



MID YEAR FINANCIAL REPORT

For the 1st half 2012

According to Law 3556/ 2007

December 2012

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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Interim Condensed Financial Information according to the International Financial Reporting Standards as at June 30, 2012

Financial statements information for the period from 1st January 2012 to 30th June 2012 (according to the Rule 4/507/28.04.2009 of the Capital Market Commission)

STATEMENT (article 5 of L. 3556/2007)

To the best of our knowledge, the 2012 Interim Financial Statements, which have been prepared in accordance with the applicable accounting standards, give a fair and true view of the assets, liabilities, equity and income statement of Piraeus Bank S.A. and of the undertakings included in the consolidated accounts, taken as a whole, as provided in art. 5 par. 3-5 of Law 3556/2007 and the Board of Director's interim report presents fairly the information required by art. 5 par. 6 of Law 3556/2007.

Michalis Sallas
Chairman of BoD

Stavros Lekkakos
Managing Director & CEO

Christodoulos Antoniadis
Deputy
Managing Director

BOARD OF DIRECTORS' INTERIM MANAGEMENT REPORT

(According to Law 3556/2007)

International Environment and Developments in the Eurozone

During the first half of 2012, concerns about budget deficits in Europe heightened. This prompted the International Monetary Fund (IMF) to revise downward its forecasts for GDP growth in the Eurozone for 2012 and 2013 (from -0.3% to -0.4% and from 0.7 % to 0.2%, respectively).

The negative correlations between sovereign financials and the real economy intensified during the first half of 2012. Especially for the Eurozone, the decision to create a single regulatory authority of European banks and the decision to recapitalize European banks directly from the European Stability Mechanism (ESM), and not from the state budgets, are two positive developments for the single supervision of the European banking system which are deemed necessary and are prerequisites for further integration of economic policy in the Eurozone. Equally important decisions were attained at the meeting of the European Central Bank (ECB) in early September 2012, where it was announced that ECB will carry Outright Monetary Transactions in the form of short-term government bond markets excluding any quantitative limit intervention, without applying the seniority status it enjoyed over other creditors. The aim of this action is to downscale the cost of financing for the European economies. The single - but by no means immaterial - condition which was set by the ECB for the countries that apply for assistance from the EFSF/ESM mechanism was their consent to a fiscal adjustment according to the rules that the latter will specify.

Developments in the Greek Economy and the Greek Banking System

In Greece, the continued economic uncertainty and concern regarding the viability of its sovereign debt have negative consequences for the country's economy as whole. The significant decline in GDP in 2012 is expected to contribute to a further increase in the debt to GDP ratio by 14 percentage points (from 160% in 2012 to 174% in 2013 - European Commission, Dec. 2012), while the budget deficit, along with delays in implementing structural changes, led to the passing in Parliament of the updated Medium Term Fiscal Strategy 2013-2016 with the additional measures amounting to €14.2 bn for the period up to 2016, of which €9.4 bn pertain to 2013.

The significant decline in economic activity, the high unemployment and inflation are the main features of the macroeconomic situation in Greece. The GDP contraction in the nine months of 2012 stood at a rate of -6.6% year on year (-6.5% in the first half of the year) and it mainly attributed to the reduction in consumption and investment, whereas the positive contribution of the decrease in the trade deficit is associated with the decline of imports.

The continuing decline of employment indicates the significant problems in the labor market, while inflation remains high at 1.6% on average in the ten months of 2012, though at a declining trend. During the eleven month period of 2012, the budget deficit amounted to €12.9 bn and the primary deficit at € 1.5 bn, at a much better level than the target set. The budget for 2013 foresees a deficit of €9.4 bn. The primary deficit is expected to improve by 9 percentage points for the period 2010-2012, while the significant reduction in unit labor costs contributed positively in the recovery by c.70% of Greece's lost competitiveness over the past decade.

During the Eurogroup meeting on December 13, 2012, the disbursement of €49 bn was decided upon, while the IMF is expected to contribute an additional amount of €3.3 bn, bringing the total amount to €52 bn. On December 17, a tranche of €34 bn was disbursed, of which €16 bn will be channelled to the safeguarding of the Greek banking system, while the remaining will be given in tranches in the first quarter of 2013. The agreement sets a target for the reduction of public debt to 124% of GDP in 2020 and substantially below 110% of GDP in 2022. The debt reduction will result from a series of coordinated actions, which were agreed by the Eurozone finance ministers. In particular, these actions regard: a lowering of 100 basis points (from 150 to 50 bps) for the interest rate applicable to the bilateral loans provided to Greece under the first economic programme, a reduction of 10 bps of the guarantee fees paid by Greece on the loans of the European Financial Stability Facility (EFSF), an extension of the maturities of bilateral and EFSF loans taken by Greece for 15 years, a deferral of interest payments of Greece on EFSF loans by 10 years and the commitment for the return to Greece of the income stemming from the bond purchase programme (SMP) of the ECB. In mid December 2012, €20.6 bn debt reduction measures were implemented, with the repurchase of Greece's various categories of sovereign obligations from the secondary market with EFSF funds. The aggregated principal amount of €31.9 bn of designated securities participated in the programme during the period 3-11 December 2012 with a weighted average purchase price of 33.8%.

Regarding the Greek banking system, the prolonged restriction of Greek banks to access international capital markets, coupled with the political uncertainty emerging during the double election period in May and June 2012, led to the reduction of the banks' liquidity and the extended deposits' outflow during the first six months of 2012 (-13% Greek deposits market), which was offset, however, by the liquidity measures offered by the Eurosystem. It should be noted that during the period from July to September 2012 there has been a stabilization of deposits in the Greek market, with a positive increase of 3% in the third quarter of 2012.

Following the implementation of the PSI programme, the Greek banks suffered severe capital losses. The capital advance of €18 bn disbursed in late May 2012 by the Hellenic Financial Stability Fund (HFSF) to the 4 major Greek banks, in view of their forthcoming share capital increases, restored part of those losses and their capital adequacy ratios and, thus ensuring the stability of the Greek banking system. For Piraeus Bank the amount of that advance by the HFSF amounted to €4.7 bn.

In the framework of the Greek banks' recapitalization, the Bank of Greece requested and received in the first quarter of 2012 their detailed Business Plans for the period 2012-2015 and their respective Capital Plans. Based on these plans, which incorporate the PSI impact and the results of the BlackRock Solutions diagnostic exercise for the domestic loan portfolio, the four largest Greek banks, including Piraeus Bank, were deemed viable by Bank of Greece (BoG) and their capital needs were defined.

In the second half of December 2012, the HFSF provided an additional Capital Advance of €1.5 bn and a Commitment Letter of €1.1 bn for its participation in the recapitalization programme of Piraeus Bank (Share Capital Increase and Convertible Bonds). Hence, the total Capital Advances and the Commitment Letter that HFSF has provided to Piraeus Bank amount to €7.3 bn, that correspond to the bank's total capital needs, as they were defined by the BoG (plus €500 mn for ATEbank). The recapitalization process of Piraeus Bank and the other 3 largest Greek banks is expected to be implemented in three phases (under Law 3864/2010 and under the terms of Cabinet Act 38/9.11.12): the first one regards the HFSF to provide additional capital advance to viable banks until the end of December 2012, in order for Core Tier I ratio to reach a level of at least 9%. The second phase is the issue of contingent convertible bonds until the end of January 2013, which will be entirely covered by the HFSF. Finally, the third phase involves the completion of the rights issue with common shares until the end of April 2013, where the unsubscribed shares will be undertaken by the HFSF. In the case of achieving a minimum private participation (10%), the private investors will be granted

warrants in order to purchase the common shares of HFSF, received through its participation in the bank's rights issue.

Events that Regard Piraeus Bank Group

Amid this adverse environment, Piraeus Bank is monitoring the developments and plays a catalytic role in the restructuring of the Greek banking system.

On a corporate level, among the most important events for Piraeus Bank Group during the first half of 2012, were the following:

- On March 7, 2012, the Board of Directors of Piraeus Bank unanimously decided to participate in the exchange programme for Greek government bonds and other eligible securities outlined in the Law 4046/2012 (PSI). Piraeus Bank Group participated in the PSI bond exchange with all eligible Greek Government Bonds and loans of its portfolio, with the face value at € 7.7 bn. In this context, the total impairment recognized in the full year 2011 and associated with the Group's participation in the PSI reached € 5.9 bn before tax.
- On June 14, 2012 Piraeus Bank agreed to transfer its 98.5% participation in Marathon Banking Corporation in New York to Investors Bancorp Inc. The cash consideration from the transfer of its holdings was USD 133 mn. The conclusion of the aforementioned transaction took place at the end of September 2012.

Events Post June 30, 2012

- On July 27, 2012 Piraeus Bank acquired by absorption the "good" part (selected assets and liabilities) of the under special liquidation credit institution Agricultural Bank of Greece SA following the relevant decision of the Resolution Measures Committee of BoG (meeting 4/27.07.12, Government Gazette 2209/27.07.12) for a cash consideration of €95 mn. The €6.7 bn funding gap between the preliminary valued transferred assets and liabilities was covered by the HFSF, according to the law provisions.
- On July 31, 2012 Piraeus Bank announced the termination of the sale process for its subsidiary Piraeus Bank Egypt. Piraeus Bank will focus on providing full support to its banking operations in Egypt.
- On October 19, 2012 Piraeus Bank signed a definitive agreement with Société Générale regarding the acquisition of Société Générale's total stake (99.08%) in Geniki Bank. The aggregate cash consideration for the acquisition was agreed at €1 mn. The transaction was consummated in December 14, 2012 after receiving all necessary regulatory approvals.
- According to the December 7, 2012 decision of the Board of Directors, Piraeus Bank participated in the exchange offer of Hellenic Government bonds, in response to the relevant invitation of the Hellenic Ministry of Finance on December 3, 2012, with all new Greek Government Bonds in Piraeus' portfolio, with a €4.3 bn face value.
- Piraeus Bank announced that on the December 7, 2012 meeting of the BoD, Mr. Anthimos Thomopoulos was elected as new Executive Member of the BoD, in succession of the resigned member Mr. Alexander Manos in order for Mr Manos to assume the role of CEO at Geniki Bank. Mr. Thomopoulos will act as Deputy CEO at Piraeus Bank Group.

Evolution of Piraeus Group's Volumes and Results for H1 2012

Regarding Piraeus Group's financial performance in the first half of 2012, total assets amounted to €46.3 bn at the end of June 2012, decreased 6% year to date.

The Group's total deposits and retail bonds contracted by 14% year to date, amounting to €19.2 bn. This reduction was attributed to the Group's deposits in Greece, which decreased slightly more than the Greek market (-16% compared to -13% respectively) and amounted to €15.1 bn. During the same period, deposits from the Group's international operations declined by 5% at €4.1 bn.

The Group's net loans amounted to €32.6 bn at end June 2012, decreased 5% year to date. The respective decrease in Greece was 6% at €26.1 bn, while net loans stemming from international operations were down 3% at €6.6 bn. Following the acquisition of selected assets and liabilities of ATEbank, Piraeus Group's loans to deposits ratio sets at the level of 126% (data as of 30.09.2012).

It is noted that in the interim financial statements of H1 2012, Piraeus Group's operations in New York are considered discontinued, since in June 2012, as it was aforementioned, an agreement for the transfer of Piraeus' holdings in its subsidiary Marathon Banking Corporation was signed. Furthermore, Piraeus Bank terminated the sale process for its subsidiary Piraeus Bank Egypt at the end of July 2012 and, thus, its financial data have been fully incorporated in the interim consolidated financial statements of 2012 and are no longer considered discontinued.

Due to the prolonged economic recession and given the downturn in demand for banking products and services, the Group's net interest income decreased to €408 mn in the first half of 2012 compared to €618 mn a year earlier. It should be noted that the Bank's funding costs through the Emergency Liquidity Assistance (ELA) had a significant negative impact in the interest result of the first half of 2012.

Net commission income was decreased by 10% annually at €89 mn in the first half of 2012, with commercial banking commissions at €81 mn (90% of total net fee income). Net revenues amounted to €706 mn compared to €770 mn a year earlier, with the buy back of Piraeus Bank's debt securities of €275 mn contributing positively in the aforementioned results.

The Group's operating costs significantly decreased 9% year on year at €360 mn on a like for like basis, i.e. excluding the €9 mn one-off charge for the unamortized costs of the branches that ceased their operation in the first half of 2012. When including the aforementioned one-off cost, the annual decrease stood at 7% and costs at €369 mn. Personnel costs decreased 11% while the respective costs in Greece dropped 14%.

As a result, pre-tax and provision profit was €327 mn in the first half of 2012, decreased 12%, demonstrating resilience despite the adverse conditions.

However, results in the first half of 2012 were burdened by the increased impairment losses on loans and receivables, which more than doubled compared to the respective period in 2011 and rose to €793 mn, due to the particular deterioration of the macroeconomic environment in Greece.

The loans in arrears over 90 days (NPLs) ratio reached 18.4% at the end of June 2012. The NPLs > 90 days coverage by cumulative provisions stood at 50%. It is worth mentioning that the cumulative provisions on average loans of the Group reached 9.2% at end-June 2012.

