,198,587</b>	<b>(11,082,100)</b>	<b>328,116,487</b>
Cancellation of treasury shares	(10,407,537)	10,407,537	0
Share capital increase due to reinvestment of dividends	752,478	-	752,478
Purchases of treasury shares	-	(14,228,664)	(14,228,664)
Sale of treasury shares	-	2,379,303	2,379,303
<b>Balance at 31st December 2008</b>	<b>329,543,528</b>	<b>(12,523,924)</b>	<b>317,019,604</b>

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
<b>Opening balance at 1st January 2009</b>	<b>329,543,528</b>	<b>(12,523,924)</b>	<b>317,019,604</b>
Share capital increase due to reinvestment of dividends	6,728,991	-	6,728,991
Issue of preference shares	77,568,134	-	77,568,134
Purchases of treasury shares	-	(757,225)	(757,225)
Sales of treasury shares	-	13,280,976	13,280,976
<b>Balance at 30 June 2009</b>	<b>413,840,653</b>	<b>(173)</b>	<b>413,840,480</b>

The Ordinary General Meeting of Shareholders on 30th of April 2009 decided the distribution of dividend to the shareholders in the form of Bank shares, namely the distribution of one new common voting share with nominal value of € 4.77 each for every 47 old shares. This distribution corresponds to a net dividend value of € 0.10 per share, incorporating the dividend corresponding to own shares and deduction of the tax due. Consequently, the General Meeting approved the increase of the Bank's share capital by the amount of € 32,097,287.07, with capitalization of the net amount of the distributable dividend and with the issuance of 6,728,991 new shares. These shares were issued at 5/6/2009.

In the context of article 1 of Law 3723/2008 "Enhancement of the Greek economy's liquidity in response to the impact of international financial crisis", the Bank issued, on 14/5/2009, 77,568,134 non-voting preference shares of amount € 370 million, at a € 4.77 per share. These shares have been fully subscribed to by the Greek State in exchange of Greek Government Bonds transferred to the Bank. In accordance with the current legal and regulatory framework the issued shares have been classified as tier 1 capital for regulatory purposes.

The preference shares pay a non-cumulative coupon of 10%, subject to the following conditions: (a) meeting Bank of Greece minimum capital adequacy requirements at Bank and Group level, following such coupon payment, (b) availability of distributable reserves in accordance to article 44a of C.L. 2190/1920, and (c) the approval of the General Assembly of the Bank's Common Shareholders. In case the Bank does not satisfy the minimum capital adequacy ratios set by the Bank of Greece, five years after the issue of the preference shares, then the shares are converted to common shares, subject to the approval of the Minister of Economy and Finance. If however, the Bank has sufficient capital adequacy, then the preference shares are mandatorily redeemable after five years or optionally before that.

The above recapitalisation scheme was approved by the European Union ("EU") on 19 November 2008. On 15 January 2009, the EU issued relevant application guidelines, clarifying that although the recapitalisation measures aim to enhance the capital adequacy of the banking sector and should not have the characteristics of debt, they should also contain appropriate incentives for State capital to be redeemed when the market and the regulator so allows.

In the context of the above EU guidelines and the practices adopted by other EU member states and in order for the State funds to be considered as equity for both regulatory and accounting purposes, the Greek State expressed, through a letter addressed to Bank of Greece, its intention to proceed to the necessary amendments of the legal framework and introduce "coupon step-up" features to the preference shares of those banks which, at the end of the five year period, do not proceed in their redemption.

The Bank classified the above preference shares as equity on the basis that the abovementioned amendments will be enacted before the year end and for this reason the accrued dividend of the preference shares for the first semester 2009 amounting to € 4.1 million didn't affect the Group's results.

Following the above increases, the Bank's share capital amounts to € 1,974,019,914.81, divided to 336,272,519 ordinary registered shares with voting rights and 77,568,134 preference shares without voting rights l. 3723/2008, of nominal share value € 4.77.

The Annual General Meeting of shareholders of the Bank held on 3/4/2008 has decided, according to the article 16 of codified Law 2190/1920, the purchase of treasury shares, until 3/4/2010 the latest, up to a maximum number of 33,000,000 treasury shares, which may be distributed to the staff of the Bank or the staff of any affiliated company with the minimum and maximum purchase price for the shares is between € 4 and € 40. It is noted that the above-mentioned share repurchase program of Piraeus Bank has been suspended, in accordance with the provisions of article 28 par. 2 of Law 3756/2008.

In accordance with the provisions of applicable law Piraeus Bank S.A. sold, on 1/6/2009, 13,280,976 treasury shares, representing 3.95% of the Bank's issued and outstanding ordinary shares, with a trade price set at € 7.70 per share.

### 3rd Share option plan

The terms of the existing share option plan are described in the annual financial statements of the year 2008.

## 21 Other reserves and retained earnings

	<b>30 June 2009</b>	<b>31 December 2008</b>
Legal reserve	81,707	77,964
Extraordinary reserve	1,743	1,200
Available for sale reserve	(117,844)	(162,414)
Currency translation reserve	(119,406)	(94,852)
Other reserves	5,681	515
<b>Total other reserves</b>	<b>(148,119)</b>	<b>(177,586)</b>
Retained earnings	730,464	721,359
<b>Total other reserves and retained earnings</b>	<b>582,345</b>	<b>543,773</b>

	<b>30 June 2009</b>	<b>31 December 2008</b>
<b>Other reserves movement</b>		
Opening balance for the period	(177,586)	53,939
Movement of available for sale reserve	44,570	(177,399)
Formation of legal reserve	3,743	12,590
Formation of other reserves	4,817	-
Foreign exchange differences and other adjustments	(23,663)	(66,716)
<b>Closing balance for the period</b>	<b>(148,119)</b>	<b>(177,586)</b>

Legal reserve of the Bank and its Greek subsidiaries is formed in accordance with Law 2190/1920 and each company's articles of association. Foreign subsidiaries form their legal reserve in accordance with their local legislation.

	<b>30 June 2009</b>	<b>31 December 2008</b>
<b>Available for sale reserve movement</b>		
Opening balance for the period	(162,414)	14,986
Gains/ (losses) from the valuation of available for sale bonds	23,533	(47,459)
Gains/ (losses) from the valuation of available for sale shares and mutual funds	26,162	(158,231)
Deferred income tax	(4,657)	43,063
Recycling of the accumulated fair value adjustment of disposed available for sale securities	716	296
Foreign exchange differences and other adjustments	(1,184)	(15,069)
<b>Closing balance for the period</b>	<b>(117,844)</b>	<b>(162,414)</b>

	<b>30 June 2009</b>	<b>31 December 2008</b>
<b>Retained earnings movement</b>		
Opening balance for the period	721,359	561,058
Profit after tax attributable to the owners of the parent	128,310	315,087
Prior year dividends	(35,664)	(118,122)
Profit / (losses) from sales of treasury shares	(69,393)	(13,431)
Expenses on issuance of preference shares	(4,110)	-
Transfer to other reserves	(8,560)	(12,590)
Acquisitions, absorptions and movement in subsidiaries holding	(357)	(8,246)
Differences from currency translations and other adjustments	(1,121)	(2,397)
<b>Closing balance for the period</b>	<b>730,464</b>	<b>721,359</b>

## 22 Related party 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 20%.

	Board of Directors members and key management personnel	
	30 June 2009	31 December 2008
Loans	142,929	244,345
Deposits	39,243	130,101

Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 30/6/2009 are € 2.3 million (31/12/2008: € 1.7 million). The total income on loans to members of the board of directors and to key management personnel for the first semester of 2009 is € 2.7 million (first semester of 2008: € 6.7 million). The expense from deposits of the prementioned related parties is € 0.3 million (first semester of 2008: € 0.8 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.

	30 June 2009	30 June 2008
<b>Directors' remuneration</b>		
Salaries and other remuneration	2,180	5,558
Termination benefits	1,474	3,464
	<b>3,654</b>	<b>9,022</b>

The total amount of provisions raised for Board of Directors members and key management personnel is € 39.8 million as at 30/6/2009 (31/12/2008: € 36.8 million). This amount has been included in retirement benefit obligation.

	Associates	
	30 June 2009	31 December 2008
Deposits	145,804	116,477
Loans and advances to customers and credit institutions	36,261	400,367
	<b>1st Semester 2009</b>	<b>1st Semester 2008</b>
Interest expense	(1,525)	(1,252)
Interest income	2,870	101

## 23 Changes in the portfolio of subsidiaries and associates

In the period from 1/1/2009 to 30/6/2009, the following changes took place in the Group's portfolio of subsidiaries and associates:

### a) Increases of participation:

On 16/1/2009, Piraeus Bank S.A. has increased its participation in Euroinvestment & Finance LTD with the amount of € 5 thousand, increasing its shareholding, by 0.06%, to 90.85%.

During February and March 2009, Piraeus Bank purchased shares of Marathon Banking Corporation with the amount of € 2.18 million increasing its shareholding from 87.91% to 90.47%.

On 20/1/2009 Piraeus Bank increased its shareholding in Tirana Bank I.B.C. S.A. from 91.24% to 92.28% with the amount of € 1.33 million. A further shareholding increase with the amount of € 1.33 million was completed in April 2009, resulting to a shareholding of 94.72% of Piraeus Bank in Tirana Bank I.B.C. S.A.

On February and March 2009, Piraeus Bank Cyprus S.A., 100% subsidiary of Piraeus Bank S.A., increased its shareholding in Atlantic Insurance Public Co LTD from 2.67% to 20.94% with the amount of € 14.4 million, resulting at a transfer from the Bank's available for sale portfolio to the associates' portfolio, due to significant influence. On June 2009 Piraeus Bank Cyprus S.A. has proceeded to the additional purchase of shares of Atlantic Insurance Public Co LTD with the amount of € 0.4 million, increasing its shareholding to 21.66%.

### b) Acquisitions:

On 20/2/2009, Piraeus Bank acquired 100% of PLG Finance S.A. with the amount of € 60 thousand.

### c) Participation in share capital increases:

On 23/3/2009, Piraeus Bank fully covered the share capital increase of Marathon Banking Corporation for the amount of € 3.68 million increasing in this way its shareholding from 90.47% to 91.02%. Furthermore, on 24/4/2009, through the purchase of shares of value € 7 thousand the Bank has increased its shareholding in Marathon Banking Corporation to 91.03%

On 27/3/2009, Piraeus Bank covered the total amount of share capital increase of Piraeus Bank Cyprus LTD with the amount of € 17 million (without altering its shareholding (100%)). The amount was covered fully by cash contribution from Piraeus Bank S.A.