Within the second quarter of 2012, the Group redetermined the fair value of the new securities received from the exchange (PSI), based on their market value at the dates these securities were exchanged. Due to the redetermination of the fair value, an additional loss was accounted for in the first quarter of 2012 and therefore the consolidated profit or loss for the first quarter was charged with an amount of €311 mn before tax.

The Group's total equity at the end of June 2012 amounted to €5.1 bn, including the capital advance from HFSF of €7.3 bn. The total capital adequacy ratio at the end of June 2012 stood at 14.8% (pro-forma).

The Group's branch network comprised of 759 branches at the end of June 2012, 325 of which were in Greece and 434 in 8 other countries. On 30.06.12 the Group employed 12,128 people, 6,038 in Greece and 6,090 abroad. The number of customers reached c.2.5 mn in Greece and c.1.2 mn abroad, while the cross selling ratio improved significantly, approaching the level of 3 products per customer.

At the end of June 2012, the Group's international operations comprised 27% of its total assets, 57% of the total branch network and 50% of the Group's total human resources.

Related Party Transactions

With reference to the transactions of Piraeus Bank with related parties, such as members of the Board of Directors and the management of the Bank and its subsidiaries, these were not of significant importance during the first half of 2012, while in any case they are included in the Group's interim financial statements.

Description of Major Risks and Uncertainties for the second half of 2012

The Risk Management Framework of the Group is presented analytically in the Group's consolidated financial statements as at 31.12.11 (note 3).

During the first half of 2012, the major initiatives aimed at upgrading the Group's Risk Management framework were the following:

- migration to a centralized system of capital management/ capital adequacy calculation (Fermat) for the credit and market risks, at Bank and Group level
- analysis of the Group's regulatory capital allocation per business segment
- reduction of limits of subsidiary banks' market risks
- adoption of mitigating techniques for foreign exchange risks and liquidity risks for FX loans
- quantification of Group's Operating Risks
- improvement of Group's internal models for collective provisions
- development for Piraeus Bank of a new credit assessment model for companies with "B" class accounting books.

For the second half of 2012, the fiscal and macroeconomic situation in Greece remains the main risk factor for the Greek banking sector in general and for Piraeus Bank in particular. Negative developments in this area will significantly affect the Bank's liquidity, the quality of its loan portfolio, its profitability, and ultimately, its capital adequacy. The voting in the Greek parliament of additional structural and financial measures for the period 2013-2016 in November 2012, although in the short term will prolong the recession, consists an important step in order to achieve primary surplus as of 2013, implement structural reforms, improve competitiveness and to enable the Greek economy to recover in general.

Greece's debt sustainability consists an additional risk factor for the Greek banking system however, Eurogroup's recent decisions aim to significantly reduce it. The country's economic adjustment programme continues to entail a significant execution risk. At the same time, the risk of a deceleration in global economic growth and the contagion risk of the sovereign crisis spreading to other peripheral European economies, also contribute to the external factors of uncertainty.

Estimates for Piraeus Group's activities in the second half of 2012

Following the acquisition of selected assets and liabilities of ATEbank and the acquisition of Geniki Bank, Piraeus Bank has improved its funding sources, while it has also strengthened its position in view of the forthcoming recapitalization of the Greek banks.

The realization of the estimated significant synergies between Piraeus Bank, ATEbank and Geniki Bank is deemed achievable, based on the track record of operational mergers by Piraeus Bank and on the current estimates regarding the course of the Greek economy, while they will enhance the Group's profitability and capital adequacy.

The transaction regarding the acquisition of Geniki Bank was completed on December 14, 2012, while the due diligence for the finalization of the ATEbank transferred assets and liabilities (perimeter) is expected to be concluded by end January 2013 and their valuation at fair value.

In the coming months the Greek banking system will undergo a process of major developments that will determine the day after and will lay the foundations for its strengthening and its smooth continuity.

The implementation of the recapitalization plan of the Greek banks is expected to be completed in the second quarter of 2013 and therefore Piraeus Bank's capital position is expected to be strengthened significantly.

Piraeus Bank, having faced so far effectively the international and Greek economic crisis that has lasted 5 years, will continue to work with alertness, responsibility and decisiveness to safeguard the interests of the shareholders, customers and employees.

Michalis G. Sallas

Chairman of the Board of Directors



[Translation from the original text in Greek]

Report on Review of Interim Financial Information

To the Shareholders of Piraeus Bank S.A.

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of Piraeus Bank S.A. (the “Bank”) and its subsidiaries (together “the Group”) as of 30 June 2012 and the related condensed company and consolidated income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by article 5 of L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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

Emphasis of matter

Without qualifying our opinion, we draw attention to the disclosures made in note 3 to the financial statements, which refer to the impact of the impairment losses resulting from the Greek sovereign debt restructuring on the Bank and Group’s regulatory capital, the planned actions to restore the capital adequacy and the existing uncertainties that could adversely affect the going concern assumption until the completion of the recapitalisation process.

Reference to Other Legal and Regulatory Requirements

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



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Athens, 21st December 2012
THE CERTIFIED AUDITOR

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PIRAEUS BANK GROUP

Consolidated Interim Condensed Financial Information

30 June 2012

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 December 19th, 2012 and it is available on the web site of Piraeus Bank at 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 2012	30 June 2011	30 June 2012	30 June 2011
Interest and similar income		1,305,834	1,406,403	611,003	726,333
Interest expense and similar charges		(897,464)	(788,696)	(437,857)	(412,045)
NET INTEREST INCOME		408,370	617,707	173,146	314,288
Fee and commission income		103,026	116,451	50,232	59,662
Fee and commission expense		(13,805)	(17,427)	(6,812)	(9,003)
NET FEE AND COMMISSION INCOME		89,221	99,025	43,420	50,660
Dividend income		1,937	3,086	1,853	2,935
Net trading income	6	210,934	27,109	113,603	13,063
Net income from financial instruments designated at fair value through profit or loss		2,440	(2,354)	425	(1,150)
Results from investment securities		(645)	101	(441)	331
Other operating income/ (expense)		(5,773)	25,735	(19,865)	13,075
TOTAL NET INCOME		706,486	770,409	312,140	393,200
Staff costs		(169,768)	(191,198)	(85,374)	(92,584)
Administrative expenses		(147,029)	(155,323)	(81,968)	(84,273)
Depreciation and amortisation		(51,967)	(46,609)	(23,818)	(22,914)
Gains/ (Losses) from sale of assets		(206)	(1,618)	(243)	(976)
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(368,970)	(394,747)	(191,404)	(200,747)
PROFIT BEFORE PROVISIONS AND INCOME TAX		337,516	375,661	120,737	192,453
Impairment losses on loans, debt securities and other receivables	13	(806,044)	(1,069,651)	(511,609)	(900,858)
Impairment on investment securities		(357,646)	(304,229)	(44,797)	(304,207)
Other provisions and impairment		(37,417)	(2,867)	(37,164)	(1,089)
Share of profit of associates		(10,906)	(5,815)	(9,480)	(1,673)
PROFIT/ (LOSS) BEFORE INCOME TAX		(874,497)	(1,006,901)	(482,313)	(1,015,374)
Income tax	8	514,516	176,759	78,461	184,368
PROFIT/ (LOSS) AFTER TAX FROM CONTINUING OPERATIONS		(359,981)	(830,141)	(403,852)	(831,005)
Profit after income tax from discontinued operations	7	2,694	2,004	1,460	988
PROFIT/ (LOSS) AFTER TAX FOR THE PERIOD		(357,287)	(828,137)	(402,391)	(830,018)
From continuing operations					
Profit/ (Loss) for the period attributable to equity holders of the parent entity		(355,143)	(822,325)	(401,106)	(823,167)
Non controlling interest		(4,838)	(7,816)	(2,745)	(7,839)
From discontinued operations					
Profit for the period attributable to equity holders of the parent entity		2,654	1,945	1,439	966
Non controlling interest		40	60	21	21
Earnings/ (Losses) per share attributable to equity holders of the parent entity (in euros):					
From continuing operations					
- Basic and Diluted	9	(0.3108)	(0.8033)	(0.3510)	(0.7232)
From discontinued operations					
- Basic and Diluted	9	0.0023	0.0019	0.0013	0.0008

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2012	31 December 2011
ASSETS			
Cash and balances with Central Banks	11	2,361,299	2,552,717
Loans and advances to credit institutions		481,960	316,136
Derivative financial instruments - assets		390,269	379,238
Trading securities	12	282,713	464,313
Financial instruments at fair value through profit or loss	12	6,922	9,922
Reverse repos with customers		2,987	57,395
Loans and advances to customers and debt securities - receivables (net of provisions)	13	33,517,083	35,633,795
Investment securities			
- Available for sale securities	14	2,546,692	2,745,065
- Held to maturity	14	797,516	1,249,849
Investments in associated undertakings		204,234	214,642
Intangible assets		302,967	325,454
Property, plant and equipment		898,966	896,756
Investment property		867,190	877,511
Assets held for sale		14,087	14,021
Deferred tax assets		1,688,573	1,177,992
Inventories property		281,229	264,891
Other assets		969,930	1,015,395
Assets from discontinued operations	17	715,648	1,157,214
TOTAL ASSETS		<u>46,330,268</u>	<u>49,352,308</u>
LIABILITIES			
Due to credit institutions	18	26,498,228	25,413,598
Liabilities at fair value through profit or loss		400	18,475
Derivative financial instruments - liabilities		365,120	389,728
Due to customers	19	19,036,106	21,795,677
Debt securities in issue	20	769,502	1,268,045
Hybrid capital and other borrowed funds	21	339,713	498,968
Retirement benefit obligations		178,599	172,856
Other provisions		19,763	18,302
Current income tax liabilities		16,696	13,742
Deferred tax liabilities		48,724	46,640
Other liabilities		703,452	648,774
Liabilities from discontinued operations	17	623,675	1,007,341
TOTAL LIABILITIES		<u>48,599,979</u>	<u>51,292,146</u>
EQUITY			
Share capital	23	1,092,998	1,092,998
Share premium	23	2,953,356	2,953,356
Less: Treasury shares	23	(68)	(192)
Other reserves	24	(108,547)	(131,058)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	24	(3,021)	(14,529)
Retained earnings	24	(6,335,120)	(5,975,642)
Capital and reserves attributable to equity holders of the parent entity		<u>(2,400,402)</u>	<u>(2,075,067)</u>
Non controlling interest		130,691	135,228
TOTAL EQUITY		<u>(2,269,711)</u>	<u>(1,939,838)</u>
TOTAL LIABILITIES AND EQUITY		<u>46,330,268</u>	<u>49,352,308</u>

CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2012	30 June 2011	30 June 2012	30 June 2011
CONTINUING OPERATIONS					
Profit/ (loss) after tax for the period (A)		(359,981)	(830,141)	(403,852)	(831,005)
Other comprehensive income, net of tax:					
Net change in available for sale reserve	10	37,034	87,901	(4,384)	78,448
Change in currency translation reserve	10	(10,482)	10,478	(11,008)	(2,918)
Other comprehensive income for the period, net of tax (B)	10	26,552	98,379	(15,392)	75,530
Total comprehensive income for the period, net of tax (A+B)		(333,429)	(731,762)	(419,244)	(755,475)
- Attributable to equity holders of the parent entity		(328,642)	(723,702)	(416,613)	(747,629)
- Non controlling interest		(4,787)	(8,060)	(2,631)	(7,846)
DISCONTINUED OPERATIONS					
Profit after tax for the period (C)		2,694	2,004	1,460	988
Other comprehensive income, net of tax:					
Net change in available for sale reserve	10	76	(420)	15	(164)
Change in currency translation reserve	10	702	(2,035)	1,825	(155)
Other comprehensive income for the period, net of tax (D)	10	778	(2,455)	1,840	(319)
Total comprehensive income for the period, net of tax (C+D)		3,472	(451)	3,300	669
- Attributable to equity holders of the parent entity		3,395	(411)	3,205	563
- Non controlling interest		77	(40)	95	106

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		
Opening balance as at 1 January 2011		470,882	2,430,877	(8,790)	(432,845)	672,687	140,920	3,273,732
Other comprehensive income for the period, net of tax	10				96,268		(344)	95,924
Results after tax for the period of 1/1/2011 - 30/6/2011	24					(820,380)	(7,757)	(828,137)
Total recognised income for the period of 1/1/2011 - 30/6/2011		0	0	0	96,268	(820,380)	(8,100)	(732,213)
Increase of share capital through cash payment	23	242,116	523,201					765,317
(Purchases)/ sales of treasury shares and preemption rights	23, 24			(2,361)		(681)		(3,042)
Transfer between other reserves and retained earnings	24				14,829	(14,829)		0
Acquisitions, disposals, liquidation and movement in participating interest	24					(449)	583	134
Other movements	24					(185)		(185)
Balance as at 30 June 2011		712,998	2,954,078	(11,151)	(321,749)	(163,837)	133,403	3,303,742
Opening balance as at 1 July 2011		712,998	2,954,078	(11,151)	(321,749)	(163,837)	133,403	3,303,742
Other comprehensive income for the period, net of tax					168,306		394	168,700
Results after tax for the period 1/7/2011 - 31/12/2011	24					(5,792,999)	3,017	(5,789,982)
Total recognised income for the period 1/7/2011 - 31/12/2011		0	0	0	168,306	(5,792,999)	3,411	(5,621,282)
Prior year dividends of ordinary shares							(30)	(30)
Expenses on increase of share capital through cash payment	23		(723)					(723)
Issue of preference shares	23, 24	380,000				(4,180)		375,820
(Purchases)/ sales of treasury shares	23, 24			10,959		(6,853)		4,106
Transfer between other reserves and retained earnings	24				7,767	(7,767)		0
Acquisitions, disposals, liquidation and movement in participating interest	24				88	(5)	(1,553)	(1,470)
Balance as at 31 December 2011		1,092,998	2,953,355	(192)	(145,587)	(5,975,641)	135,230	(1,939,837)
Opening balance as at 1 January 2012		1,092,998	2,953,355	(192)	(145,587)	(5,975,641)	135,230	(1,939,837)
Other comprehensive income for the period, net of tax	10				27,243		87	27,330
Results after tax for the period 1/1/2012 - 30/6/2012	24					(352,489)	(4,798)	(357,287)
Total recognised income for the period 1/1/2012 - 30/6/2012		0	0	0	27,243	(352,489)	(4,711)	(329,958)
Prior year dividends of ordinary shares							(63)	(63)
Expenses on issue of preference shares	24					(23)		(23)
(Purchases)/ sales of treasury shares	23, 24			124		65		189
Transfer between other reserves and retained earnings	24				6,776	(6,776)		0
Acquisitions, liquidation and movement in participating interest	24					(256)	235	(21)
Balance as at 30 June 2012		1,092,998	2,953,355	(68)	(111,568)	(6,335,121)	130,691	(2,269,713)

CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Note	Period from 1 January to	
		30 June 2012	30 June 2011
<i>Cash flows from operating activities from continuing operations</i>			
Profit/ (Loss) before tax		(874,497)	(1,006,901)
<i>Adjustments to profit/ (loss) before tax:</i>			
Add: provisions and impairment		1,189,961	1,376,748
Add: depreciation and amortisation charge		51,967	46,609
Add: retirement benefits		9,621	17,947
Gains/ (losses) from valuation of trading securities and financial instruments at fair value through profit or loss		83,417	24,170
(Gains)/ losses from investing activities		(234,220)	2,728
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>		226,249	461,301
<i>Changes in operating assets and liabilities:</i>			
Net (increase)/ decrease in cash and balances with Central Bank		116,240	(26,215)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss		(53,537)	(45,744)
Net (increase)/ decrease in debt securities - receivables		258,276	(669,068)
Net (increase)/ decrease in loans and advances to credit institutions		14,629	(124,724)
Net (increase)/ decrease in loans and advances to customers		620,290	616,559
Net (increase)/ decrease in reverse repos with customers		54,408	160,428
Net (increase)/ decrease in other assets		43,525	20,218
Net increase/ (decrease) in amounts due to credit institutions		1,035,472	3,467,721
Net increase/ (decrease) in liabilities at fair value through profit or loss		(18,075)	292,522
Net increase/ (decrease) in amounts due to customers		(3,098,353)	(3,453,038)
Net increase/ (decrease) in other liabilities		(19,685)	(165,556)
<i>Net cash flow from operating activities before income tax payment</i>		(820,562)	534,404
Income tax paid (including tax contribution)		(9,812)	(54,772)
Net cash inflow/ (outflow) from continuing operating activities		(830,374)	479,632
<i>Cash flows from investing activities of continuing operations</i>			
Purchases of property, plant and equipment		(70,440)	(83,959)
Sales of property, plant and equipment		11,533	26,932
Purchases of intangible assets		(13,707)	(10,428)
Purchases of held for sale assets		(2,088)	(4,038)
Sales of held for sale assets		2,197	1,900
Purchases of investment securities		(3,291,983)	(2,255,594)
Disposals/ maturity of investment securities		4,499,087	1,078,964
Acquisition of subsidiaries (net of cash & cash equivalents acquired)		(171)	(1,918)
Sales of subsidiaries without cash and balances sold		-	5
Sales of associates		-	698
Acquisition and participation in share capital increases of associates	26	(844)	(16,077)
Dividends received		813	2,359
Net cash inflow/ (outflow) from continuing investing activities		1,134,397	(1,261,157)
<i>Cash flows from financing activities of continuing operations</i>			
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds		(383,277)	(698,366)
Increase of share capital through cash payment		-	754,883
Prior year dividends payment		(60)	(19)
Purchases/ sales of treasury shares and preemption rights		189	(3,042)
Other cashflows from financing activities		4,164	11,297
Net cash inflow/ (outflow) from continuing financing activities		(378,984)	64,753
Effect of exchange rate changes on cash and cash equivalents		2,637	(1,920)
Net increase/ (decrease) in cash and cash equivalents of the period from continuing activities (A)		(72,324)	(718,693)
<i>Net cash flows from discontinued operating activities</i>			
Net cash flows from discontinued operating activities		2,168	(34,574)
Net cash flows from discontinued investing activities		4,984	7,534
Net cash flows from discontinued financing activities		110	(291)
Effect of exchange rate changes on cash and cash equivalents		-	-
Net increase/ (decrease) in cash and cash equivalents of the period from discontinued activities (B)		7,262	(27,332)
Cash and cash equivalents at the beginning of the period (C)		2,681,134	4,034,929
Cash and cash equivalents at the end of the period (A)+(B)+(C)		2,616,072	3,288,904

The notes on pages 6 to 26 are an integral part of the consolidated interim condensed financial information.

1. General information about the Group

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

Piraeus Bank (parent company) is incorporated and domiciled in Greece. The address of its registered office is 4 Amerikis st., Athens. Piraeus Bank and its subsidiaries (hereinafter "the Group") provide services in the Southeastern Europe, Egypt, the U.S.A., as well as United Kingdom. The Group employs in total 12,280 people of which 153 people, refer to discontinued operations (Marathon Banking Corporation).

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Banks, Large Cap), FTSE/ATHEX-CSE Banking Index, FTSE (Greece Small Cap, RAFI All World 3000 & Developed Mid Small, Med 100), MSCI (World Small Cap, Europe Small Cap, Greece Small Cap), Euro Stoxx (All Europe, TMI, Sustainability) and S&P (Global BMI, Europe Developed BMI).

2. General accounting policies, critical accounting estimates and judgements of the Group

a. General accounting policies

The same accounting policies and methods of computation as those in the annual consolidated financial statements for the year ended 31 December 2011 have been followed.

The following amendments have been issued by the International Accounting Standards Board and are effective from 1.1.2012.

- **IFRS 7 (Amendment), "Financial instruments: Disclosures – transfers of financial assets" (effective for annual periods beginning on or after 1 July 2011).** This amendment is not expected to have a significant effect on the annual consolidated financial statements.
- **IAS 12 (Amendment), "Income taxes" (effective for annual periods beginning on or after 1 January 2012).** This amendment has not yet been endorsed by the EU, and therefore has not been applied by the Group.
- **IFRS 1 (Amendment), "Severe hyperinflation and removal of fixed dates for first time adopters" (effective for annual periods beginning on or after 1 July 2011).** This amendment has not yet been endorsed by the EU.

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

The Group's accounting estimates and judgements affect the reported amounts of assets and liabilities within the next financial year. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events and they are the same with those accounting estimates and judgements adopted and described in the annual consolidated financial statements for the year ended 31 December 2011.

In addition, note 4 refers to the accounting treatment of the exchange of the securities and loans of the Greek Government included in the revised private sector involvement programme (PSI).

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

b.1. Impairment losses on loans and advances

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

b.2. Fair value of derivative financial instruments

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

b.3. Impairment of available for sale portfolio

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

to the consolidated income statement of the period. The assessment of the decline in fair value as significant or prolonged requires judgement. Judgement is also required for the estimation of the fair value of investments that are not traded in an active market. For these investments, the fair value computation through financial models takes also into account evidence of deterioration in the financial performance of the investee, as well as industry and sector performance and changes in technology.

b.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 may indicate control or lack of control over an SPE when considered in isolation, but when considered together make it difficult to reach a clear conclusion. In such cases, the SPE is consolidated.

b.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. In case that the Group sells a significant amount of the held to maturity investments, then it will be required to reclassify the entire class to the available for sale portfolio. The investments would therefore be remeasured at fair value.

b.6. Investment property

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

b.7. Income taxes

The Group 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 initially recorded, differences will impact the income tax and deferred tax assets/ liabilities in the period in which the tax computation is finalised.

3. Basis of preparation of the consolidated interim condensed financial information

The consolidated interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Group's annual consolidated financial statements for the year ended 31 December 2011.

Consolidated interim condensed financial information attached, is expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand.

The Group has incurred substantial impairment losses as a result of the Hellenic Republic's debt restructuring ("PSI"). Such losses had a respective impact on the accounting and regulatory capital of the Group as at 30 June 2012, as explained in note 4 "Private sector involvement programme (PSI)".

The Hellenic Financial Stability Fund's (HFSF) commitment of 20 April 2012, after the relevant application submitted by the Bank, for its participation in the planned share capital increase, began to be implemented on 28 May 2012 in the form of an advance for the share capital increase, that took place through the transfer of EFSF bonds from the HFSF of total nominal value € 4.7 billion. Furthermore, on December 21st 2012, the HFSF provided an additional Capital Advance of € 1.5 billion and a Commitment Letter of € 1.1 billion for its participation in the recapitalisation program of Piraeus Bank (Share Capital Increase and Convertible Bonds). Hence, the total Capital Advances and the Commitment Letter that HFSF has provided to Piraeus Bank amount to € 7.3 billion, which corresponds to the Bank's total capital needs, as they were defined by the Bank of Greece (plus € 500 million for ATEbank S.A.). Note 28 refers to the acquisition of assets and liabilities of former ATEbank S.A.

It is noted that the recapitalisation program will be implemented in compliance with the law 3864/2010 and the terms of Cabinet Act 38/ 9/11/2012, and is expected to be completed until the end of April of 2013, according to the provisions of the Memorandum of Economic and Financial Policies for the recapitalisation of Greek financial institutions.

Taking into account that the fiscal situation in Greece remains the main risk factor for the Greek banking sector as of today, as any possible negative outcome in this field strongly affects the Bank's liquidity and the asset quality, the aforementioned event enhances the reasonable expectations of the Bank's management that the recapitalisation of the Bank will be successfully completed within the timetable tentatively agreed between the Bank, the Bank of Greece and the HFSF and that the Group will continue in operational existence for the foreseeable future. Accordingly, the consolidated interim condensed financial information has been prepared on a going concern basis.

4. Private sector involvement programme (PSI)

The discussions and negotiations for the specification of the agreed measures on 21 July 2011 and on 26 October 2011 namely to the revised private sector involvement programme (PSI), were completed on 21 February 2012. The finalisation of the revised private sector involvement programme (PSI) was taken into account in the annual consolidated financial statements as at 31.12.2011, and so the consolidated profit or loss was charged with the additional loss that resulted, compared to the initial loss that was recognized in the consolidated interim condensed financial information for June and for September 2011.

As the Group considers that the exchange of bonds and loans constitutes discontinuation of the existing relationship between the Bank and the debtor, proceeded to the full derecognition of the old securities and loans and the recognition of the new securities received from the exchange at a value initially derived by a valuation model, in accordance with the special rules set out in the International Financial Reporting Standards (IAS 39), whereas any differences arising from the initial classification of the new securities affected the consolidated profit or loss for the first quarter of 2012.

Within the second quarter of 2012, the Group redetermined the fair value of the new securities received from the exchange, based on their market value at the dates these securities were exchanged, that is 12/3/2012, 11/4/2012 and 25/4/2012. Due to the redetermination of the fair value, an additional loss was accounted for in the first quarter of 2012 and therefore the before and after tax consolidated profit or loss for the first quarter was charged with an amount of €311 million and €251 million respectively. Restated financial information for the first quarter of 2012 is presented in note 27.

From the new securities received under the private sector involvement programme (PSI), the Greek Government bonds were classified in the held to maturity portfolio and the EFSF bonds were classified in the available for sale portfolio.

The Group does not have exposure in bonds and debt of other European countries which face increased problems relating to the servicing of their debt.

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, 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 on behalf of the Group (wealth management facilities, mutual funds management, treasury).