Piraeus Bank has participated at the share capital increase of OJSC Piraeus Bank ICB, which was realized on 14/4/2009, with the amount of € 10.76 million increasing in this way its shareholding from 99.95% to 99.96%.

On 29/5/2009 Piraeus Bank fully covered the share capital increase of Piraeus Insurance Agency S.A., amounting to € 1.14 million, obtaining in such way a direct shareholding of 95% without altering its effective shareholding (100%).

On 24/6/2009 Piraeus Bank has participated at the share capital increase of APE Investment Property S.A. The amount covered was of € 3.37 million and the shareholding has not altered (27.2%).

**d) Liquidation and disposal of shareholding percentages:**

On 14/5/2009, Borg El Arab Company, 27.47% associate of Piraeus Bank Egypt SAE which is a 95.37%.subsidiary of Piraeus Bank was sold for a consideration of € 2.35 million.

On 9/6/2009 Piraeus Bank sold its shareholding (25%) in the associate company Stalko S.A. for a consideration of € 750 thousand.

**e) Renames:**

"Piraeus – Egypt Asset Management", "Piraeus Egypt Brokerage CO" and "Piraeus Insurance Consultants – Egypt" have been renamed to "Phoenix Kato Asset Management Co", "Piraeus – Egypt for Securities Brokerage Co" and "Piraeus Insurance Brokerage – Egypt", respectively. The companies above are subsidiaries of Piraeus Bank Egypt S.A.E. and they consist on indirect participations of Piraeus Bank.

The associate company Piraeus Real Estate Investment Property S.A. was renamed to Trastor Real Estate Investment Company.

The Group's portfolio changes in subsidiaries for the period 1/1 - 30/6/2009 which are described above, are summarized in the table as follows:

	<b>2009</b>	<b>2008</b>
Participation in share capital increases	32,584	216,882
Incorporation of companies	-	32
<b>Total participation in share capital increases and incorporation of companies</b>	<b>32,584</b>	<b>216,913</b>
Increase of shareholding percentage in Group subsidiaries	4,846	16,426
Acquisition of subsidiaries	60	15,000
Less: Cash and cash equivalents of subsidiaries acquired	-	(176,173)
<b>Total net cash outflow/ (inflow) from acquisition of subsidiaries and increase of shareholding percentage</b>	<b>4,906</b>	<b>(144,747)</b>

During the period 1/1 - 30/6/2009, the goodwill raised from the acquisition of subsidiaries and the increase of shareholding in Group subsidiaries was € 2,347 thousand (2008: € 23,981 thousand).

## 24 Events after the consolidated interim financial information

On July 2, 2009 Piraeus Bank and BNP Wealth Management announced the conclusion of a strategic partnership in Wealth Management in the countries where Piraeus Bank Group is present. The above partnership which is expected to occur in the last quarter of 2009 after obtaining the necessary by law authorisations, will be materialized by 2 joint ventures.

On July 13, 2009 Piraeus Asset Management Mutual Fund Management S.A., announced the agreement to undertake the management of the five (Greek) Mutual Funds of ING Mutual Fund Management S.A. Additionally, Piraeus Asset Management Mutual Fund Management S.A. will proceed to an agreement with ING Hellenic Insurance Company S.A. regarding the promotion of the above Mutual Funds to investors. It is noted, that the agreement described above is subject to approval from the relevant regulatory authorities.

On July 30, 2009 the international rating agency Standard & Poor's affirmed Piraeus Bank's 'BBB' Long-term rating and maintained its outlook to stable.

On July 31, 2009 the international rating agency Fitch affirmed Piraeus Bank's 'A-' Long term rating and maintained the negative outlook.

On August 10, 2009 the international rating agency Moody's affirmed Piraeus Bank's 'A2' Long-term rating and maintained the negative outlook.

Piraeus Bank Group successfully completed three new loan securitizations totalling € 3,450 million, in accordance with the provisions of the law 3156/2003,. In particular:

- On August 14, 2009 the first leasing loans securitisation of Piraeus Leases S.A. was concluded with a total issue size of € 540 million. The notes were issued through the special purpose vehicle "GAIA Lease PLC", incorporated in the UK. UBS Investment Bank was the Arranger of the issue.

- On the same day, the second consumer loans securitization of the Bank was concluded with a total issue size of € 558 million. The notes were issued through "PRAXIS II Finance PLC" a special purpose vehicle, incorporated in the UK. Arranger of the issue was Morgan Stanley and Co. International PLC.

- On August 17, 2009 the third business loans securitization of the Bank was concluded with a total issue size of € 2,352 million. The notes were issued through "AXIA III Finance PLC" a special purpose vehicle, incorporated in the UK. Citigroup Global Markets Limited has been appointed as Arranger of the issue.

Piraeus Bank, taking into account its strong capital base and liquidity position and after having received the appropriate approval of the Bank of Greece, will proceed to the early redemption of the € 400 million Lower Tier II bond on September 29, 2009, in accordance with the original terms and conditions of the issue conducted by its subsidiary Piraeus Group Finance PLC.

Athens, August 26th, 2009

CHAIRMAN  
OF THE BOARD OF DIRECTORS  
and CHIEF EXECUTIVE OFFICER

MANAGING DIRECTOR

GENERAL MANAGER

DIRECTOR, GROUP FINANCE &  
PARTICIPATIONS DIVISION

MICHALIS G. SALLAS

ALEXANDROS ST. MANOS

DIMITRIS D. PAPADIMITRIOU

AGAMEMNON E. POLITIS



**PIRAEUS BANK S.A.**

**Interim Condensed Financial  
Information**

30 June 2009

According to the International  
Financial Reporting Standards

The attached interim condensed financial information has been approved by the Piraeus Bank S.A. Board of Directors on August 26th, 2009 and it is available on the web site of Piraeus Bank at [www.piraeusbank.gr](http://www.piraeusbank.gr)

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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**INTERIM INCOME STATEMENT**

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2009	30 June 2008	30 June 2009	30 June 2008
Interest and similar income		1,192,796	1,477,915	501,104	771,177
Interest expense and similar charges		(820,667)	(1,081,238)	(314,567)	(566,840)
<b>NET INTEREST INCOME</b>		<b>372,129</b>	<b>396,677</b>	<b>186,537</b>	<b>204,337</b>
Fee and commission income		66,077	69,557	29,914	38,386
Fee and commission expense		(18,598)	(21,219)	(9,243)	(10,264)
<b>NET FEE AND COMMISSION INCOME</b>		<b>47,479</b>	<b>48,338</b>	<b>20,671</b>	<b>28,122</b>
Dividend income		37,892	39,949	34,822	38,477
Net trading income	6	27,498	1,137	39,669	(3,125)
Net income from financial instruments designated at fair value through profit or loss		(1,805)	(12,375)	1,214	(14,188)
Gains/ (Losses) from investment securities		39	17,556	750	15,873
Other operating income		7,957	18,886	4,239	6,677
<b>TOTAL NET INCOME</b>		<b>491,188</b>	<b>510,168</b>	<b>287,902</b>	<b>276,173</b>
Staff costs		(121,153)	(126,084)	(58,948)	(62,979)
Administrative expenses		(110,455)	(105,891)	(65,533)	(62,412)
Depreciation and amortisation		(18,500)	(20,896)	(9,767)	(10,531)
Gains/ (Losses) from sale of assets		84	316	(65)	163
Impairment losses on loans and receivables	10	(105,232)	(48,686)	(55,993)	(24,710)
<b>TOTAL OPERATING EXPENSES</b>		<b>(355,257)</b>	<b>(301,240)</b>	<b>(190,305)</b>	<b>(160,468)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>135,932</b>	<b>208,928</b>	<b>97,597</b>	<b>115,705</b>
Income tax expense	7	(19,422)	(30,675)	(11,239)	(10,700)
<b>PROFIT FOR THE PERIOD AFTER TAX</b>		<b>116,510</b>	<b>178,253</b>	<b>86,358</b>	<b>105,005</b>
Earnings per share (in euros):					
- Basic	8	0.3456	0.5362	0.2511	0.3168
- Diluted	8	0.3456	0.5349	0.2511	0.3161

**INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	30 June 2009	31 December 2008
<b>ASSETS</b>			
Cash and balances with Central Banks		2,758,723	2,486,574
Loans and advances to credit institutions		4,399,736	4,636,273
Derivative financial instruments - assets		173,552	356,820
Trading securities	11	1,961,038	1,166,899
Financial instruments at fair value through profit or loss		28,825	84,984
Loans and advances to customers (net of provisions)	10	30,935,282	33,482,619
Investment securities			
-Available for sale securities		871,099	792,700
-Held to maturity		3,312,774	3,263,095
Debt securities - receivables		901,448	527,699
Investments in subsidiaries	14	1,852,856	1,815,390
Investments in associated undertakings	14	184,870	181,497
Intangible fixed assets		59,021	37,794
Property, plant and equipment		319,836	317,266
Investment property		60,805	42,676
Assets held for sale		31,018	-
Deferred tax assets		213,994	216,939
Inventories - property		83,520	72,577
Other assets		817,082	731,196
<b>TOTAL ASSETS</b>		<b>48,965,480</b>	<b>50,212,997</b>
<b>LIABILITIES</b>			
Due to credit institutions		13,056,001	14,445,532
Derivative financial instruments - liabilities		186,979	360,907
Due to customers	15	25,495,372	24,109,587
Debt securities in issue	16	5,505,468	6,778,951
Hybrid capital and other borrowed funds	17	917,274	963,745
Retirement benefit obligations		185,737	173,222
Other provisions		10,665	10,665
Current income tax liabilities		10,894	62,848
Deferred tax liabilities		69,500	50,187
Other liabilities		284,940	633,526
<b>TOTAL LIABILITIES</b>		<b>45,722,831</b>	<b>47,589,170</b>
<b>EQUITY</b>			
Ordinary Shares	19	1,604,020	1,571,923
Preference Shares	19	370,000	-
Share premium	19	927,739	927,775
Less: Treasury shares	19	-	(167,319)
Other reserves	20	(49,552)	(91,573)
Retained earnings	20	390,441	383,022
<b>TOTAL EQUITY</b>		<b>3,242,649</b>	<b>2,623,827</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>48,965,480</b>	<b>50,212,997</b>

**INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME**

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2009	30 June 2008	30 June 2009	30 June 2008
<b>PROFIT AFTER TAX FOR THE PERIOD (A)</b>		<b>116,510</b>	<b>178,253</b>	<b>86,358</b>	<b>105,005</b>
<b>Other comprehensive income</b>					
Net change in available for sale investments, net of tax	9	42,021	(66,894)	44,998	(18,396)
Expenses on issuance of preference shares	9	(4,110)	-	(4,110)	-
<b>Other comprehensive income for the period, net of tax (B)</b>	9	<b>37,911</b>	<b>(66,894)</b>	<b>40,888</b>	<b>(18,396)</b>
<b>Total comprehensive income for the period, net of tax (A+B)</b>		<b>154,421</b>	<b>111,359</b>	<b>127,246</b>	<b>86,609</b>

**INTERIM STATEMENT OF CHANGES IN EQUITY**

	Note	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings	TOTAL
<b>Opening balance as at 1st January 2008</b>		<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,860)</b>	<b>71,208</b>	<b>406,057</b>	<b>2,944,285</b>
Other comprehensive income for the period, net of tax	9				(66,894)		(66,894)
Profit after tax for the period 1/1/2008 - 30/6/2008	20					178,253	178,253
<b>Total recognised income for the period 1/1/2008 - 30/6/2008</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(66,894)</b>	<b>178,253</b>	<b>111,359</b>
Prior year dividends	20					(118,122)	(118,122)
Issue of share capital by reinvestment of dividend	19	3,589	12,398				15,987
Cancelation of treasury shares	19	(49,644)	(184,526)	234,170			0
Purchases of treasury shares	19			(72,925)			(72,925)
Other movements					1,661	155	1,816
<b>Balance as at 30th June 2008</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(89,615)</b>	<b>5,975</b>	<b>466,343</b>	<b>2,882,400</b>
<b>Opening balance as at 1st July 2008</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(89,615)</b>	<b>5,975</b>	<b>466,343</b>	<b>2,882,400</b>
Other comprehensive income for the period, net of tax					(96,966)		(96,966)
Profit after tax for the period 1/7/2008 - 31/12/2008	20				5,657	(70,763)	(65,105)
<b>Total recognised income for the period 1/7/2008 - 31/12/2008</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>(91,309)</b>	<b>(70,763)</b>	<b>(162,071)</b>
Purchases of treasury shares	19			(115,820)			(115,820)
Sales of treasury shares	19			38,116		(13,431)	24,685
Mergers and other movements					(6,239)	872	(5,367)
<b>Balance as at 31st December 2008</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(167,319)</b>	<b>(91,573)</b>	<b>383,022</b>	<b>2,623,827</b>
<b>Opening balance as at 1st January 2009</b>		<b>1,571,923</b>	<b>927,775</b>	<b>(167,319)</b>	<b>(91,573)</b>	<b>383,022</b>	<b>2,623,827</b>
Other comprehensive income for the period, net of tax	9				42,021	(4,110)	37,911
Profit after tax for the period 1/1/2009 - 30/6/2009	20					116,510	116,510
<b>Total recognised income for the period 1/1/2009 - 30/6/2009</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>42,021</b>	<b>112,400</b>	<b>154,421</b>
Prior year dividends	20					(35,664)	(35,664)
Issue of share capital by reinvestment of dividend	19	32,097	(36)				32,062
Issue of preference shares	19	370,000					370,000
Purchases of treasury shares	19			(4,119)			(4,119)
Sales of treasury shares	19			171,438		(69,393)	102,045
Other movements	19					76	76
<b>Balance as at 30th June 2009</b>		<b>1,974,020</b>	<b>927,739</b>	<b>-</b>	<b>(49,552)</b>	<b>390,441</b>	<b>3,242,649</b>

**INTERIM STATEMENT OF CASH FLOWS**

	Note	<u>From January 1st to</u> 30 June 2009	30 June 2008
<b>Cash flows from operating activities</b>			
Profit before tax		135,932	208,928
<i>Adjustments to profit before tax:</i>			
Add: impairment for loans and advances	10	105,232	48,686
Add: depreciation and amortisation charge		18,500	20,896
Add: retirement benefits		16,593	15,542
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss		(7,150)	8,317
(Gains)/ losses from investing activities		(40,864)	(66,005)
<i>Cash flows from operating profits before changes in operating assets and liabilities</i>		<u>228,243</u>	<u>236,364</u>
 <i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		(318)	(969)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		(488,958)	991,228
Net (increase)/ decrease in loans and advances to credit Institutions		(1,277,333)	186,009
Net (increase)/ decrease in loans and advances to customers		2,442,104	(4,365,045)
Net (increase)/ decrease in debt securities - receivables		(373,750)	-
Net (increase)/ decrease in other assets		71,213	(96,964)
Net increase/ (decrease) in due to credit institutions		(1,389,531)	(350,863)
Net increase/ (decrease) in amounts due to customers		1,385,785	3,529,272
Net increase/ (decrease) in other liabilities		(523,026)	18,195
<i>Net cash flow from operating activities before income tax payment</i>		<u>74,430</u>	<u>147,227</u>
Income tax paid		(2,297)	(37,433)
<b>Net cash inflow/ (outflow) from operating activities</b>		<u>72,133</u>	<u>109,794</u>
 <i>Cash flows from investing activities</i>			
Purchases of property, plant and equipment		(52,913)	(36,821)
Sales of property, plant and equipment		399	3,337
Purchases of intangible assets		(2,053)	(6,731)
Purchases of available-for-sale securities		(130,367)	(64,000)
Disposals of available-for-sale securities		62,595	599,151
Purchase of held to maturity securities		(49,680)	-
Acquisition of subsidiaries and participation in share capital increases		(37,489)	(75,084)
Acquisition of associates and participation in share capital increases		(3,373)	(3,682)
Disposal of associates		750	120
Dividends from subsidiaries		-	2,763
Dividends from associates		2,412	605
Dividends from available for sale securities		3,052	9,795
Dividends from trading securities		-	1,715
<b>Net cash inflow/ (outflow) from investing activities</b>		<u>(206,666)</u>	<u>431,168</u>
 <i>Cash flows from financing activities</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(1,319,954)	1,202,812
Net proceeds from issue of share capital due to the reinvestment of dividends	19	32,062	15,987
Net proceeds from issue of preference shares-Greek State	19	370,000	-
Reinvestment/ Payment of dividends		(35,664)	(118,122)
Purchases of treasury shares	19	(4,119)	(72,925)
Sales of treasury shares		102,045	-
<b>Net cash inflow/ (outflow) from financing activities</b>		<u>(855,630)</u>	<u>1,027,752</u>
 Effect of exchange rate changes on cash and cash equivalents		<u>(353)</u>	<u>6,824</u>
<b>Net increase/ (decrease) in cash and cash equivalents of the period</b>		<u>(990,517)</u>	<u>1,575,538</u>
 <b>Cash and cash equivalents at the beginning of the period</b>		<u>6,442,294</u>	<u>5,354,552</u>
<b>Cash and cash equivalents at the end of the period</b>		<u>5,451,778</u>	<u>6,930,090</u>

## **1 General Information about the Bank**

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

Piraeus Bank is incorporated and domiciled in Greece. The address of the registered office is 4 Amerikis st., Athens. Piraeus Bank operates in Greece and in London (U.K.). The Bank employs 5,084 people.

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices such as FTSE/ATHEX- 20, FTSE/ATHEX-CYSE Banking Index, MSCI (World, Europe, EMU, EAFE, Greece), DJ Euro Stoxx, DJ Euro Stoxx Banks and FTSE4Good Index Series.

## **2 General accounting policies of the Bank**

The same accounting policies and methods of computation as those in the annual financial statements for the year ended 31 December 2008 have been followed.

Piraeus Bank has adopted the amended International Accounting Standard (IAS) 1, "Presentation of financial statements". The amendments result to the changes on equity financial statement as well as the presentation of other comprehensive income.

Additionally, Piraeus Bank has adopted IFRS 8, "Operating segments" which introduces new disclosures relating to operating segments, products, services, geographical areas in which the Bank operates and its major customers. IFRS 8 supersedes IAS 14 "Segment Reporting".

The following amendments to standards and interpretations are effective from 1 January 2009, but ,currently, they do not have a significant effect to the Bank's activities:

IFRS 2 (Amendment), "Share-based payment"  
IAS 23 (Amendment), "Borrowing costs"  
IAS 32 (Amendment), "Financial instruments: Presentation"  
IAS 39 (Amendment), "Financial instruments: Recognition and measurement"  
IFRIC 13, "Customer loyalty programmes"  
IFRIC 15, "Agreements for the construction of real estate"  
IFRIC 16, "Hedges of a net investment in a foreign operation"

The amounts of the interim condensed financial information attached are expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand.

## **3 Basis of presentation of the Bank's interim condensed financial information**

The interim condensed financial information has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Bank's annual financial statements for the year ended 31 December 2008.

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

## **4 Critical accounting estimates and judgements**

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **1. Impairment losses on loans and advances**

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

### **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 to make estimates. Assumptions that affect the reported fair values of financial instruments are examined regularly.

### **3. Impairment of 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. Available for sale investments are impaired when there is significant or prolonged decline (judgement is required) in the fair value below cost. When this occurs, the relevant portion of the available for sale reserve is recycled to the income statement of the period. Judgement is also required for the estimation of the fair value of investments that are not traded in a market. For these investments, the fair value computation through financial models takes also into account evidence of deterioration in the financial health of the investee, industry and sector performance and changes in technology.

4. Held to maturity investments

The Bank follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held to maturity. This classification requires significant judgement. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances - for example, selling an insignificant amount close to maturity - it will be required to reclassify the entire class as available for sale. The investments would therefore be remeasured at fair value.

5. Income taxes

The Bank is subject to income taxes in the countries in which it operates. This requires estimates in determining the provision for income taxes and therefore the final income tax determination is uncertain during the fiscal year. Where the final income tax expense is different from the amounts that were initially recorded, differences will impact the income tax and deferred tax provisions in the period in which the tax computation is finalised.

**5 Business segments**

Piraeus Bank has defined the following business segments:

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

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

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

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

**Other** – Includes other facilities of the bank that are not included in the above segments (Bank's administration etc.).