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

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

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

1st Semester 2012	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Group (Continuing operations)	Discontinued operations
Net interest income	417,836	138,886	(327)	15,444	(149,628)	(1,893)	420,318	408,370	11,949
Net fee and commission income	68,657	14,245	1,657	338	6,231	(1,375)	89,753	89,221	531
Net revenues	525,652	159,282	4,083	(54,252)	111,703	(27,164)	719,304	706,486	12,818
Segment results	(378,189)	(56,541)	(6,791)	(376,362)	(41,564)	-	(859,447)	(863,592)	4,144
Share of results of associates							(10,906)	(10,906)	0
Results before tax							(870,353)	(874,497)	4,144
Income tax							513,066	514,516	(1,450)
Results after tax							(357,287)	(359,981)	2,694
Other segment items									
Capital expenditure	46,296	4,431	84	1,114	32,999	-	84,924	84,147	776
Depreciation and amortisation	26,024	4,250	201	482	21,781	-	52,738	51,967	770
Provisions and impairment	592,915	159,581	4,312	309,058	135,241	-	1,201,108	1,201,108	0
At 30 June 2012	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Group (Continuing operations)	Discontinued operations
Segment assets	26,462,602	7,124,138	76,979	9,375,892	3,290,657	-	46,330,268	45,614,620	715,648
Segment liabilities	17,541,875	927,031	320,097	27,837,370	1,973,606	-	48,599,979	47,976,305	623,675
1st Semester 2011	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Group (Continuing operations)	Discontinued operations
Net interest income	426,796	165,216	(675)	129,192	(107,978)	15,561	628,113	617,707	10,406
Net fee and commission income	69,079	17,593	3,887	1,875	6,911	170	99,516	99,025	491
Net revenues	550,814	186,924	6,706	123,541	(60,546)	(25,823)	781,616	770,409	11,207
Segment results	(10,575)	(1,160)	43	(984,264)	(2,048)	-	(998,004)	(1,001,086)	3,083
Share of results of associates							(5,815)	(5,815)	0
Results before tax							(1,003,819)	(1,006,901)	3,083
Income tax							175,681	176,759	(1,078)
Results after tax							(828,138)	(830,141)	2,004
Other segment items									
Capital expenditure	46,454	6,368	120	710	41,637	-	95,289	94,387	903
Depreciation and amortisation	26,174	5,018	277	446	15,396	-	47,310	46,609	702
Provisions and impairment	255,042	117,026	808	1,003,860	-	-	1,376,736	1,376,747	(11)
At 31 December 2011	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Eliminations	Group	Group (Continuing operations)	Discontinued operations
Segment assets	26,489,193	8,478,297	78,312	12,796,510	1,509,996	-	49,352,308	48,195,094	1,157,214
Segment liabilities	19,888,754	1,153,997	358,798	27,517,254	2,373,343	-	51,292,146	50,284,806	1,007,341

Regarding profit before tax of other business segments, there is no sector that contributes more than 10%.

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

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

6 Net trading income

Net trading income amounts to € 210.9 million gain for the period 1/1-30/6/2012 mainly due to the buyback of hybrid capital (Tier 1), subordinated debt (Lower Tier 2) and bonds from securitization of loans.

7 Profit/ (Loss) after income tax from discontinued operations

The results of Marathon Banking Corporation which are classified as discontinued operations, are included in the account "Profit / (loss) after income tax from discontinued operations" and are analysed as follows:

	1/1-30/6/2012	1/1-30/6/2011	1/4-30/6/2012	1/4-30/6/2011
Net interest income	11,949	10,406	6,188	5,075
Net fee and commission income	531	491	274	222
Dividend Income	59	58	30	24
Other operating income/ (expense)	279	253	143	129
Total net income	12,818	11,207	6,635	5,450
Staff costs	(4,485)	(3,913)	(2,237)	(1,908)
Administrative expenses	(3,419)	(3,522)	(1,765)	(1,692)
Depreciation and amortization	(770)	(702)	(387)	(344)
Total operating expenses before provisions	(8,674)	(8,136)	(4,389)	(3,944)
Impairment losses on loans, debt securities and other receivables	-	11	-	11
Profit/ (loss) before income tax	4,144	3,083	2,247	1,518
Income tax	(1,450)	(1,078)	(786)	(530)
Profit/ (loss) after income tax from discontinued operations	2,694	2,004	1,460	988

8 Income tax

	1st half 2012	1st half 2011
Current Tax	(7,286)	(20,670)
Deferred tax	522,964	201,586
Provisions for tax differences	(1,161)	(4,156)
	514,516	176,759

By virtue of law 3943/2011 (Government Gazette A' 66/31.3.2011), the corporate income tax rate of legal entities in Greece is 20% and the withholding tax imposed on distributed profits is 25%. 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 2011 and 2012 (Bulgaria: 10%, Romania: 16%, U.S.A.: 35%, Serbia: 10%, Ukraine: 21% for 2012 and 23% for 2011, Cyprus: 10%, Albania: 10% and United Kingdom: 24%).

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2009 have been finalized. The unaudited tax years are included in note 16. In respect of the unaudited tax years, a relevant provision has been raised according to International Financial Reporting Standards (IFRS).

For the year 2011, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A has been completed and a non qualified Tax Compliance Report has been issued. Namely to the subsidiaries and associates of Piraeus Bank Group that are incorporated in Greece and which must be audited according to the applicable law in force, the tax audit of these entities has been completed and the relevant Tax Compliance Reports have been issued.

It is noted that year 2011 will be considered as final, for tax audit purposes, eighteen months after the submission of the Tax Compliance Report to the Ministry of Finance.

The deferred tax for the period 1/1/2012 - 30/6/2012, is mainly due to the additional tax losses for this period, as well as to the recognition of income in the profit or loss account, arising from the additional deferred tax that related to the impairment of bonds in the context of PSI program, which had not been recognized in the financial statements as at 31/12/2011. The recognition of the deferred tax was based on the change in the tax law (extending the period in which relevant tax losses can be offset from 5 years to the duration of the new bonds) that took place in the first quarter of 2012, in combination with the best estimates of the Management for the future evolution of the Bank's tax results.

9 Earnings/ (Losses) per share

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

Piraeus Bank Group - 30 June 2012
Amounts in thousand euros (Unless otherwise stated)

Basic and diluted earnings/ (losses) per share from continuing operations	1/1-30/6/2012	1/1-30/6/2011	1/4-30/6/2012	1/4-30/6/2011
Net profit/ (loss) attributable to ordinary shareholders of the parent entity from continuing activities	(355,143)	(822,325)	(401,106)	(823,167)
Weighted average number of ordinary shares in issue	1,142,819,733	1,023,639,510	1,142,719,200	1,138,287,227
Basic and diluted earnings/ (losses) per share (in euros) from continuing operations	(0.3108)	(0.8033)	(0.3510)	(0.7232)

Basic and diluted earnings/ (losses) per share from discontinued operations	1/1-30/6/2012	1/1-30/6/2011	1/4-30/6/2012	1/4-30/6/2011
Net profit/ (loss) attributable to ordinary shareholders of the parent entity from discontinued operations	2,654	1,945	1,439	966
Weighted average number of ordinary shares in issue	1,142,819,733	1,023,639,510	1,142,719,200	1,138,287,227
Basic and diluted earnings/ (losses) per share (in euros) from discontinued operations	0.0023	0.0019	0.0013	0.0008

Earnings/ (losses) attributable to ordinary shareholders of the parent entity, for the period 1/1-30/6/2011 and 1/4-30/6/2011, have been adjusted so as to be comparable with the current period's and to reflect the proposal of the parent entity's Board of Directors to the Annual Ordinary General Meeting of Shareholders in 2012, not to distribute dividend, neither for the common shares nor for the preference shares.

10 Analysis of other comprehensive income

Continuing operations

1/1-30/6/2012	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	46,421	(9,387)	37,034
Change in currency translation reserve	(10,482)	-	(10,482)
Other comprehensive income from continuing operations	35,939	(9,387)	26,552

1/1-30/6/2011

Net change in available for sale reserve	118,532	(30,631)	87,901
Change in currency translation reserve	10,478	-	10,478
Other comprehensive income from continuing operations	129,010	(30,631)	98,379

Discontinued operations

1/1-30/6/2012	Before-Tax amount	Tax	Net-of-Tax amount
Net change in available for sale reserve	123	(47)	76
Change in currency translation reserve	702	-	702
Other comprehensive income from discontinued operations	825	(47)	778

1/1-30/6/2011

Net change in available for sale reserve	(525)	105	(420)
Change in currency translation reserve	(2,035)	-	(2,035)
Other comprehensive income from discontinued operations	(2,560)	105	(2,455)

11 Cash and balances with Central Banks

	30 June 2012	31 December 2011
Cash in hand	355,514	302,565
Nostros and sight accounts with other banks	1,151,290	733,887
Balances with central bank	408,604	930,324
Cheques clearing system - Central Banks	43,323	158,362
Mandatory reserves with Central Banks	402,568	427,580
	2,361,299	2,552,717

12 Financial assets at fair value through profit or loss

	30 June 2012	31 December 2011
Trading securities		
Greek government bonds	8,313	107,367
Foreign government bonds	255,963	280,585
Corporate bonds	418	9,538
Bank bonds	56	56
Greek government treasury bills	5,145	8,144
Foreign government treasury bills	-	48,191
Total	269,896	453,882
Athens stock exchange listed shares	12,802	9,204
Foreign stock exchanges listed shares	6	5
Mutual funds	8	1,221
Total	12,817	10,431
Total trading securities	282,713	464,313
Other financial instruments at fair value through profit or loss	6,922	9,922

The change in the value of Greek Government Bonds is due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4.

13 Loans and advances to customers and debt securities - receivables

	30 June 2012	31 December 2011
Mortgages	6,684,883	6,808,633
Consumer/ personal and other loans	3,133,191	3,172,900
Credit cards	724,963	750,929
Loans to individuals	10,543,037	10,732,463
Loans to corporate entities	25,404,158	26,325,555
Total loans and advances to customers	35,947,195	37,058,018
Corporate debt securities - receivables	4,968	4,834
Bank debt securities - receivables	23,846	23,178
Greek government bonds debt securities - receivables	758,812	3,098,629
Foreign government bonds debt securities - receivables	109,569	198,024
Total Debt securities - receivables	897,194	3,324,665
Less: Allowance for impairment on loans and advances to customers and debt securities - receivables	(3,327,305)	(4,748,888)
Total loans and advances to customers and debt securities - receivables (net allowances for losses)	33,517,083	35,633,795
of which:		
Loans and advances to customers (net of provisions)	32,643,735	34,005,619
Debt securities - receivables (net of provisions)	873,348	1,628,176

The change in the value of Greek Government Bonds is due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4.

Debt securities - receivables as at 30/6/2012 include Greek Government Bonds of nominal value € 782 million, which were 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 issuance of Piraeus Bank's preference shares to the Greek State of amounts € 370 million in 2009 and € 380 million in 2011. The value of the above mentioned bond, that was not included in the PSI, was amounted to € 759 million as at 30/6/2012.

Movement in allowance (impairment) for losses on loans and advances to customers and debt securities - receivables

	Loans to individuals	Loans to corporate entities/ Public sector	Total
Opening balance at 1/1/2011	682,349	750,729	1,433,078
Charge for the period	133,509	221,153	354,662
From continuing operations	133,511	221,162	354,673
From discontinued operations	(2)	(9)	(11)
Loans written-off	(44,092)	(32,316)	(76,408)
From continuing operations	(44,091)	(32,252)	(76,344)
From discontinued operations	(1)	(63)	(64)
Foreign exchange differences	331	(6,816)	(6,484)
From continuing operations	369	(6,303)	(5,933)
From discontinued operations	(38)	(513)	(551)
Balance at 30/6/2011	772,097	932,750	1,704,847
Opening balance at 1/7/2011	772,097	932,750	1,704,847
Charge for the period	167,388	3,213,054	3,380,442
From continuing operations	167,386	3,213,503	3,380,889
From discontinued operations	2	(450)	(447)
Loans written-off	(64,434)	(203,152)	(267,586)
From continuing operations	(64,432)	(203,215)	(267,647)
From discontinued operations	(2)	63	61
Foreign exchange differences	2,076	17,174	19,251
From continuing operations	1,991	16,396	18,388
From discontinued operations	85	778	863
Closing balance for Egypt companies (discontinued operations for the year 2011)	(17,872)	(70,193)	(88,065)
Balance at 31/12/2011	859,256	3,889,633	4,748,888
Opening balance at 1/1/2012	859,256	3,889,633	4,748,888
Opening balance for Egypt companies (discontinued operations for the year 2011)	17,872	70,193	88,065
Opening balance for discontinued operations	(547)	(6,603)	(7,150)
Charge for the period from continuing operations	148,991	640,149	789,140
Write offs and exchange of loans and debt securities - receivables from continuing operations	(37,966)	(2,256,303)	(2,294,269)
Foreign exchange differences from continuing operations	(324)	2,956	2,632
Balance at 30/6/2012	987,280	2,340,026	3,327,305

"Impairment losses on loans, debt securities and other receivables" in the Income Statement for the 1st semester of 2012 includes an amount of € 25.1 million that relates to impairment losses on other receivables, an amount of € 2.9 million that relates to loans written-off directly in the income statement and an amount of € 11.1 million that relates to income from repossession of corporate loans collaterals.

14 Investment securities

	30 June 2012	31 December 2011
Available for sale securities		
Bonds and other fixed income securities		
Greek government bonds	472	154,756
Foreign government bonds and EFSF bonds	283,231	286,642
Corporate entities bonds	14,161	42,901
Bank bonds	1,033	9,398
Greek government treasury bills	1,887,759	1,909,471
Foreign government treasury bills	94,856	54,156
Total	2,281,512	2,457,324
Shares and other variable income securities		
Athens stock exchange listed shares	25,647	29,177
Foreign stock exchanges listed shares	27,602	18,298
Unlisted shares	152,507	155,074
Mutual funds	54,193	85,193
Other variable income securities	5,230	-
Total	265,180	287,741
Total available for sale securities	2,546,692	2,745,065
Held to maturity		
Greek government bonds	750,084	1,198,239
Foreign government bonds	37,603	50,043
Corporate bonds	9,829	1,567
Total held to maturity	797,516	1,249,849

The change in the value of Greek Government Bonds is due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4.