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

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

<b>1st Semester 2009</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>Total</b>
Revenues	675,824	233,983	1,608	361,283	57,756	1,330,454
Net interest income	301,116	86,929	-	10,635	(26,551)	372,129
Net revenues	336,783	93,234	1,615	38,953	20,604	491,188
Segment results	65,873	46,282	843	22,934	-	<u>135,932</u>
<b>Profit before tax</b>						<b>135,932</b>
Income tax expense						<u>(19,422)</u>
<b>Profit after tax</b>						<b>116,510</b>
<b>Other segment items</b>						
Capital expenditure	7,398	25,232	-	470	21,866	54,966
Depreciation	8,282	77	4	219	9,918	18,500
Impairment charge - loans and advances	88,206	16,149	-	-	877	<u>105,232</u>
<b>1st Semester 2008</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>Total</b>
Revenues	747,775	251,433	4,996	539,501	68,920	1,612,625
Net interest income	317,895	62,335	0	27,952	(11,504)	396,677
Net revenues	346,517	71,889	4,927	40,206	46,629	510,168
Segment results	136,279	43,960	2,488	26,201	-	<u>208,928</u>
<b>Profit before tax</b>						<b>208,928</b>
Income tax expense						<u>(30,675)</u>
<b>Profit after tax</b>						<b>178,253</b>
<b>Other segment items</b>						
Capital expenditure	20,785	10	-	43	22,714	43,552
Depreciation	9,595	94	4	280	10,923	20,896
Impairment charge - loans and advances	34,255	12,257	-	-	2,174	<u>48,686</u>

**Piraeus Bank - 30 June 2009**  
Amounts in thousand euros (Unless otherwise stated)

	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
<b>At 30 June 2009</b>						
Segment assets	21,450,752	10,099,812	(3)	13,523,388	3,891,531	<b>48,965,480</b>
Segment liabilities	24,279,015	3,111,155	-	13,481,116	4,851,545	<b>45,722,831</b>
<b>At 31 December 2008</b>						
Segment assets	23,298,770	10,668,011	7	11,974,656	4,271,553	<b>50,212,997</b>
Segment liabilities	23,015,876	2,585,954	-	20,827,739	1,159,602	<b>47,589,170</b>

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

## 6 Net trading Income

The increase of net trading income from € 1.1 million for the first semester of 2008 to € 27.5 million for the first semester of 2009 is mainly due to increased gains from transactions of bonds, as a result of the improved conditions that took place in the financial markets during the first semester of 2009.

## 7 Income tax expense

	1st Semester 2009	1st Semester 2008
Current Tax	-	(24,001)
Deferred Tax	(17,910)	(6,674)
Tax Provisions	(1,512)	-
	<b>(19,422)</b>	<b>(30,675)</b>

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2006 have been finalized. For the unaudited tax years, a provision has been raised according to International Financial Reporting Standards (IFRS).

The tax rate for Greek legal entities, in accordance with the provisions in force of article 109, par. 1 of Law 2238/1994, amounts to 25% for the years 2008 and 2009.

## 8 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to common shareholders for the period by the weighted average number of common shares in issue during the period, excluding the average number of common shares purchased by Piraeus Bank and held as treasury shares. For the calculation of the diluted earnings per share, all the dilutive potential common shares are taken into consideration.

	1/1 - 30/6/2009	1/1 - 30/6/2008	1/4 - 30/6/2009	1/4 - 30/6/2008
<b>Basic earnings per share</b>				
Profit after tax	116,510	178,253	86,358	105,005
Less: Accrued dividends of preference shares	(4,111)	-	(4,111)	-
Profit attributable to common shareholders	112,399	178,253	82,247	105,005
Weighted average number of common shares in issue	325,205,247	332,447,817	327,544,009	331,421,060
Basic earnings per share (in euros)	0.3456	0.5362	0.2511	0.3168
<b>Diluted earnings per share</b>				
Profit after tax	116,510	178,253	86,358	105,005
Less: Accrued dividends of preference shares	(4,111)	-	(4,111)	-
Profit attributable to common shareholders	112,399	178,253	82,247	105,005
Weighted average number of common shares in issue	325,205,247	332,447,817	327,544,009	331,421,060
Adjustment for share options	-	791,283	-	751,657
Weighted average number of shares in issue for the diluted earnings per share calculation	325,205,247	333,239,100	327,544,009	332,172,717
Diluted earnings per share (in euros)	0.3456	0.5349	0.2511	0.3161

Potential common shares of the 3rd share option scheme did not have an effect to the calculation of diluted earnings per share, as the average market price of common shares during the 1st semester of 2009 did not exceed the option's exercise price.

According to the requirements of IAS 33, the weighted average number of common shares has been adjusted for the comparison period of 2008 by a 1.020419 factor, in order to adjust earnings per share (basic and diluted) for the share capital increase performed through reinvestment of dividend with the issue of 6,728,991 new common shares of nominal value of € 4.77 each.

## 9 Analysis of other comprehensive income

	Before- Tax amount	Tax	Net-of-Tax amount
<b>1st Semester 2009</b>			
Net change in available for sale investments	46,370	(4,349)	42,021
Expenses on issuance of preference shares	(4,110)	-	(4,110)
<b>Other comprehensive income</b>	<b>42,261</b>	<b>(4,349)</b>	<b>37,912</b>
<b>1st Semester 2008</b>			
Net change in available for sale investments	(89,241)	22,347	(66,894)
<b>Other comprehensive income</b>	<b>(89,241)</b>	<b>22,347</b>	<b>(66,894)</b>



## 10 Loans and advances to customers

	30 June 2009	31 December 2008
<b>Loans to individuals</b>		
Mortgages	5,940,288	6,071,087
Consumer/ personal and other loans	2,469,841	2,600,490
Credit cards	722,113	706,284
	<b>9,132,242</b>	<b>9,377,861</b>
<b>Loans to corporate entities</b>	<b>22,326,118</b>	<b>24,586,692</b>
<b>Total loans and advances to customers</b>	<b>31,458,360</b>	<b>33,964,553</b>
Less: Allowance for losses (impairment) on loans and advances to customers	(523,078)	(481,935)
<b>Total loans and advances to customers (less allowances for losses)</b>	<b>30,935,282</b>	<b>33,482,619</b>
Current loans and advances to customers	12,460,819	14,840,282
Non current loans and advances to customers	18,474,463	18,642,337
	<b>30,935,282</b>	<b>33,482,619</b>

### Movement in allowance (impairment) for losses on loans and advances to customers:

#### a) Loans to individuals

	Mortgages	Consumer/ personal and other loans	Credit cards	Total
<b>Balance at 1/1/2008</b>	<b>10,459</b>	<b>76,484</b>	<b>23,787</b>	<b>110,730</b>
Charge for the period	2,914	13,011	5,858	21,783
<b>Balance at end of period 30/6/2008</b>	<b>13,373</b>	<b>89,495</b>	<b>29,645</b>	<b>132,513</b>
<b>Balance at 1/7/2008</b>	<b>13,373</b>	<b>89,495</b>	<b>29,645</b>	<b>132,513</b>
Charge for the period	27,447	25,635	14,851	67,933
<b>Balance at end of year 31/12/2008</b>	<b>40,820</b>	<b>115,130</b>	<b>44,496</b>	<b>200,446</b>
<b>Balance at 1/1/2009</b>	<b>40,820</b>	<b>115,130</b>	<b>44,496</b>	<b>200,446</b>
Charge for the period	20,935	45,998	28,666	95,599
Loans written-off	-	(38,110)	(19,304)	(57,414)
<b>Balance at end of period 30/6/2009</b>	<b>61,755</b>	<b>123,019</b>	<b>53,858</b>	<b>238,631</b>

#### b) Loans to corporate entities

<b>Balance at 1/1/2008</b>	<b>206,428</b>
Charge for the period	24,904
<b>Balance at end of period 30/6/2008</b>	<b>231,332</b>
<b>Balance at 1/7/2008</b>	<b>231,332</b>
Charge for the period	124,257
Loans written-off	(74,101)
<b>Balance at end of year 31/12/2008</b>	<b>281,489</b>
<b>Balance at 1/1/2009</b>	<b>281,489</b>
Charge for the period	9,633
Loans written-off	(6,676)
<b>Balance at end of period 30/6/2009</b>	<b>284,447</b>

The charge of the first semester 2008 (€ 48.7 million) in the income statement includes amount of € 2 million which relates to impairment of other receivables.

## 11 Trading securities

	30 June 2009	31 December 2008
<b>Trading securities</b>		
Greek Government bonds	1,335,410	872,439
Greek Government treasury bills	537,096	101,945
Foreign Government bonds	10,652	15,653
Corporate entities bonds	60,499	166,658
Bank Bonds	17,382	10,204
<b>Total trading securities</b>	<b>1,961,038</b>	<b>1,166,899</b>

## 12 Reclassification of financial assets

Investment portfolio on 30/06/09 includes shares and bonds, which have been reclassified on 1/7/2008 and 1/10/2008 respectively, in accordance with the amendments of IAS 39 and IFRS 7. Specifically, the "Available for sale securities" portfolio as at 30/6/2009 includes shares and mutual funds with fair value of € 30.1 million, which were reclassified from the "Trading securities" on 1/7/2008. The revaluation gain of € 2.3 million for the 1st semester of 2009 has been recognized in the "Available for sale reserve". The "Available for sale securities" portfolio as at 30/6/2009 also includes bonds with fair value of € 223.2 million which were reclassified from the "Trading securities" on 1/10/2008. The revaluation gain of € 1 million for the period has been recognized in the "Available for sale reserve". A loss of € 2.2 million from the sale of reclassified bonds has been recognized in the Income Statement for the period. "Held to maturity" portfolio includes bonds with fair value of € 775.8 million as at 30/6/2009 (amortized cost of € 863.2 million), which were reclassified on 1/10/2008, from "Trading securities" and "Available for sale securities". If these bonds had not been reclassified, a revaluation loss of € 51.7 million would be recognized in "Net trading Income" for the period and a revaluation loss of € 20.4 million would be recognized in the "Available for sale reserve" for the period. "Debt securities - receivables" include corporate bonds with fair value of € 30.4 million as at 30/6/2009 (amortized cost of € 38.4 million) and "Loans and advances to credit institutions" include bank bonds with fair value of € 26.4 million as at 30/6/2009 (amortized cost of € 30.6 million) which were reclassified on 1/10/2008 from the "Available for sale securities". If these bonds had not been reclassified, a revaluation gain of € 19.7 million would be recognized in the "Available for sale reserve" for the period.