15 Reclassification of financial assets

The Investment portfolio as at 30/6/2012 includes shares, mutual funds and bonds, which have been reclassified during the financial year 2008 from the "Trading securities" portfolio. Specifically, the "Available for sale securities" portfolio as at 30/6/2012 includes shares and mutual funds with fair value of € 14.9 million. The revaluation gain of € 0.6 million for 2012 has been recognized in the "Available for Sale reserve". In 2012, due to the impairment of the above mentioned shares and mutual funds, a reserve of € 2.5 million was recycled in the Income Statement. Moreover, the "Available for sale securities" portfolio as at 30/6/2012 includes bonds with fair value of € 9.6 million. The revaluation loss of € 4.0 million, for 2012 was recognized in the "Available for Sale reserve".

"Debt securities – receivables" portfolio as at 30/6/2012 includes bonds with fair value of € 3.3 million (amortized cost of € 5.0 million) which have been reclassified from the "Available for sale securities" portfolio during the financial years 2008 and 2010. "Loans and advances to credit institutions" portfolio includes bank bonds with fair value of € 6.3 million (amortized cost € 5.9 million), which have been reclassified from the "Available for sale securities" portfolio during the financial year 2008. If these bonds had not been reclassified, a revaluation loss of € 0.4 million would have been recognized in the "Available for sale reserve" of 30/6/2012. No gains or losses from the sale of reclassified bonds have been recognized in the Income Statement for the period 1/1-30/6/2012.

During the 1st semester of 2012, all reclassified Greek Government bonds were derecognized under the revised Private Sector Involvement program (PSI).

16 Investments in subsidiaries and associate companies

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

A) Subsidiary companies (full consolidation method) from continuing operations

s/n	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Tirana Bank I.B.C. S.A.	Banking activities	98.48%	Albania	2009-2011
2.	Piraeus Bank Romania S.A.	Banking activities	100.00%	Romania	2007-2011
3.	Piraeus Bank Beograd A.D.	Banking activities	100.00%	Serbia	2006-2011
4.	Piraeus Bank Bulgaria A.D.	Banking activities	99.98%	Bulgaria	2010-2011
5.	Piraeus Bank Egypt S.A.E.	Banking activities	98.30%	Egypt	2003-2011
6.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine	2011
7.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus	2007-2011
8.	Piraeus Asset Management Europe S.A.	Mutual funds management	100.00%	Luxemburg	-
9.	Piraeus Leasing Romania S.R.L.	Finance leases	100.00%	Romania	2003-2011
10.	Piraeus Insurance and Reinsurance Brokerage S.A.	Insurance and reinsurance brokerage	100.00%	Greece	2010-2011
11.	Tirana Leasing S.A.	Finance leases	100.00%	Albania	2010-2011
12.	Piraeus Securities S.A.	Stock exchange operations	100.00%	Greece	2006-2011

Piraeus Bank Group - 30 June 2012
Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country	Unaudited tax years
13.	Piraeus Group Capital LTD	Debt securities issue	100.00%	United Kingdom	-
14.	Piraeus Leasing Bulgaria EAD	Finance leases	100.00%	Bulgaria	2008-2011
15.	Piraeus Auto Leasing Bulgaria EAD	Auto leases	100.00%	Bulgaria	2008-2011
16.	Piraeus Group Finance P.L.C.	Debt securities issue	100.00%	United Kingdom	2011
17.	Piraeus Factoring S.A.	Corporate factoring	100.00%	Greece	2010-2011
18.	Picar S.A.	City link areas management	100.00%	Greece	2010-2011
19.	Bulfina S.A.	Property management	100.00%	Bulgaria	2008-2011
20.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece	2010-2011
21.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece	2010-2011
22.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece	2010-2011
23.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece	2011
24.	ND Development S.A.	Property management	100.00%	Greece	2010-2011
25.	Property Horizon S.A.	Property management	100.00%	Greece	2010-2011
26.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece	2010-2011
27.	Piraeus Development S.A.	Property management	100.00%	Greece	2010-2011
28.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece	2010-2011
29.	Piraeus Buildings S.A.	Property development	100.00%	Greece	2010-2011
30.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
31.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.89%	Cyprus	2006-2011
32.	Lakkos Mikelli Real Estate LTD	Property management	50.66%	Cyprus	2009-2011
33.	Philoktimatiki Public LTD	Land and property development	53.31%	Cyprus	2009-2011
34.	Philoktimatiki Ergoliptiki LTD	Construction company	53.31%	Cyprus	2008-2011
35.	New Evolution S.A.	Property, tourism & development company	100.00%	Greece	2010-2011
36.	Imperial Stockbrokers Limited	Stock exchange operations	100.00%	Cyprus	2007-2011
37.	Imperial Eurobrokers Limited	Stock exchange operations	100.00%	Cyprus	2008-2011
38.	EMF Investors Limited	Investment company	100.00%	Cyprus	2008-2011
39.	Euroinvestment Mutual Funds Limited	Mutual funds management	100.00%	Cyprus	2007-2011
40.	Bull Fund Limited	Investment company	100.00%	Cyprus	2008-2011
41.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece	2011
42.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	100.00%	Greece	2005-2011
43.	Sunholdings Properties Company LTD	Land and property development	26.66%	Cyprus	2008-2011
44.	Piraeus Cards S.A.	Financial services and consultancy	100.00%	Greece	2010-2011
45.	Polytropon Properties Limited	Land and property development	39.98%	Cyprus	2008-2011
46.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia	-
47.	Vitria Investments S.A.	Investment company	100.00%	Panama	-
48.	Piraeus Insurance Brokerage EOOD	Insurance brokerage	99.98%	Bulgaria	2007-2011
49.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands	-
50.	Piraeus Egypt Leasing Co.	Finance leases	98.30%	Egypt	2007-2011
51.	Piraeus - Egypt Asset Management Co.	Property administration	98.30%	Egypt	2005-2011
52.	Piraeus Egypt for Securities Brokerage Co.	Stock exchange operations	98.30%	Egypt	2007-2011
53.	Piraeus Insurance Reinsurance Broker Romania S.R.L.	Insurance and reinsurance brokerage	100.00%	Romania	2009-2011
54.	Piraeus Real Estate Consultants S.R.L.	Construction company	100.00%	Romania	2007-2011
55.	Piraeus Leases S.A.	Finance leases	100.00%	Greece	2007-2011
56.	Orion Energy Photovoltaics S.A.	PV Solar projects development	65.00%	Greece	2007-2011
57.	Astraios Energy Photovoltaics S.A.	PV Solar projects development	65.00%	Greece	2007-2011
58.	Multicollection S.A.	Assessment and collection of commercial debts	51.00%	Greece	2009-2011
59.	Olympic Commercial & Tourist Enterprises S.A.	Oper.leases- Rent-a-Car and long term rental of vehicl.	94.98%	Greece	2009-2011
60.	Piraeus Rent Doo Beograd	Operating Leases	100.00%	Serbia	2007-2011
61.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom	-
62.	Piraeus Leasing Doo Beograd	Finance leases	100.00%	Serbia	2007-2011
63.	Piraeus Real Estate Consultants Doo	Construction company	100.00%	Serbia	2008-2011
64.	Piraeus Real Estate Bulgaria EOOD	Construction company	100.00%	Bulgaria	2007-2011
65.	Piraeus Real Estate Egypt LLC	Construction company	99.80%	Egypt	2007-2011
66.	Piraeus Bank Egypt Investment Company	Investment company	98.28%	Egypt	2007-2011
67.	Piraeus Best Leasing Bulgaria EAD	Auto Leases	99.98%	Bulgaria	2007-2011
68.	Piraeus Insurance Agency S.A.	Insurance - agency	100.00%	Greece	2008-2011
69.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece	2010-2011
70.	Piraeus Insurance Brokerage Egypt	Insurance brokerage	96.33%	Egypt	2008-2011
71.	Integrated Services Systems Co.	Warehouse & mail distribution management	97.31%	Egypt	2004-2011
72.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom	-
73.	Piraeus Wealth Management A.E.P.E.Y.	Wealth management	65.00%	Greece	2010-2011
74.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
75.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom	-
76.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom	-
77.	Axia III APC LIMITED	SPE for securitization of corporate loans	-	United Kingdom	-
78.	Praxis II APC LIMITED	SPE for securitization of consumer loans	-	United Kingdom	-
79.	PROSPECT N.E.P.A.	Yachting management	100.00%	Greece	2010-2011
80.	R.E Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus	2009-2011

Piraeus Bank Group - 30 June 2012
Amounts in thousand euros (Unless otherwise stated)

s/n	Name of Company	Activity	% holding	Country	Unaudited tax years
81.	Pleiades Estate S.A.	Property management	100.00%	Greece	2010-2011
82.	Solum Ltd Liability Co.	Property management	100.00%	Ukraine	2009-2011
83.	Piraeus (Cyprus) Insurance Brokerage Ltd	Insurance brokerage	100.00%	Cyprus	2009-2011
84.	O.F. Investments Ltd	Investment company	100.00%	Cyprus	2010-2011
85.	DI.VI.PA.KA S.A.	Administrative and managerial body of the Kastoria industrial park	57.53%	Greece	2010-2011
86.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus	2011
87.	Piraeus Equity Advisors Ltd.	Investment advise	100.00%	Cyprus	2009-2011
88.	Achaia Clauss Estate S.A.	Property management	74.47%	Greece	2010-2011
89.	Piraeus Equity Investment Management Ltd	Investment management	100.00%	Cyprus	2009-2011
90.	Piraeus FI Holding Ltd	Holding company	100.00%	British Virgin Islands	-
91.	Piraeus Master GP Holding Ltd	Investment advice	100.00%	British Virgin Islands	-
92.	Piraeus Clean Energy GP Ltd	General partner of Piraeus Clean Energy LP	100.00%	Cyprus	2009-2011
93.	Piraeus Wealth Management (Switzerland) S.A.	Wealth management	42.25%	Switzerland	-
94.	Curdart Holding Ltd	Holding company	100.00%	Cyprus	2009-2011
95.	Piraeus Clean Energy LP	Renewable Energy Investment Fund	100.00%	United Kingdom	2010-2011
96.	Piraeus Clean Energy Holdings LTD	Holding Company	100.00%	Cyprus	2010-2011
97.	Visa Rent A Car A.E.	Rent A Car company	94.98%	Greece	2010-2011
98.	Adflikton Investments LTD	Property Management	100.00%	Cyprus	2009-2011
99.	Cospleon Investments LTD	Property Management	100.00%	Cyprus	2010-2011
100.	Cutsofiar Enterprises LTD	Property Management	100.00%	Cyprus	2010-2011
101.	Gravieron Company LTD	Property Management	100.00%	Cyprus	2008-2011
102.	Kaihur Investments LTD	Property Management	100.00%	Cyprus	2007-2011
103.	Pertanam Enterprises LTD	Property Management	100.00%	Cyprus	2007-2011
104.	Rockory Enterprises LTD	Property Management	100.00%	Cyprus	2010-2011
105.	Topuni Investments LTD	Property Management	100.00%	Cyprus	2007-2011
106.	Albalate Company LTD	Property Management	100.00%	Cyprus	2011
107.	Akimoria Enterprises LTD	Property Management	100.00%	Cyprus	2011
108.	Alarconarco Enterprises LTD	Property Management	100.00%	Cyprus	2011
109.	Kosmopolis A' Shopping Centers S.A.	Shopping Center's Management	100.00%	Greece	2010-2011
110.	Parking Kosmopolis S.A.	Parking Management	100.00%	Greece	2010-2011
111.	Zibeno Investments Ltd	Holding Company	83.00%	Cyprus	2011
112.	Bulfince E.A.D.	Property Management	100.00%	Bulgaria	2008-2011
113.	Zibeno I Energy S.A.	Energy generation through renewable energy resources	83.00%	Greece	-
114.	Asset Management Bulgaria EOOD	Travel - rental services and property management	100.00%	Bulgaria	-
115.	Arigeo Energy Holdings Ltd	Holding Company in Renewable Energy	100.00%	Cyprus	-

Companies numbered 30, 61, 72, and 74-78 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 43, 45 and 93 although presenting less than 50% holding percentage, are included in the Group's subsidiaries' portfolio due to existence of control.

Also, as at 30/6/2012 the companies numbered 29, 46, 47, 58 and 63 were under liquidation, though company 93 was under disolution.

B) Associate companies (equity accounting method) from continuing operations

s/n	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Crete Scient. & Tech. Park Manag. & Dev. Co. S.A.	Scientific and technology park management	30.45%	Greece	2010-2011
2.	Evrois' Development Company S.A.	European community programs management	30.00%	Greece	2010-2011
3.	Project on Line S.A.	Information technology & software	40.00%	Greece	2010-2011
4.	Alexandria for Development & Investment	Investment company	21.63%	Egypt	2008-2011
5.	Nile Shoes Company	Footwear seller- manufacturer	38.67%	Egypt	2003-2011
6.	APE Commercial Property Real Estate Tourist and Development S.A.	Holding Company	27.80%	Greece	2010-2011
7.	APE Fixed Assets Real Estate Tourist and Development S.A.	Real estate, development/ tourist services	27.80%	Greece	2010-2011
8.	Trieris Real Estate LTD	Property management	22.94%	British Virgin Islands	-
9.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece	2010-2011
10.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece	2010-2011
11.	Sciens International Investments & Holding S.A.	Holding company	28.10%	Greece	2010-2011
12.	Ekathariseis Aktiploias S.A.	Ticket settlements	49.00%	Greece	2011
13.	Trastor Real Estate Investment Company	Real estate investment property	33.80%	Greece	2006-2011
14.	Euroterra S.A.	Property management	39.22%	Greece	2010-2011
15.	Rebikat S.A.	Property management	40.00%	Greece	2010-2011
16.	Abies S.A.	Property management	40.00%	Greece	2010-2011
17.	ACT Services S.A.	Accounting and tax consulting	49.00%	Greece	2010-2011
18.	Exodus S.A.	Information technology & software	50.10%	Greece	2010-2011
19.	Good Works Energy Photovoltaics S.A.	Construction & operation PV solar projects	33.15%	Greece	2006-2011
20.	Entropia Ktimatiki S.A.	Property Management	33.30%	Greece	2010-2011
21.	Piraeus - TANEQ Capital Fund	Venture capital fund	50.01%	Greece	-

The company numbered 18 is included in the associate companies' portfolio, as Piraeus Bank Group owns 40.10% of the voting rights. The company numbered 12 is under liquidation as at 30/6/2012. The company numbered 21 is included in the associate companies' portfolio, due to the fact that Piraeus Bank Group exercises significant influence on the investment committee of the fund, which takes the investment decisions.

The changes in the portfolio of subsidiaries and associates are included in note 26.

C) Subsidiaries from discontinued operations

Piraeus Bank Group company (Marathon Banking Corporation), that is included in discontinued operations is analyzed below.

s/n	Name of Company	Activity	% holding	Country	Unaudited tax years
1.	Marathon Banking Corporation	Banking activities	98.54%	U.S.A	2008-2011

17 Balance sheet - Discontinued operations

The assets and liabilities as at 30/6/2012 concern the company Marathon Banking Corporation, though the assets and liabilities as at 31/12/2011 concern Piraeus Bank Egypt Group.

	30 June 2012	31 December 2011
ASSETS		
Cash and balances with Central Banks	183,853	113,092
Loans and advances to credit institutions	2,413	203,351
Trading securities	-	2,339
Loans and advances to customers and debt securities - receivables (net of provisions)	447,614	670,047
Available for sale securities	28,449	77,371
Held to maturity	9,529	11,181
Investments in associated undertakings	-	1,406
Intangible assets	19,768	23,481
Property, plant and equipment	5,571	37,448
Assets held for sale	-	1,091
Deferred tax assets	5,554	-
Inventories property	1,554	-
Other assets	11,345	16,409
Total Assets	715,648	1,157,214
LIABILITIES		
Due to credit institutions	-	49,159
Due to customers	617,195	930,172
Hybrid capital and other borrowed funds	4,095	-
Retirement benefit obligations	-	5,805
Other provisions	-	1,486
Current income tax liabilities	-	799
Deferred tax liabilities	-	3
Other liabilities	2,385	19,917
Total Liabilities	623,675	1,007,341

18 Due to credit institutions

Due to credit institutions includes refinancing operations through repo transactions within the eurosystem amounting to € 25.8 billion (31/12/2011: € 22.3 billion). The increase of the raised liquidity of the Group from the eurosystem through the available refinancing operations with collaterals, during the first semester of 2012, reflects the decreased overall liquidity within the Greek banking system (reduction of deposits).

19 Due to customers

	30 June 2012	31 December 2011
Current and sight deposits	3,347,917	4,168,540
Savings accounts	2,692,820	2,866,294
Term deposits	12,684,744	14,382,454
Other accounts	240,801	187,810
Repurchase agreements	69,823	190,579
	19,036,106	21,795,677

The decrease in 'Due to customers' is due to further, in the period 1/1-30/6/2012, outflow of deposits from the Greek banking system.

20 Debt securities in issue

	30 June 2012	31 December 2011
ETBA bonds	1,756	4,015
Euro Medium Term Note		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 20 m. floating rate notes due 2012	18,399	19,996
€ 500 m. fixed rate notes due 2012	338,344	355,576
€ 50.3 m. fixed rate notes due 2012	-	38,228
€ 25.5 m. fixed rate notes due 2013	15,164	19,977
Accrued interest and other expenses	11,271	4,914
	443,178	498,691
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	82,248	190,867
€ 1,250 m. floating rate notes due 2054	242,320	574,471
	324,567	765,338
Total debt securities in issue	769,502	1,268,045

It should be noted that the first and third securitisation of corporate loans in the amount of € 1,750 million and € 2,352 million respectively as well as the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively, continue to be retained by Piraeus Bank.

Issuance under the Euro Medium Term Note program is undertaken through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group. Information concerning the new issues of debt securities during the 1st semester of 2012, which have been retained by the Bank, are presented below:

In February 2012 and in March 2012 Piraeus Bank issued three 3-month floating rate senior bonds in the total amount of € 5,337 million. In May 2012 and June 2012 Piraeus Bank issued two 3-month floating rate senior bonds in the amount of € 3,587 million. The bonds were issued with the unconditional guarantee of the Hellenic Republic under Art. 2 of Law 3723/2008 through Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bonds pay a floating rate coupon of 3M Euribor plus 1200bps. All bonds have been retained by Piraeus Bank.

Piraeus Bank, within the first semester of 2012, proceeded to the buy back of bonds of securitised loans of total nominal value € 375 million.

21 Hybrid capital and other borrowed funds

	30 June 2012	31 December 2011
Hybrid capital (Tier I)		
€ 200 m. floating rate notes due 2034	71,434	158,636
Accrued interest and other expenses	394	965
	71,828	159,601
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	266,475	333,038
Accrued interest and other expenses	1,410	2,345
	267,885	335,383
Other borrowed funds (USD)	0	3,984
Total hybrid capital and other borrowed funds	339,713	498,968

On 2 March 2012, Piraeus Bank announced a Tender Offer to purchase existing securities for cash. This Tender Offer referred to subordinated (€ 330 million) and hybrid (€ 159 million) securities of € 489 million total amount. On 12 March 2012, Piraeus Bank announced that it accepted offers of € 144 million, out of which € 60 million subordinated securities and € 84 million hybrid securities.

Accrued interest on hybrid capital and other borrowed funds is included in the respective balances of hybrid capital and other borrowed funds.

The Group is not in default of any payments of principal and interest of the aforementioned borrowed funds. However, especially for hybrid capital, an assessment is carried out every time for the occurrence or not of the special terms and conditions that rule out the related payments.

22 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Group as at 30/6/2012 are not expected to have any significant impact on the Group's financial statements, according to the opinion of the legal affairs division of the Bank and its subsidiaries. The Group's provision for outstanding litigations amounts to € 3.3 million and concerns only continuing operations.

B) Credit commitments

As at 30/6/2012 the Group had undertaken the following commitments:

Piraeus Bank Group - 30 June 2012
Amounts in thousand euros (Unless otherwise stated)

	30 June 2012	31 December 2011
Letters of guarantee	2,534,040	2,571,736
Letters of credit	44,301	53,841
Commitments to extent credit	1,312,408	1,737,346
	3,890,750	4,362,923

C) Assets pledged

	30 June 2012	31 December 2011
Loans and advances to credit institutions	785,951	-
Balances with central banks	18,921	567
Trading securities	159,770	385,626
Investment securities	1,991,575	3,013,094
Debt securities issued and held by the Group	15,220,674	14,702,402
Loans and advances to customers and debt securities receivables	14,749,829	12,485,612
	32,926,720	30,587,302

In the "Debt securities issued and held by the Group" category, an amount of € 13,623 million refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic and an amount of € 347 million refers to securities issued under the securitization of mortgage loans and an amount of € 1,250 million refers to Bank's issuance of covered bonds. The prementioned securities are not included in assets.

D) Operating lease commitments

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

	30 June 2012	31 December 2011
Up to 1 year	38,201	44,767
From 1 to 5 years	151,358	174,827
More than 5 years	271,396	329,636
	460,954	549,230

23 Share capital

	Share Capital	Share Premium	Treasury Shares	Total
Opening balance at 1st January 2011	470,882	2,430,877	(8,790)	2,892,969
Increase of share capital through cash payment	242,116	522,478	-	764,594
Issue of preference shares	380,000	-	-	380,000
(Purchases)/ sales of treasury shares and preemption rights	-	-	8,598	8,598
Balance at 31 December 2011	1,092,998	2,953,355	(192)	4,046,161
Opening balance at 1st January 2012	1,092,998	2,953,355	(192)	4,046,161
(Purchases)/ sales of treasury shares	-	-	124	124
Balance at 30 June 2012	1,092,998	2,953,355	(68)	4,046,285

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

	Number of shares		
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1st January 2011	413,840,653	(2,624,173)	411,216,480
Issue of ordinary shares	807,054,045	-	807,054,045
Acquisition of treasury shares due to share capital increase	-	(3,872,743)	(3,872,743)
Purchases of treasury shares and preemption rights	-	(17,823,643)	(17,823,643)
Sales of treasury shares and preemption rights	-	23,911,771	23,911,771
Issue of preference shares	1,266,666,666	-	1,266,666,666
Balance at 31 December 2011	2,487,561,364	(408,788)	2,487,152,576
	Issued shares	Treasury shares	Net number of shares
Opening balance at 1st January 2012	2,487,561,364	(408,788)	2,487,152,576
Purchases of treasury shares	-	(1,560,975)	(1,560,975)
Sales of treasury shares	-	1,734,893	1,734,893
Balance at 30 June 2012	2,487,561,364	(234,870)	2,487,326,494

On 30/6/2012 the Bank's share capital amounts to € 1,092,997,968.18, divided into 1,143,326,564 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 preferred non voting shares, each with a nominal value of € 4.77 and (b) 1,266,666,666 preferred non voting shares, each with a nominal value of € 0.30.

Pursuant to the Ordinary Shareholders Meeting resolution dated 29/6/2012, the revocation of the 20/5/2011 Ordinary Shareholders Meeting resolution was approved regarding the reverse split of the Bank's common shares and thus the restoration of the nominal value of each common share from one euro and twenty cents (€ 1.20) to thirty cents (€ 0.30) with simultaneous increase of the number of common shares of the Bank, from two hundred and eighty five million eight hundred and thirty one thousand six hundred and forty one (285,831,641) to one billion one hundred and forty three million three hundred and twenty six thousand five hundred and sixty four (1,143,326,564), as well as the relevant amendment of the articles 5 and 27 of the Bank's Articles of Association.

The Ordinary General Meeting of Shareholders, held on 29/6/2012, decided not to distribute dividend to the shareholders for fiscal year 2011, according to the established provisions (article 44a law 2190/1920 and article 1 of Law 3723/2008 as in force, combined with article 4 of Law 4063/2012) for the credit institutions participating in the Economy reinforcement plan.

According to article 28, Law 3756/2009 (Gov. Gazette A' 53/31.3.2009) the acquisition of treasury shares is not permitted for so long as the Bank participates in the reinforcement programmes, provided by the Law 3723/2008 (Gov. Gazette A' 250/9.12.2008).

Treasury shares transactions are carried out by the Group subsidiary Piraeus Securities S.A. through its activities relating to its role as a market maker.

24 Other reserves and retained earnings

	30 June 2012	31 December 2011
Legal reserve	107,289	104,149
Extraordinary reserve	1,837	1,822
Available for sale reserve	(35,191)	(67,924)
Currency translation reserve	(196,657)	(179,659)
Other reserves	14,176	10,554
Amounts recognized directly in equity relating to non-current assets from discontinued operations	<u>(3,021)</u>	<u>(14,529)</u>
Total other reserves	(111,568)	(145,587)
Retained earnings	<u>(6,335,120)</u>	<u>(5,975,642)</u>
Total other reserves and retained earnings	<u>(6,446,688)</u>	<u>(6,121,229)</u>

In the "Amounts recognized directly in equity relating to non-current assets from discontinued operations" category, the "Available for sale reserve" and the "Currency translation reserve" from discontinued operations are included.

	30 June 2012	31 December 2011
Other reserves movement		
Opening balance for the period	(145,587)	(432,845)
Movement of available for sale reserve	32,733	274,791
Formation of legal reserve	3,139	3,662
Formation of other reserves	3,637	18,934
Foreign exchange differences and other adjustments	(16,998)	4,401
Amounts recognized directly in equity relating to non-current assets from discontinued operations	<u>11,508</u>	<u>(14,529)</u>
Closing balance for the period	<u>(111,568)</u>	<u>(145,587)</u>

	30 June 2012	31 December 2011
Available for sale reserve movement		
Opening balance for the period	(67,923)	(342,714)
Opening balance for Egypt companies	(4,999)	2,864
Opening balance for discontinued operations (Marathon Banking Corporation)	708	-
Gains/ (losses) from the valuation of bonds and Greek Government Treasury Bills	43,011	(260,331)
Gains/ (losses) from the valuation of shares and mutual funds	(5,665)	(93,170)
Recycling to income statement of Greek Government bonds impairment	-	428,125
Recycling to income statement of shares and mutual funds impairment	8,849	267,190
Deferred income tax	(9,388)	(76,366)
Recycling of the accumulated fair value adjustment of disposed securities	745	(82)
Depreciation of accumulated impairment of transferred bonds	-	6,741
Foreign exchange differences and other movements	<u>(529)</u>	<u>(180)</u>
Closing balance for the period	<u>(35,191)</u>	<u>(67,923)</u>

	30 June 2012	31 December 2011
Retained earnings movement		
Opening balance for the period	(5,975,641)	672,687
Profit/ (loss) after tax attributable to the owners of the parent entity	(352,489)	(6,613,379)
Profit/ (loss) from sales of treasury shares	65	(7,534)
Share capital increase expenses	(23)	(4,180)
Transfer between other reserves and retained earnings	(6,776)	(22,596)
Acquisitions, disposals, liquidations and change in subsidiaries' holding	(256)	(454)
Other movements	<u>-</u>	<u>(185)</u>
Closing balance for the period	<u>(6,335,121)</u>	<u>(5,975,641)</u>

Negative retained earnings, mainly as a result of the Bank's participation to PSI, contributed to a negative shareholders equity of the Bank and the Group, making therefore necessary the recapitalization of the Bank. The recapitalization is in progress and further information is provided in Note 3.