## 13 Debt securities - receivables

Debt securities - receivables as at 30/6/2009 include Greek Government Bonds of nominal value € 370 million, which transferred to Piraeus Bank, according to the requirements of Law 3723/2008 "Enhancement of the Greek economy's liquidity in response to the impact of international financial crisis" in order to cover equal amount issuance of Piraeus Bank's preference shares (note 19) to the Greek State.

## 14 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiaries companies				
a/a	Name of Company	Activity	% holding	Country
1.	Marathon Banking Corporation	Banking Activities	91.03%	U.S.A.
2.	Tirana Bank I.B.C. S.A.	Banking Activities	94.72%	Albania
3.	Piraeus Bank Romania S.A.	Banking Activities	100.00%	Romania
4.	Piraeus Bank Beograd A.D.	Banking Activities	100.00%	Serbia
5.	Piraeus Bank Bulgaria A.D.	Banking Activities	99.98%	Bulgaria
6.	Piraeus Bank Egypt S.A.E.	Banking Activities	95.37%	Egypt
7.	OJSC Piraeus Bank ICB	Banking Activities	99.96%	Ukraine
8.	Piraeus Bank Cyprus LTD	Banking Activities	100.00%	Cyprus
9.	Piraeus Asset Management Europe S.A.	Mutual Funds Management	99.94%	Luxemburg
10.	Piraeus Leasing S.A.	Finance Leases	100.00%	Greece
11.	Piraeus Leasing Romania S.R.L.	Finance Leases	99.80%	Romania
12.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and Reinsurance Brokerage	100.00%	Greece
13.	Tirana Leasing S.A.	Finance Leases	100.00%	Albania
14.	Piraeus Securities S.A.	Stock Exchange Operations	100.00%	Greece
15.	Piraeus Group Capital LTD	Debt Securities Issue	100.00%	United Kingdom
16.	Piraeus Leasing Bulgaria EAD.	Finance Leases	100.00%	Bulgaria
17.	Piraeus Group Finance P.L.C.	Debt Securities Issue	100.00%	United Kingdom
18.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece
19.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece
20.	Piraeus Multifin S.A.	Motor vehicles trading	100.00%	Greece
21.	Picar S.A.	City Link Areas Management	100.00%	Greece
22.	Bulfina S.A.	Property Management	100.00%	Bulgaria
23.	Piraeus ATFS S.A.	Accounting and tax consulting	100.00%	Greece
24.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece
25.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece
26.	Exodus S.A.	Information technology & software	50.10%	Greece
27.	Komotini Real Estate Development S.A.	Property Management	100.00%	Greece
28.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
29.	ND Development S.A.	Property Management	100.00%	Greece
30.	Property Horizon S.A.	Property Management	100.00%	Greece
31.	ETBA Industrial Estates S.A.	Development/ Management of Industrial Areas	65.00%	Greece
32.	Piraeus Property S.A.	Property Management	100.00%	Greece
33.	Piraeus Development S.A.	Property Management	100.00%	Greece
34.	Piraeus Asset Management S.A.	Mutual Funds Management	100.00%	Greece
35.	Piraeus Developer S.A.	Property Management	100.00%	Greece
36.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
37.	Euroinvestment & Finance Public LTD	Banking, Asset Management, real estate operations	90.85%	Cyprus
38.	Lakkos Mikelli Real Estate LTD	Property Management	40.00%	Cyprus
39.	Philoktimatiki Public LTD	Land and property development	6.39%	Cyprus
40.	New Evolution S.A.	Property, Tourism & Development Company	100.00%	Greece
41.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece
42.	Piraeus Cards S.A.	Financial services and consultancy	59.16%	Greece
43.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia

**Piraeus Bank - 30 June 2009**  
Amounts in thousand euros (Unless otherwise stated)

a/a	Name of Company	Activity	% holding	Country
44.	Maples Invest & Holding S.A.	Investment company	100.00%	British Virgin Islands
45.	Margetson Invest & Finance S.A.	Investment company	100.00%	British Virgin Islands
46.	Vitria Investments S.A.	Investment company	100.00%	Panama
47.	SSIF Piraeus Securities Romania S.A.	Stock Exchange Operations	79.46%	Romania
48.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
49.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and Reinsurance Brokerage	95.00%	Romania
50.	Olympic Commercial & Tourist Enterprises S.A.	Operating Leases - Rent-a-Car and long term rental of vehicles	54.89%	Greece
51.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia
52.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom
53.	Piraeus Leasing Doo Beograd	Financial Leasing	100.00%	Serbia
54.	Piraeus Capital Management S.A.	Venture Capital Fund	100.00%	Greece
55.	Estia Mortgage Finance III PLC	SPE for securitization of mortgage loans	-	United Kingdom
56.	AGR Investments S.A.	Securitized Receivable Investments	99.83%	Greece
57.	New Up Dating Development Real Estate and Tourism S.A.	Property, Tourism & Development Company	0.17%	Greece
58.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
59.	PLG Finance S.A.	Real estate, development/ tourist services	100.00%	Greece
60.	Axia Finance II PLC	SPE for securitization of corporate loans	-	United Kingdom
61.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
62.	Piraeus Insurance Agency S.A.	Insurance Agency	95.00%	Greece

Companies numbered 36, 52, 55, 58, 60 and 61 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 39 and 57, which are consolidated with ownership percentage of 6.39% and 0.17%, respectively are bank's subsidiaries because of indirect ownership.

**B) Associate companies**

a/a	Name of Company	Activity	% holding	Country
1.	Crete Scient. &Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece
2.	"Evros" Development Company S.A.	European community programs management	30.00%	Greece
3.	Project on Line S.A.	Information technology & software	40.00%	Greece
4.	APE Commercial Property Real Estate Tourist & Develop.S.A.	Real estate, development/ tourist services	27.80%	Greece
5.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece
6.	Trieris Real Estate LTD	Property Management	22.80%	British Virgin Islands
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece
8.	Trastor Real Estate Investment Company (former Piraeus Real Estate Investment Property S.A.)	Manufacturing and trading of steel products	33.80%	Greece
9.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece
10.	Sciens International Investments & Holding S.A.	Holding Company	29.80%	Greece
11.	Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	Greece
12.	Proton Bank S.A.	Banking Activities	31.31%	Greece
13.	Euroterra S.A.	Property Management	29.22%	Greece
14.	Rebikat S.A.	Property Management	30.00%	Greece
15.	Abies S.A.	Property Management	30.00%	Greece

**15 Due to customers**

	30 June 2009	31 December 2008
Current and sight deposits	4,276,051	3,742,031
Savings account	3,443,022	3,095,277
Term deposits	17,587,865	16,583,320
Other accounts	167,934	155,954
Repurchase agreements	20,501	533,005
	<b>25,495,372</b>	<b>24,109,587</b>
Current due to customers	25,459,800	24,032,719
Non current due to customers	35,572	76,868
	<b>25,495,372</b>	<b>24,109,587</b>

**16 Debt securities in issue**

	Currency	Average interest rate (%)		30 June 2009	31 December 2008
		1st Semester 2009	2008		
ETBA bonds	EUR	5.27%	4.70%	1,307,054	2,603,581
Euro Commercial Paper (Short term securities)	EUR	4.06%	4.84%	586,644	455,647
	USD	2.59%	3.84%	131,843	41,741
	GBP	3.29%	5.85%	27,865	15,698
				<b>746,352</b>	<b>513,086</b>

**Piraeus Bank - 30 June 2009**  
**Amounts in thousand euros** (Unless otherwise stated)

		30 June 2009	31 December 2008
<b>Euro Medium Term Note (Medium/ long term securities)</b>	<b>Interest rate (%)</b>		
€ 32.5 m. floating rate notes due 2010	Variable	-	705
€ 21.65 m. floating rate notes due 2010	Variable	-	430
€ 700 m. floating rate notes due 2010	Euribor + 0.30	448,622	492,560
€ 3.43 m. floating rate notes due 2009	Variable	390	390
USD 15 m. floating rate notes due 2009	Libor + 0.10	-	7,263
USD 20 m. floating rate notes due 2009	Libor + 0.20	1,651	1,748
€ 500 m. floating rate notes due 2009	Euribor + 0.20	-	497,269
€ 60 m. floating rate notes due 2015	Variable	60,000	60,000
€ 10 m. floating rate notes due 2013	Euribor + 0.30	9,987	9,987
€ 650 m. floating rate notes due 2011	Euribor + 0.25	430,103	487,898
€ 5.05 m. floating rate notes due 2011	Variable	3,750	4,750
€ 50 m. floating rate notes due 2010	Euribor + 0.225	50,000	50,000
€ 750 m. floating rate notes due 2010	Euribor + 0.20	707,720	706,700
€ 20 m. floating rate notes due 2012	Euribor + 0.20	19,964	19,964
€ 45 m. fixed/ floating rate notes due 2009	Fixed/ Euribor + 0.25	-	45,000
€ 10 m. fixed/ floating rate notes due 2010	Fixed/ Euribor + 0.35	3,212	3,412
€ 500 m. fixed rate notes due 2011	Fixed 4.5	495,260	-
Accrued interest and other expenses		2,986	7,822
		<b>2,233,644</b>	<b>2,395,898</b>
<b>Securitisation of mortgage loans</b>	<b>Average Interest rate (%)</b>		
€ 750 m. floating rate notes due 2040	Euribor + 0.18	304,154	330,781
€ 1,250 m. floating rate notes due 2054	Euribor + 0.18	914,264	935,605
€ 800 m. floating rate notes due 2055	Euribor + 0.53	-	-
		<b>1,218,418</b>	<b>1,266,386</b>
<b>Securitisation of corporate loans</b>			
€ 1,750 m. floating rate notes due 2035	Euribor + 0.45	-	-
€ 900 m. floating rate notes due 2031	3M Euribor + 0.99	-	-
		<b>0</b>	<b>0</b>
<b>Securitisation of consumer loans</b>			
€ 725 m. fixed rate notes due 2026	1M Euribor + 0.27	-	-
		<b>0</b>	<b>0</b>
<b>Total debt securities in issue</b>		<b>5,505,468</b>	<b>6,778,951</b>

Issuance under the Euro Commercial Paper and Euro Medium Term Note programs is undertaken through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group. Euro Commercial Paper (ECP) outstanding balances during the 1st semester of 2009, averaged € 700 million.