25 Related parties transactions

Related parties include: a) Members of the Bank Board of Directors and key management personnel of the Bank, b) Close family and financially dependants (husbands, wives, children etc) of Board of Directors members and key management personnel, c) Companies having transactions with Piraeus Bank Group, if the total cumulative participating interest (of members of Board of Directors, key management personnel and their dependants/ close family) exceeds cumulatively 20%.

	Board of Directors members and key management personnel	
	30 June 2012	31 December 2011
Loans	88,052	130,510
Deposits	15,461	27,692

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/6/2012 are € 0.8 million (31/12/2011: € 1.2 million). The total income that relates to members of the Board of Directors and to key management personnel for the period 1/1-30/6/2012 is € 1.7 million (1/1-30/6/2011: € 2.3 million). The total expense that relates to the prementioned related parties for the period is € 0.5 million (1/1-30/6/2011: € 0.5 million).

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

Directors' remuneration	1/1-30/6/2012	1/1-30/6/2011
Wages, salaries, employer's share of social contributions and charges	2,228	2,253
Provisions and payments for compensation and retirement programs	1,244	4,138
	3,472	6,391

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel amount to € 24.4 million from € 23.9 million as at 31/12/2011. The full amount of the above provisions has been included in the retirement benefit obligations.

	Associates	
	30 June 2012	31 December 2011
Deposits and other liabilities	43,816	47,246
Loans and other receivables	181,222	100,655
	1/1-30/6/2012	1/1-30/6/2011
Total expense	(9,898)	(879)
Total income	5,324	1,344

26 Changes in the portfolio of subsidiaries and associates

In the period from 1/1/2012 to 30/6/2012, the following changes took place in the Group's portfolio of subsidiaries and associates:

a) Increases of participation:

On 22/2/2012, Piraeus Bank S.A. increased its participation in Marathon Banking Corporation through the purchase of 140 shares with the amount of € 111.4 thousand, increasing its shareholding percentage from 98.43% to 98.54%.

On 28/6/2012, ETVA Industrial Parks S.A., 65% subsidiary of Piraeus Bank S.A., purchased from its 51% subsidiary Good Works Energy Photovoltaics S.A., 99.99% of Orion Energy Photovoltaics' S.A. and Astraio Energy Photovoltaics' S.A. shareholding percentage, with the amount of € 29.92 thousand and € 29.45 thousand respectively. As a result, ETVA Industrial Parks S.A. possesses 100% of the above mentioned companies. Whereas the Group's shareholding percentage is 65%.

b) Acquisitions-Establishments:

On 06/2/2012, Bulfinace EAD, 100% Group's subsidiary, established Asset Management Bulgaria EOOD, with the amount of € 1.02. Therefore, Group's shareholding percentage in the company equals to 100%.

On 17/2/2012, Zibeno Investments LTD, 83% Group's subsidiary, established Zibeno I Energy S.A., with the amount of € 60 thousand. Therefore, Group's shareholding percentage in Zibeno I Energy S.A. equals to 83%.

On 30/5/2012, Piraeus Clean Energy Holdings LTD, 100% Group's subsidiary, established Arigeo Energy Holdings Ltd, with a share capital €1 thousand.

c) Participation in share capital increases/ decreases:

Piraeus - TANEO Capital Fund, an associate of Piraeus Bank S.A. by 50.01%, increased its assets with the amount of € 187.5 thousand. Therefore, on 26/3/2012, Piraeus Bank S.A. covered its participation with the amount of € 93.77 thousand without altering its shareholding percentage.

On 5/4/2012, the next share capital installment of amount € 1.50 million took place regarding Piraeus - TANEO Capital Fund. Piraeus Bank S.A. covered its shareholding ratio with the amount of € 0.75 million without altering its shareholding percentage.

On 10/4/2012, Piraeus Bank S.A. R.E. fully covered the share capital increase of Anodus LTD, almost 100% subsidiary of Piraeus Bank S.A., with the amount of € 0.30 million, increasing slightly its shareholding percentage.

On 3/5/2012, Piraeus Bank Beograd A.D., 100% subsidiary of Piraeus Bank S.A., increased its share capital with the amount of €19.88 million through the conversion of subordinated loan. Piraeus Bank S.A. fully covered the share capital increase without altering its shareholding percentage.

On 10/5/2012, Piraeus Bank Beograd A.D., 100% subsidiary of Piraeus Bank S.A., fully covered the share capital increase of Piraeus Leasing DOO Beograd, 100% Group's subsidiary, with the amount of € 0.67 million, Therefore, Piraeus Bank Beograd A.D., increased its direct shareholding percentage to 49.00%, without altering Group's shareholding percentage (100%).

On 7/6/2012, Piraeus Bank S.A., almost fully covered the share capital increase of its 98.03% subsidiary Piraeus Bank Egypt S.A.E., with the amount of € 26.36 million through the conversion of subordinated loan. Therefore, Piraeus Bank S.A. increased its direct shareholding percentage from 98.03% to 98.30%.

d) Liquidation of shareholding percentages:

On 10/5/2012, the dissolution of Maples Invest & Holding S.A. and Margetson Invest & Finance S.A., 100% subsidiaries of Piraeus Bank S.A. has been completed.

27 Restatement of comparatives

a) Restatement of comparatives of 2011

The restatement in Consolidated Interim Income Statement of the comparative period 1/1-30/6/2011 and 1/4-30/6/2011 and Consolidated Interim Cash Flow Statement of the comparative period 1/1-30/6/2011 for the presentation of Marathon Banking Corporation in "Discontinued operations" as well as for the proposal not to distribute dividend to shareholders of preference shares (note 9), are presented below.

Moreover, for the period 1/1-30/6/2011, a loss of € 559 thousand (1/4-30/6/2011: 537 thousand) was reclassified from "Results from investment securities" and an amount of € 303,670 thousand (1/4-30/6/2011: 303,670 thousand) from "Impairment losses on loans, receivables and Greek government bonds" to "Impairment on investment securities" and also an amount of € 565 thousand (1/4-30/6/2011: 270 thousand) from "Impairment losses on loans, receivables and Greek government bonds" to "Other provisions and impairment".

Consolidated income statement	1/1-30/6/2011			1/4-30/6/2011		
	Published amounts	Discontinued operations	Continuing operations	Published amounts	Discontinued operations	Continuing operations
Interest and similar income	1,418,916	12,513	1,406,403	732,399	6,066	726,333
Interest expense and similar charges	(790,803)	(2,107)	(788,696)	(413,036)	(991)	(412,045)
Net interest income	628,113	10,406	617,707	319,363	5,075	314,288
Fee and commission income	117,071	619	116,451	59,954	292	59,662
Fee and commission expense	(17,555)	(128)	(17,427)	(9,072)	(70)	(9,003)
Net fee and commission income	99,516	491	99,025	50,882	222	50,660
Dividend income	3,143	58	3,086	2,958	24	2,935
Net trading income	27,109	-	27,109	13,063	-	13,063
Net income from financial instruments designated at fair value through profit or loss	(2,354)	-	(2,354)	(1,150)	-	(1,150)
Results from investment securities	(458)	-	101	(206)	-	331
Other operating income/ (expense)	25,988	253	25,735	13,204	129	13,075
Total net income	781,057	11,207	770,409	398,113	5,450	393,200
Staff costs	(195,110)	(3,913)	(191,198)	(94,492)	(1,908)	(92,584)
Administrative expenses	(158,844)	(3,522)	(155,323)	(85,965)	(1,692)	(84,273)
Depreciation and amortization	(47,310)	(702)	(46,609)	(23,258)	(344)	(22,914)
Gains/ (losses) from sale of assets	(1,618)	-	(1,618)	(976)	-	(976)
Total operating expenses before provisions	(402,883)	(8,136)	(394,747)	(204,691)	(3,944)	(200,747)
Impairment losses on loans, debt securities and other receivables	(1,373,875)	11	(1,069,651)	(1,204,787)	11	(900,858)
Impairment on investment securities	-	-	(304,229)	-	-	(304,207)
Other provisions and impairment	(2,302)	-	(2,867)	(818)	-	(1,089)
Share of profit of associates	(5,815)	-	(5,815)	(1,673)	-	(1,673)
Profit/ (loss) before income tax	(1,003,818)	3,083	(1,006,901)	(1,013,856)	1,518	(1,015,374)
Income tax	175,681	(1,078)	176,759	183,838	(530)	184,368
Profit/ (loss) after income tax	(828,137)	2,004	(830,141)	(830,018)	988	(831,005)
Profit/ (loss) for the period attributable to equity holders of the parent entity	(820,380)	1,945	(822,325)	(822,200)	966	(823,167)
Non controlling interest	(7,757)	60	(7,816)	(7,817)	21	(7,839)
Earnings/ (losses) per share attributable to equity holders of the parent entity:						
- Basic and Diluted	(0.8158)	0.0019	(0.8033)	(0.7288)	0.0008	(0.7232)

Consolidated cash flow statement

	1/1-30/6/2011		
	Published amounts	Discontinued operations	Continuing operations
Net cash inflow/ (outflow) from operating activities	445,057	(34,574)	479,632
Net cash inflow/ (outflow) from investing activities	(1,253,623)	7,534	(1,261,157)
Net cash inflow/ (outflow) from financing activities	64,461	(291)	64,753
Total cash inflows/ (outflows) for the period	(744,105)	(27,332)	(716,773)
Effect of exchange rate fluctuations on cash and cash equivalents	(1,920)	-	(1,920)
Net increase/ (decrease) in cash and cash equivalents of the period	(746,025)	(27,332)	(718,693)
Cash and cash equivalents at the beginning of the period	4,034,929	141,191	3,893,738
Cash and cash equivalents at the end of the period	3,288,904	113,860	3,175,045

b) Restatement of 31/3/2012 comparatives

Profit / (loss) before income tax and profit / (loss) after income tax of Piraeus Bank Group for the 1st quarter of 2012 has been restated by 311 million and by 251 million respectively under the Private sector involvement programme (PSI) as set out in note 4. Moreover, according to the provisions of IFRS 5, Piraeus Bank Egypt Group was transferred during 2012 from discontinued operations to continuing operations while Marathon Bank was transferred from continuing operations to discontinued operations.

The restatements of the 1st quarter of 2012 and the restated amounts of Piraeus Bank Group in the consolidated interim income statement, the consolidated interim statement of financial position, the consolidated interim statement of total comprehensive income, the consolidated interim statement of changes in equity and in the consolidated interim cash flow statement are presented below.