Piraeus Bank issued its new 2-year fixed rate senior bond in the amount of € 500 million, in June 2009. The bond was issued under Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bond pays a 4.5% fixed coupon and is listed on the Luxembourg Stock Exchange.

Piraeus Bank completed its first Residential Mortgage Backed Securitisation (RMBS) transaction called ESTIA I in 2005. ESTIA I in the amount of € 750 million through the UK-based special purpose vehicle Estia Mortgage Finance PLC. The bonds are callable by the issuer after 9 years and have an average coupon of 3 month Euribor plus 18 basis points.

The second RMBS transaction, ESTIA II, was undertaken through the UK-based special purpose vehicle Estia Mortgage Finance II PLC in July 2007 in the amount of € 1.25 billion. The bonds are callable by the issuer after 7 years and have an average coupon of 3 month Euribor plus by 18 basis points.

The third RMBS transaction called ESTIA III was completed through the UK-based special purpose vehicle Estia Mortgage Finance III PLC in April 2008 in the amount of € 800 million. The bonds are callable by the issuer after 7 years and have an average coupon of 3 month Euribor plus by 53 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

The first SME Loan Backed Transaction, AXIA I was completed through the UK-based special purpose vehicle Axia Finance PLC in November 2008 in the amount of € 1,750 million. The bonds have an average coupon of 3 month Euribor plus 45 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

The first Consumer Loan Backed Transaction was completed through the UK-based special purpose vehicle PRAXIS Finance Plc, in the amount of € 725 million, in April 2009. The bonds have an average coupon of 1 month Euribor plus 27 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

The second SME Loan Backed Transaction, AXIA II, was completed through the UK-based special purpose vehicle AXIA II Finance Plc, in the amount of € 900 million, in May, 2009. The bonds have an average coupon of 3 month Euribor plus 99 basis points. This issue has been retained by Piraeus Bank and can be used for refinancing from the E.C.B.

## 17 Hybrid capital and other borrowed funds

	Interest rate (%)	30 June 2009	31 December 2008
<b>Hybrid Capital (Tier I)</b>			
€ 200 m. floating rate notes	Euribor + 1.25	162,062	199,191
Accrued interest and other expenses		916	2,253
		<b>162,978</b>	<b>201,444</b>
<b>Subordinated debt (Tier II)</b>			
€ 400 m. floating rate notes due 2014	Euribor + 0.60	378,499	379,493
€ 400 m. floating rate notes due 2016	Euribor + 0.55	374,262	378,335
Accrued interest and other expenses		1,535	4,473
		<b>754,296</b>	<b>762,301</b>
<b>Total hybrid capital and other borrowed funds</b>		<b>917,274</b>	<b>963,745</b>

Tier I hybrid capital has been issued by Piraeus Group Capital LTD in October 2004. These securities are callable by the issuer after 10 years and bear a nominal coupon of 3 month Euribor plus 125 basis points.

Lower Tier II subordinated debt was issued by Piraeus Group Finance PLC via the EMTN program. On 29/9/2004, an amount of € 400 million was issued, with a 10 year maturity, which is callable by the issuer after 5 years and bears a 3 month Euribor nominal coupon plus 60 basis points. On 20/7/2006, an amount of € 400 million was issued, with a 10 year maturity, which is callable after 5 years and bears a 3 month Euribor nominal coupon plus 55 basis points.

Accrued interest on hybrid capital and other borrowed funds is included in the respective amounts of hybrid capital and other borrowed funds. The Bank is not in default of any payments of principal, interest or redemption amounts of the aforementioned hybrid capital and other borrowed funds.

## 18 Contingent liabilities and commitments

### A) Legal procedures

The legal proceedings outstanding against the Bank as at 30/6/2009, are not expected to have any significant impact on the financial statements of the Bank, according to the opinion of the legal affairs division of the Bank.

### B) Credit commitments

As at 30/6/2009 the Bank had the following capital commitments:

	30 June 2009	31 December 2008
Letters of guarantee	2,919,505	2,917,096
Letters of credit	99,203	143,729
Commitments to extent credit	14,337,902	13,369,023
	<b>17,356,610</b>	<b>16,429,848</b>

### C) Assets pledged

	30 June 2009	31 December 2008
Trading securities	3,956,768	1,054,675
Investment securities	1,861,509	3,677,779
Loans and advances to customers	865,000	865,000
Debt securities - receivables	835,013	450,000
	<b>7,518,291</b>	<b>6,047,455</b>

In the "Trading securities" category, an amount of € 3.339 million refers to bonds derived from the securitization of mortgage and corporate loans.

### D) Operating lease commitments

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

	30 June 2009	31 December 2008
Up to 1 year	50,290	49,098
From 1 to 5 years	207,839	215,807
More than 5 years	419,536	467,409
	<b>677,666</b>	<b>732,314</b>

## 19 Share capital

	Ordinary shares	Share premium	Treasury shares	Total
<b>Opening balance at 1st January 2008</b>	<b>1,617,977</b>	<b>1,099,903</b>	<b>(250,860)</b>	<b>2,467,020</b>
Cancelation of treasury shares	(49,644)	(184,526)	234,170	0
Issue of share capital by reinvestment of dividend	3,589	12,398	-	15,987
Purchases of treasury shares	-	-	(188,745)	(188,745)
Sales of treasury shares	-	-	38,116	38,116
<b>Balance at 31st December 2008</b>	<b>1,571,923</b>	<b>927,775</b>	<b>(167,319)</b>	<b>2,332,378</b>
<b>Opening balance at 1st January 2009</b>	<b>1,571,923</b>	<b>927,775</b>	<b>(167,319)</b>	<b>2,332,378</b>
Issue of share capital by reinvestment of dividend	32,097	(36)	-	32,062
Issue of preference shares	370,000	-	-	370,000
Purchases of treasury shares	-	-	(4,119)	(4,119)
Sales of treasury shares	-	-	171,438	171,438
<b>Balance at 30th June 2009</b>	<b>1,974,020</b>	<b>927,739</b>	<b>(0)</b>	<b>2,901,759</b>

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

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
<b>Opening balance at 1st January 2008</b>	<b>339,198,587</b>	<b>(11,081,930)</b>	<b>328,116,657</b>
Cancelation of treasury shares	(10,407,537)	10,407,537	0
Issue of share capital by reinvestment of dividend	752,478	-	752,478
Purchases of treasury shares	-	(14,228,664)	(14,228,664)
Sales of treasury shares	-	2,379,303	2,379,303
<b>Balance at 31st December 2008</b>	<b>329,543,528</b>	<b>(12,523,754)</b>	<b>317,019,774</b>
	Number of shares		
	Issued shares	Treasury shares	Net number of shares
<b>Opening balance at 1st January 2009</b>	<b>329,543,528</b>	<b>(12,523,754)</b>	<b>317,019,774</b>
Issue of share capital by reinvestment of dividend	6,728,991	-	6,728,991
Issue of preference shares	77,568,134	-	77,568,134
Purchases of treasury shares	-	(757,222)	(757,222)
Sales of treasury shares	-	13,280,976	13,280,976
<b>Balance at 30th June 2009</b>	<b>413,840,653</b>	<b>0</b>	<b>413,840,653</b>

The Ordinary General Meeting of Shareholders on 30th of April 2009 decided the distribution of dividend to the shareholders in the form of Bank shares, namely the distribution of one new common voting share with nominal value of € 4.77 each for every 47 old shares. This distribution corresponds to a net dividend value of € 0.10 per share, incorporating the dividend corresponding to own shares and deduction of the tax due. Consequently, the General Meeting approved the increase of the Bank's share capital by the amount of € 32,097,287.07, with capitalization of the net amount of the distributable dividend and with the issuance of 6,728,991 new shares. These shares were issued at 5/6/2009.

In the context of article 1 of Law 3723/2008 "Enhancement of the Greek economy's liquidity in response to the impact of international financial crisis", the Bank issued, on 14/05/2009, 77,568,134 non-voting preference shares of amount € 370 million, at a € 4.77 per share. These shares have been fully subscribed to by the Greek State in exchange of Greek Government Bonds transferred to the Bank. In accordance with the current legal and regulatory framework the issued shares have been classified as tier 1 capital for regulatory purposes.

The preference shares pay a non-cumulative coupon of 10%, subject to the following conditions: (a) meeting Bank of Greece minimum capital adequacy requirements at Bank and Group level, following such coupon payment, (b) availability of distributable reserves in accordance to article 44a of C.L. 2190/1920, and (c) the approval of the General Assembly of the Bank's Common Shareholders. In case the Bank does not satisfy the minimum capital adequacy ratios set by the Bank of Greece, five years after the issue of the preference shares, then the shares are converted to common shares, subject to the approval of the Minister of Economy and Finance. If however, the Bank has sufficient capital adequacy, then the preference shares are mandatorily redeemable after five years or optionally before that.

The above recapitalisation scheme was approved by the European Union ("EU") on 19 November 2008. On 15 January 2009, the EU issued relevant application guidelines, clarifying that although the recapitalisation measures aim to enhance the capital adequacy of the banking sector and should not have the characteristics of debt, they should also contain appropriate incentives for State capital to be redeemed when the market and the regulator so allows.

In the context of the above EU guidelines and the practices adopted by other EU member states and in order for the State funds to be considered as equity for both regulatory and accounting purposes, the Greek State expressed, through a letter addressed to Bank of Greece, its intention to proceed to the necessary amendments of the legal framework and introduce "coupon step-up" features to the preference shares of those banks which, at the end of the five year period, do not proceed in their redemption.

The Bank classified the above preference shares as equity on the basis that the abovementioned amendments will be enacted before the year end and for this reason the accrued dividend of the preference shares for the first semester 2009 amounting to € 4.1 million didn't affect the Bank's result.

Following the above increases, the Bank's share capital amounts to € 1,974,019,914.81, divided to 336,272,519 ordinary registered shares with voting rights and 77,568,134 preference shares without voting rights I. 3723/2008, of nominal share value € 4.77.

The Annual General Meeting of shareholders of the Bank held on 3/4/2008 has decided, according to the article 16 of codified Law 2190/1920, the purchase of treasury shares, until 3/4/2010 the latest, up to a maximum number of 33,000,000 treasury shares, which may be distributed to the staff of the Bank or the staff of any affiliated company with the minimum and maximum purchase price for the shares is between € 4 and € 40. It is noted that the above-mentioned share repurchase program of Piraeus Bank has been suspended, in accordance with the provisions of article 28 par. 2 of Law 3756/2008.

In accordance with the provisions of applicable law Piraeus Bank S.A. sold, on 1/6/2009, 13,280,976 treasury shares, representing 3.95% of the Bank's issued and outstanding ordinary shares, with a trade price set at € 7.70 per share.

### 3rd Share option plan

The terms of the existing share option plan are described in the annual financial statements of the year 2008.

## 20 Other reserves and retained earnings

	<b>30 June 2009</b>	<b>31 December 2008</b>
Legal reserve	57,038	57,038
Available for sale reserve	(107,694)	(149,715)
Other reserves	1,104	1,104
Retained earnings	390,441	383,022
<b>Total other reserves and retained earnings</b>	<b>340,889</b>	<b>291,449</b>

Movements in reserves for the period were as follows:

	<b>30 June 2009</b>	<b>31 December 2008</b>
<b>Legal reserve</b>		
Opening balance for the period	57,038	51,263
Transfer from retained earnings	-	5,657
Mergers and other movements	-	118
<b>Closing balance for the period</b>	<b>57,038</b>	<b>57,038</b>
<b>Available for sale reserve</b>		
Opening balance for the period	(149,715)	14,145
Gains/ (losses) from the valuation of available for sale bonds	22,817	(45,305)
Gains/ (losses) from the valuation of available for sale shares and mutual funds	22,334	(152,285)
Deferred income tax	(4,349)	42,115
Recycling of the accumulated fair value adjustment of disposed available for sale securities	711	512
Foreign exchange differences and other adjustments	508	(8,897)
<b>Closing balance for the period</b>	<b>(107,693)</b>	<b>(149,715)</b>
<b>Retained earnings</b>		
Opening balance for the period	383,022	406,057
Profit after tax for the period/ year	116,510	113,148
Transfer to legal reserve	-	(5,657)
Prior year dividends	(35,664)	(118,122)
Profit/ (losses) from sales of treasury shares	(69,393)	(13,431)
Expenses on issuance of preference shares	(4,110)	-
Mergers and other movements	76	1,027
<b>Closing balance for the period</b>	<b>390,442</b>	<b>383,022</b>

## 21 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, when the total cumulative participating interest in them (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds 20%.

	Board of Directors members and key management personnel	
	30 June 2009	31 December 2008
Loans	141,535	231,659
Deposits	39,232	130,085

Letters of guarantees and letters of credits to the members of the board of directors and to the key management personnel as at 30/6/2009 are € 2.3 million (31/12/2008: € 1.7 million). Letters of guarantees to subsidiaries as at 30/6/2009 are € 95.0 million (31/12/2008: € 93.2 million). The total income on loans to members of the board of directors and the key management personnel for the period 1/1 - 30/6/2009 is € 2.6 million (1st semester 2008: € 5.1 million). The expense of deposits of the prementioned related parties is € 0.3 million (1st semester 2008: € 0.8 million).

Loans and letters of guarantees issued to related parties represent an insignificant part of total loans and letters of guarantees issued by the Bank, respectively. Loans and letters of guarantees have been issued to related parties in the normal course of business, within the approved credit policies and Bank procedures, adequately collateralised.

	30 June 2009	30 June 2008
<b>Director's remuneration</b>		
Salaries and other remuneration	2,180	5,558
Termination benefits	1,474	3,464
	<b>3,654</b>	<b>9,022</b>

The total amount of provisions for Board of Directors members and key management personnel is € 39.8 million as at 30/6/2009 (31/12/2008: € 36.8 million). This amount has been included in retirement benefit obligation.

Bank's balances from transactions to subsidiaries and associates and the relevant results are as follows:

	30 June 2009	31 December 2008
<b>I. Subsidiaries</b>		
<b>Assets</b>		
Cash and Balances with Central Bank	2,954	8,408
Loans and advances to credit institutions	3,826,584	2,475,348
Loans and advances to customers	812,032	2,802,362
Other assets	121,865	76,990
<b>Total</b>	<b>4,763,435</b>	<b>5,363,109</b>
<b>Liabilities</b>		
Due to credit institutions	485,498	653,122
Due to customers	460,459	324,195
Debt securities in issue	4,159,854	4,191,406
Hybrid capital and other borrowed funds	917,274	964,564
Other liabilities	12,852	23,782
<b>Total</b>	<b>6,035,938</b>	<b>6,157,070</b>
<b>Revenues</b>	<b>1st Semester 2009</b>	<b>1st Semester 2008</b>
Interest and similar income	116,513	112,433
Fee and commission income	6,964	7,195
Other operating income	862	1,103
<b>Total</b>	<b>124,338</b>	<b>120,731</b>
<b>Expenses</b>	<b>1st Semester 2009</b>	<b>1st Semester 2008</b>
Interest expense and similar charges	(105,697)	(210,246)
Fee and commission expense	(12,562)	(13,540)
Operating expenses	(21,011)	(23,843)
<b>Total</b>	<b>(139,270)</b>	<b>(247,629)</b>
<b>II. Associates</b>		
Deposits	145,804	116,477
Loans and advances to customers and credit institutions	36,261	400,367
	<b>1st Semester 2009</b>	<b>1st Semester 2008</b>
Interest/ expense	(1,525)	(1,252)
Interest/ income	2,870	101



## 22 Events after the interim financial information

On July 2, 2009 Piraeus Bank and BNP Wealth Management announced the conclusion of a strategic partnership in Wealth Management in the countries where Piraeus Bank Group is present. The above partnership which is expected to occur in the last quarter of 2009 after obtaining the necessary by law authorisations, will be materialized by 2 joint ventures.

On July 13, 2009 Piraeus Asset Management Mutual Fund Management S.A., announced the agreement to undertake the management of the five (Greek) Mutual Funds of ING Mutual Fund Management S.A. Additionally, Piraeus Asset Management Mutual Fund Management S.A. will proceed to an agreement with ING Hellenic Insurance Company S.A. regarding the promotion of the above Mutual Funds to investors. It is noted, that the agreement described above is subject to approval from the relevant regulatory authorities.

On July 30, 2009 the international rating agency Standard & Poor's affirmed Piraeus Bank's 'BBB' Long-term rating and maintained its outlook to stable.

On July 31, 2009 the international rating agency Fitch affirmed Piraeus Bank's 'A-' Long term rating and maintained the negative outlook.

On August 10, 2009 the international rating agency Moody's affirmed Piraeus Bank's 'A2' Long-term rating and maintained the negative outlook.

Piraeus Bank successfully completed two new loan securitizations totalling € 2,910 million, in accordance with the provisions of the law 3156/2003,. In particular:

- On August 14 2009, the second consumer loans securitization of the Bank was concluded with a total issue size of € 558 million. The notes were issued through "PRAXIS II Finance PLC" a special purpose vehicle, incorporated in the UK. Arranger of the issue was Morgan Stanley and Co. International PLC.

- On August 17, 2009 the third business loans securitization of the Bank was concluded with a total issue size of € 2,352 million. The notes were issued through "AXIA III Finance PLC" a special purpose vehicle, incorporated in the UK. Citigroup Global Markets Limited has been appointed as Arranger of the issue.

Piraeus Bank, taking into account its strong capital base and liquidity position and after having received the appropriate approval of the Bank of Greece, will proceed to the early redemption of the € 400 million Lower Tier II bond on September 29, 2009, in accordance with the original terms and conditions of the issue conducted by its subsidiary Piraeus Group Finance PLC.

Athens, August 26th, 2009

CHAIRMAN  
OF THE BOARD OF DIRECTORS  
and CHIEF EXECUTIVE OFFICER

MANAGING DIRECTOR

GENERAL MANAGER

DIRECTOR, GROUP FINANCE &  
PARTICIPATIONS DIVISION

MICHALIS G. SALLAS

ALEXANDROS ST. MANOS

DIMITRIS D. PAPADIMITRIOU

AGAMEMNON E. POLITIS



PIRAEUS BANK S.A.

Companies registration number 6065/06/B/86/04

Head Office 4, Amerikis st., 105 64, Athens, Greece

FINANCIAL STATEMENTS INFORMATION FOR THE PERIOD from 1st January 2009 to 30th June 2009

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

The figures presented below, derive from the interim condensed financial information and aim to a general information about the financial position and results of Piraeus Bank S.A. and Piraeus Bank Group. We therefore recommend the reader, prior to making any investment decision or other transaction concerning the Bank, to visit the Bank's web site, where the set of interim condensed financial information of the period ended as at 30 June 2009 is posted in accordance with International Financial Reporting Standards, as well as the auditor's report.

COMPANY'S PROFILE

Web site: www.piraeusbank.gr
Date of approval by the Board of Directors of the interim condensed financial information for the period ended as at June 30th, 2009: August 26th, 2009
The certified auditor: Michalatos Konstantinos
Auditing company: PricewaterhouseCoopers S.A.
Type of review report: Non qualified - emphasis of matter
Emphasis of matter: Without qualifying our opinion, we draw attention to note 19 of the condensed interim company financial information and to note 20 of the condensed interim consolidated financial information, which refer to prospective amendments in the terms of the preference shares issued by the Bank in the context of Law 3723/2008 (Enhancement of the Greek economy's liquidity in the context of the current global financial crisis).

STATEMENT OF COMPREHENSIVE INCOME

Table with columns for GROUP and BANK, and rows for various income items like Interest and similar income, Fee and commission income, Dividend income, etc. for periods 1 Jan - 30 Jun 2009, 1 Jan - 30 Jun 2008, 1 Apr - 30 Jun 2009, 1 Apr - 30 Jun 2008.

STATEMENT OF FINANCIAL POSITION

Table with columns for GROUP and BANK, and rows for ASSETS (Cash and balances with central banks, Treasury bills, Loans, etc.) and LIABILITIES (Due to credit institutions, Debt securities, etc.) and EQUITY (Ordinary shares, Preference shares, etc.) for periods 30 June 2009, 31 December 2008, 30 June 2009, 31 December 2008.

STATEMENT OF CHANGES IN EQUITY

Table with columns for GROUP and BANK, and rows for Opening balance, Total comprehensive income for the period, Prior year dividends, Issue of share capital, etc. for periods 1 Jan - 30 Jun 2009, 1 Jul - 31 Dec 2008, 1 Jan - 30 Jun 2008, 1 Jul - 31 Dec 2007.

STATEMENT OF CASH FLOWS

Table with columns for GROUP and BANK, and rows for Total inflows/(outflows) from operating activities, Total inflows/(outflows) from investing activities, Total inflows/(outflows) from financing activities, etc. for periods 1 Jan - 30 Jun 2009, 1 Jan - 30 Jun 2008.

Notes: 1) The accounting policies, adopted by the Group according to the International Financial Reporting Standards (IFRS), have been applied in consistency with those in the annual financial statements of the year 2008. Piraeus Bank has adopted the amended International Accounting Standard (IAS) 1, "Presentation of financial statements". Additionally, Piraeus Bank has adopted IFRS 8, "Operating segments".
2) Property, plant and equipment are free of any liens or encumbrances.
3) Tax authorities have audited Piraeus Bank's tax position for the years up to and including 2006. The unaudited tax years of Group subsidiaries are included in note 15 of the Consolidated Interim Condensed Financial Information.
4) All disputes under litigation or arbitration, as well as the pending court decisions, are not expected to have a significant effect on the financial position of the Bank and the Group. Therefore the Bank has not raised a provision for outstanding litigations, whereas the Group's provision amounts to € 3.1 million. The provision raised for the unaudited tax years of the Bank and the Group, which is included in the current tax liabilities, amounts to € 9.3 million and € 13.2 million respectively. Other provisions raised for the Bank and the Group amount to € 10.7 million and € 16.2 million respectively.
5) The companies which have been consolidated as at 30/06/2009, apart from the parent company Piraeus Bank S.A., are included in note 15 of the Consolidated Interim Condensed Financial Information. Note 15 includes information about the country of incorporation, the percentage of holding by the Group, as well as the applied consolidation method. The direct shareholding percentages by the Bank are included in note 14 of the Interim Condensed Financial Information.
6) The following companies are consolidated under the Full Method of Consolidation as at 30/06/2009 and had not been included in the consolidation as at 30/06/2008: a) Piraeus Insurance Brokerage-Egypt, b) Integrated Storage System Co., c) Axia Finance PLC, d) PLG Finance S.A., e) Axia Finance II PLC and f) Praxis Finance PLC. From these companies, the companies numbered (a)-(d) were consolidated under the Full Method of Consolidation as at 31/03/2009, as well, though the companies (e) and (f) had not been included at the consolidation as at 31/03/2009. The companies numbered (a) and (b), consolidated as associates until 30/06/2008, were transferred to the subsidiaries' portfolio due to increase in holding percentage. The company numbered (d) was acquired in February 2009. Of the companies consolidated under the Full Method of Consolidation as at 30/06/2008, the following have not been included in the consolidation as at 30/06/2009, as well as at 31/03/2009: a) Trastor Real Estate Investment Company (former Piraeus Real Estate Investment Property S.A.), b) ETBA Finance S.A. and c) Piraeus Best Leasing S.A. The company numbered (a) was transferred to the associates' portfolio, as the company's holding percentage has been decreased and the requirements for its consolidation under the Full Method of Consolidation are no longer met. The company numbered (b) was absorbed by the Bank. On 31/12/2008, the merge between the subsidiaries of Piraeus Bank, Piraeus Best Leasing S.A. and Olympic Commercial and Tourist Enterprises S.A., was completed by the establishment of a new subsidiary company of Piraeus Bank. The companies Estia Mortgage Finance PLC, Estia Mortgage Finance II PLC, Estia Mortgage Finance III PLC, Axia Finance PLC, Axia Finance II PLC and Praxis Finance PLC are consolidated as special-purpose entities. The relevant events didn't issue a change above 25% of the turnover, or and the profit after tax, or and the Group's equity for the current period. Note 23 of Consolidated Interim Condensed Financial Information includes information about the changes in the subsidiaries' portfolio of the Group. The subsidiaries that are excluded from the consolidation are as follows: a) Asbestos Mines S.A., b) Alpha S.A., c) Hellenic Industry of Aluminum, d) Issaris-Vasiladis S.A., e) Hellenic Asbestos S.A., f) Obivio Co. Ltd, g) ELSYP S.A., h) Blue Wings Ltd, i) Piraeus Bank's Congress Centre and j) Piraeus Bank Group Cultural Foundation. The companies numbered (a)-(g) are fully depreciated, under liquidation or solution status. The financial data of the companies (h)-(j) are included in the financial statements of the parent company Piraeus Bank S.A. and consequently in the consolidated financial statements. The consolidation of the above mentioned companies does not affect the financial position and profit of the Group.
7) The following companies are consolidated under the Equity Method of Accounting as at 30/06/2009, as well as at 31/03/2009 and had not been included in the consolidation as at 30/06/2008: a) Proton Bank S.A., b) Rebikat S.A., c) Abies S.A., d) Euroterra S.A., e) Trastor Real Estate Investment Company (former Piraeus Real Estate Investment Property S.A.) and f) Atlantic Insurance Public Company LTD. The company numbered (a) is newly acquired. The companies numbered (b)-(d) have been transferred from the available for sale portfolio due to obtaining significant influence. The company numbered (e) was consolidated under the Full Method of Consolidation as at 30/06/2008 and was transferred to the associates' portfolio, as the company's holding percentage has been decreased and the requirements for its consolidation under the Full Method of Consolidation are no longer met. The company numbered (f), due to an increase in shareholding percentage, was transferred from the available for sale portfolio to the associates portfolio in February 2009. Of the companies consolidated under the Equity Method of Accounting as at 30/06/2008, the following have not been included in the consolidation as at 30/06/2009: a) Piraeus Insurance Brokerage-Egypt, b) Integrated Storage System Co., c) Hellenic Steel Company, d) Borg El Arab Company and e) Sialco S.A. The companies numbered (a) and (b), consolidated as associates until 30/06/2008, were transferred to the subsidiaries' portfolio due to increase in holding percentage. The company numbered (c) was transferred from the associates' portfolio to available for sale portfolio, as it no longer satisfies the prerequisites to be consolidated by the equity accounting method, according to the requirements of IAS 28. The companies numbered (d) and (e) were sold, though they had been included in the consolidation as at 31/03/2009. The relevant events didn't issue a change above 25% of the turnover, or and the profit after tax, or and the Group's equity for the current period. Note 23 of Consolidated Interim Condensed Financial Information includes information about the changes in the associates' portfolio of the Group. As at 30/06/2009, as well as at 31/03/2009, there are no associates that have been excluded from consolidation.
8) The Group's balances with related parties are as follows: assets € 179.2 million, liabilities € 185 million, letters of guarantee € 2.3 million, income € 5.6 million and expense € 1.8 million. The Bank's balances with related parties (subsidiaries included) are as follows: assets € 4,941.2 million, liabilities € 6,221 million, letters of guarantee € 97.3 million, income € 129.8 million and expense € 141.1 million. The balances of assets and liabilities of the Group with members of the Board of Directors and key management personnel amount to € 142.9 million and € 39.2 million respectively. The respective amounts for the Bank amount to € 141.5 million and € 39.2 million. The transactions and remuneration of the Bank and its Group with the members of the Board of Directors and key management personnel amount to € 3.7 million.
9) As at 30/06/2009 Piraeus Group owned a total number of 173 treasury shares of the parent company Piraeus Bank S.A., at a value of € 3 thousand. Piraeus Bank S.A. sold, on 16/02/2009, 13,280,976 treasury shares, representing 3.95% of the Bank's issued and outstanding ordinary shares, with a trade price set at € 7.70 per share and it did not hold any treasury shares as at 30/06/2009.
10) At the Statement of Comprehensive Income of Consolidated Interim Condensed Financial Information, "Other comprehensive income net of tax" of € 16,036 thousand includes the positive net change in available for sale reserve, which amounts at € 44,794 thousand, the negative change in currency translation reserve of € 24,648 thousand and the expenses on issuance of preference shares with an amount of € 4,110 thousand. At the Statement of Comprehensive Income of Interim Condensed Financial Information, "Other comprehensive income net of tax" of € 37,911 thousand, except from the above mentioned expenses on issuance of preference shares, includes a positive change of the available for sale reserve of € 42,021 thousand.
11) On May 14th 2009, an increase of the Bank's share capital, amounting to € 370,000 thousand, has been completed with the issuance of 77,568,134 non-voting preference shares at a nominal value of € 4.77 per share, which was realized according to the requirements of L. 3723/2008 relating to the enhancement of the Greek Economy. These shares have been subscribed to by the Greek State in exchange of Greek Government Bonds transferred to the Bank. In accordance with the current legal and regulatory framework the issued shares have been classified as tier 1 capital for regulatory purposes and for this reason the accrued dividend of the preference shares for the first semester of 2009 amounting to € 4.1 million did not affect the Group's results. Relevant disclosure is note 19 of the Interim Condensed Financial Information and note 20 of the Consolidated Interim Condensed Financial Information.
12) On June 5th 2009 the share capital increase of amount € 32,097 thousand was completed with the issuance of 6,728,991 new common voting shares with nominal value of € 4.77 each. The share capital increase was concluded with capitalization of the net dividend amount and it was realized by the distribution of one new common nominal share for every 47 old shares. Following the above increase and the increase mentioned in the note 11 of the Financial Statements' Information, the Bank's share capital amounts at 1,974,020 euro thousand divided to 336,272,519 ordinary registered shares with voting rights and 77,568,134 preference shares without voting rights according to the L. 3723/2008, of nominal value € 4.77 each.
13) On April 30th 2009 Piraeus Bank completed its first securitization of consumer loans in the amount of € 725 million and on May 7th 2009 Piraeus Bank completed its second securitization of business loans in the amount of € 900 million. On August 14th 2009 the first leasing loans securitization of Piraeus Leases S.A. was concluded with a total issue size of € 540 million and the second consumer loans securitization of the Bank with a total issue size of € 558 million. On August 17th 2009 the third business loans securitization of the Bank was concluded with a total issue size of € 2,352 million.
14) The number of staff employed by the Group and the Bank as at 30th June 2009 was 13,800 and 5,084 respectively. The number of staff employed by the Group and the Bank as at 30th June 2008 was 13,752 and 5,149 respectively.

Athens, August 26th, 2009

CHAIRMAN OF THE BOARD OF DIRECTORS and CHIEF EXECUTIVE OFFICER

MANAGING DIRECTOR

GENERAL MANAGER

DIRECTOR, GROUP FINANCE and PARTICIPATIONS DIVISION

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