RESTATEMENTS OF CONSOLIDATED INTERIM INCOME STATEMENT

	Period from 1 January to 31 March 2012		
	Published	Discontinued	Restated
TOTAL NET INCOME	391,777	2,568	394,346
TOTAL OPERATING EXPENSES BEFORE PROVISIONS	(173,679)	(3,887)	(177,566)
PROFIT BEFORE PROVISIONS AND INCOME TAX	218,098	(1,319)	216,779
Impairment losses on loans, debt securities and other receivables	(294,314)	(121)	(294,435)
Impairment on investment securities	(1,610)	(311,240)	(312,850)
Other provisions and impairment	(254)	-	(254)
Share of profit of associates	(1,451)	25	(1,426)
PROFIT/ (LOSS) BEFORE INCOME TAX	(79,531)	(312,654)	(392,185)
Income tax	375,856	60,199	436,055
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	296,325	(252,455)	43,871
Profit/ (loss) after income tax from discontinued operations	(607)	1,840	1,233
PROFIT AFTER TAX FOR THE PERIOD	295,719	(250,615)	45,104
From continuing operations			
Profit/ (Loss) for the period attributable to equity holders of the parent entity	297,635	(251,672)	45,963
Non controlling interest	(1,310)	(782)	(2,092)
From discontinued operations			
Profit/ (Loss) for the period attributable to equity holders of the parent entity	(588)	1,803	1,215
Non controlling interest	(18)	37	19
Earnings/ (Losses) per share attributable to equity holders of the parent entity (in euros):			
From continuing operations			
- Basic and Diluted	0.2604	(0.2202)	0.0402
From discontinued operations			
- Basic and Diluted	(0.0005)	0.0016	0.0011

RESTATEMENTS OF CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	31 March 2012		
	Published	Restatements	Restated
ASSETS			
Investment securities			
- Available for sale securities	3,174,802		3,174,802
- Held to maturity	1,071,915	(311,240)	760,675
Deferred tax assets	1,548,986	60,625	1,609,610
Other assets	41,698,026		41,698,026
TOTAL ASSETS	47,493,729	(250,615)	47,243,114
LIABILITIES			
TOTAL LIABILITIES	49,096,983	0	49,096,983
EQUITY			
Capital and reserves attributable to equity holders of the parent entity	(1,736,959)	(249,869)	(1,986,828)
Non controlling interest	133,704	(745)	132,959
TOTAL EQUITY	(1,603,255)	(250,615)	(1,853,869)
TOTAL LIABILITIES AND EQUITY	47,493,729	(250,615)	47,243,114

RESTATEMENTS OF CONSOLIDATED INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Period from 1 January to 31 March 2012		
	Published	Restatements	Restated
CONTINUING OPERATIONS			
Profit after tax for the period (A)	296,325	(252,455)	43,870
Other comprehensive income, net of tax:			
Net change in available for sale reserve	40,778	640	41,418
Change in currency translation reserve	(3,881)	4,408	527
Other comprehensive income for the period, net of tax (B)	36,897	5,048	41,945
Total comprehensive income for the period, net of tax (A+B)	333,222	(247,407)	85,815
- Attributable to equity holders of the parent entity	334,588	(246,617)	87,971
- Non controlling interest	(1,366)	(789)	(2,155)
DISCONTINUED OPERATIONS			
Profit / (loss) after tax for the period (C)	(607)	1,840	1,233
Net change in available for sale reserve	701	(640)	61
Change in currency translation reserve	3,285	(4,408)	(1,123)
Other comprehensive income for the period, net of tax (D)	3,986	(5,048)	(1,062)
Total comprehensive income for the period, net of tax (C+D)	3,379	(3,208)	171
- Attributable to equity holders of the parent entity	3,442	(3,252)	190
- Non controlling interest	(63)	44	(19)

RESTATEMENTS OF CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

RESTATED	Αναλογούντα στους ιδιοκτήτες μητρικής					Minority interests	TOTAL
	Share Capital	Share Premium	Treasury shares	Other reserves	Retained earnings		
Published balance as at 31 March 2012	1,092,998	2,953,355	(177)	(102,810)	(5,680,325)	133,705	(1,603,255)
Restatements of results after tax					(249,869)	(745)	(250,615)
Restated balance as at 31 March 2012	1,092,998	2,953,355	(177)	(102,810)	(5,930,194)	132,960	(1,853,869)

RESTATEMENTS OF CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Period from 1 January to 31 March 2012		
	Restated	Restatements	Published
Net cash inflow/ (outflow) from continuing operating activities	(797,254)	16,395	(780,859)
Net cash inflow/ (outflow) from continuing investing activities	605,795	(5,582)	600,214
Net cash inflow/ (outflow) from continuing financing activities	(450,429)	118	(450,310)
Effect of exchange rate changes on cash and cash equivalents	(3,055)	(258)	(3,314)
Net increase/ (decrease) in cash and cash equivalents of the period from continuing activities (A)	(644,943)	10,674	(634,269)
Net cash flows from discontinued operating activities	15,401	(16,395)	(994)
Net cash flows from discontinued investing activities	(4,261)	5,582	1,320
Net cash flows from discontinued financing activities	(6)	(118)	(124)
Effect of exchange rate changes on cash and cash equivalents	(258)	258	0
Net increase/ (decrease) in cash and cash equivalents of the period from discontinued activities (B)	10,876	(10,674)	202
Cash and cash equivalents at the beginning of the period (C)	2,681,134	0	2,681,134
Cash and cash equivalents at the end of the period (A)+(B)+(C)	2,047,066	0	2,047,066

28 Events subsequent to the end of the interim period

On July 27, 2012 Piraeus Bank acquired the “good” part (selected assets and liabilities) of the under special liquidation credit institution Agricultural Bank of Greece S.A. following the relevant decision of the Resolution Measures Committee (meeting 4/27/7/2012, Government Gazette 2209/27.07.12). The €6.7 bn difference between the preliminary valued transferred assets and liabilities was covered by the Hellenic Financial Stability Fund (HFSF), according to the law provisions.

On July 31, 2012 Piraeus Bank announced the termination of the sale process for its subsidiary Piraeus Bank Egypt. Piraeus Bank will focus on providing full support to its banking operations in Egypt.

On August 2 and 3, 2012 the rating agencies Fitch, Standard & Poor's and Moody's affirmed their long-term and short-term counterparty credit ratings of Piraeus Bank (CCC/C, CCC/C and Caa2/NP respectively), following the acquisition of the “good” part of ATEbank.

The conclusion of the transfer of Piraeus Bank's 98.5% participation in Marathon Banking Corporation to Investors Bancorp Inc in New York took place at the end of September 2012.

On October 19, 2012 Piraeus Bank signed a definitive agreement with Societe Generale regarding the acquisition of Société Générale's total stake (99.08%) in Geniki Bank. The aggregate consideration for the acquisition of (i) 100% of Geniki shares held by Société Générale and (ii) Société Générale's receivables corresponding to the capital advances, was agreed at €1 mn. The transaction was concluded on December 14, 2012 after having received all the required regulatory approvals.

On October 24, 2012 the rating agencies Moody's and Standard & Poor's affirmed the long-term and short-term counterparty credit ratings of Piraeus Bank to “Caa2/N-P” and “CCC/C” respectively, following the signing of the agreement for the acquisition of Geniki Bank by Piraeus Bank.

Dividend payment to holders of preference shares is compulsory according to L.3723/2008, as modified by the L.4093/12.11.2012, if the terms of article 44A of codified law 2190/1920 do not apply, except for the case that the payment of the relevant amount would result in a reduction of Core Tier I capital below the minimum required.

On December 7, 2012 Piraeus Bank announced that on the meeting of the BoD that took place on the same date. Mr. Anthimos Thomopoulos was elected as new Executive Member of the BoD, in succession of the resigned member Mr. Alexandros Manos, in order for Mr Manos to assume the role of CEO at Geniki Bank. Mr Thomopoulos was appointed Deputy CEO at Piraeus Bank Group.

On December 18, 2012 Standard & Poor's Ratings Services raised Greece's ratings (last report December 05, 2012) by 6 notches, it raised its long-term sovereign credit ratings to 'B-' from 'SD' (selective default), and short-term to 'B' from 'SD' and at the same time raised the outlook to stable. The upgrade reflects S&P's view of the strong determination of the eurozone member states to preserve Greece's membership in the eurozone.

In the second half of December, 2012, the HFSF provided an additional Capital Advance of €1.5 bn and a Commitment Letter of €1.1 bn for its participation in the recapitalization programme of Piraeus Bank (Share Capital Increase and Convertible Bonds). Hence, the total Capital Advances and the Commitment Letter that HFSF has provided to Piraeus Bank amount to €7.3 bn, that correspond to the bank's total capital needs, as they were defined by the Bank of Greece (plus €500 mn for ATEbank).

According to L.4093/12.11.2012, credit institutions that participate in the recapitalization program according to the terms of L.3723/2008, will pay to the HFSF an once off total amount of €555.6 mn, of which approximately €133 mn relates to the Bank's portion.

Piraeus Bank, following the decision of the Board of Directors of the Bank as at 7/12/2012, participated in the buy back programme of the Hellenic Government bonds in response to the relevant invitation of the Hellenic Ministry of Finance dated 3/12/2012 with the total new Greek Government Bonds that the Bank owned of nominal value €4.3 billion including the bonds from the acquisition of ATEbank S.A.

Athens, December 19th, 2012

CHAIRMAN
OF THE BOARD OF DIRECTORS

MANAGING DIRECTOR
& C.E.O.

CHIEF FINANCIAL
OFFICER

ASSISTANT
GENERAL MANAGER

MICHALIS G. SALLAS

STAVROS M. LEKKAKOS

GEORGE I. POULOPOULOS

KONSTANTINOS S. PASCHALIS



PIRAEUS BANK S.A.

Interim Condensed Financial Information

30 June 2012

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 December 19th, 2012 and it is available on the web site of Piraeus Bank at 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 2012	30 June 2011	30 June 2012	30 June 2011
Interest and similar income		1,027,935	1,130,445	477,373	581,598
Interest expense and similar charges		<u>(793,018)</u>	<u>(715,655)</u>	<u>(388,936)</u>	<u>(368,787)</u>
NET INTEREST INCOME		234,916	414,790	88,437	212,811
Fee and commission income		60,267	66,321	30,565	34,323
Fee and commission expense		<u>(9,885)</u>	<u>(14,481)</u>	<u>(5,154)</u>	<u>(7,691)</u>
NET FEE AND COMMISSION INCOME		50,382	51,841	25,411	26,632
Dividend income		3,439	4,657	3,421	2,797
Net trading income	6	204,624	45,048	97,431	7,447
Net income from financial instruments designated at fair value through profit or loss		2,393	(2,574)	414	(1,263)
Results from investment securities		(815)	456	(749)	908
Other operating income/ (expense)		<u>2,630</u>	<u>7,161</u>	<u>(1,066)</u>	<u>5,485</u>
TOTAL NET INCOME		497,568	521,379	213,299	254,816
Staff costs		(95,390)	(112,295)	(47,364)	(53,045)
Administrative expenses		(95,754)	(102,585)	(54,569)	(57,815)
Depreciation and amortisation		(24,962)	(17,897)	(12,290)	(8,966)
Gains/ (Losses) from sale of assets		<u>(102)</u>	<u>(968)</u>	<u>(100)</u>	<u>(632)</u>
TOTAL OPERATING EXPENSES BEFORE PROVISIONS		(216,208)	(233,745)	(114,323)	(120,458)
PROFIT BEFORE PROVISIONS AND INCOME TAX		281,360	287,635	98,977	134,358
Impairment losses on loans, debt securities and other receivables	12	(666,773)	(935,446)	(425,094)	(797,100)
Impairment on investment securities		<u>(432,651)</u>	<u>(303,710)</u>	<u>(124,191)</u>	<u>(303,710)</u>
PROFIT/ (LOSS) BEFORE INCOME TAX		(818,063)	(951,521)	(450,309)	(966,451)
Income tax	7	<u>531,496</u>	<u>175,171</u>	<u>79,051</u>	<u>179,550</u>
PROFIT/ (LOSS) AFTER TAX		(286,567)	(776,349)	(371,257)	(786,901)
Earnings/ (Losses) per share (in euros):					
- Basic and Diluted	8	(0.2506)	(0.7548)	(0.3247)	(0.6883)

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30 June 2012	31 December 2011
ASSETS			
Cash and balances with the Central Bank	10	1,474,866	1,572,849
Loans and advances to credit institutions		2,725,569	3,065,200
Derivative financial instruments - assets		386,339	375,069
Trading securities	11	21,906	125,106
Financial instruments at fair value through profit or loss	11	6,922	9,922
Reverse repos with customers		2,576	57,127
Loans and advances to customers and debt securities - receivables (net of provisions)	12	28,070,617	29,897,655
Investment securities			
- Available for sale securities	13	2,143,373	2,381,550
- Held to maturity	13	740,237	1,198,239
Investments in subsidiaries		1,995,976	1,909,309
Investments in associated undertakings		215,114	228,418
Intangible assets		143,870	133,999
Property, plant and equipment		305,398	314,133
Investment property		207,137	201,767
Assets held for sale		67,849	172,992
Deferred tax assets		1,655,058	1,132,455
Inventories property		139,157	128,998
Other assets		908,444	935,517
TOTAL ASSETS		41,210,409	43,840,306
LIABILITIES			
Due to credit institutions	16	26,188,532	25,023,614
Liabilities at fair value through profit or loss		400	18,475
Derivative financial instruments - liabilities		359,756	381,321
Due to customers	17	15,453,818	18,334,429
Debt securities in issue	18	768,199	1,266,788
Hybrid capital and other borrowed funds	19	339,713	494,984
Retirement benefit obligations		138,131	139,060
Other provisions		10,665	10,665
Current income tax liabilities		8,409	4,080
Other liabilities		249,328	225,572
TOTAL LIABILITIES		43,516,952	45,898,988
EQUITY			
Share capital	21	1,092,998	1,092,998
Share premium	21	2,953,356	2,953,356
Other reserves	22	40,333	1,603
Retained earnings	22	(6,393,229)	(6,106,639)
TOTAL EQUITY		(2,306,543)	(2,058,682)
TOTAL LIABILITIES AND EQUITY		41,210,409	43,840,306

INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	Period from 1 January to		Period from 1 April to	
		30 June 2012	30 June 2011	30 June 2012	30 June 2011
Profit/ (losses) after tax for the period (A)		(286,567)	(776,349)	(371,257)	(786,901)
Other comprehensive income, net of tax:					
Net change in available for sale reserve	9, 22	38,730	89,693	(298)	78,919
Other comprehensive income, net of tax (B)	9, 22	38,730	89,693	(298)	78,919
Total comprehensive income, net of tax (A+B)		(247,837)	(686,656)	(371,555)	(707,982)

INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Opening balance as at 1st January 2011		470,882	2,430,877	(271,164)	326,384	2,956,979
Other comprehensive income, net of tax	9, 22			89,693		89,693
Results after tax for the period 1/1/2011 - 30/6/2011	22				(776,349)	(776,349)
Total recognised income for the period 1/1/2011 - 30/6/2011		0	0	89,693	(776,349)	(686,656)
Increase of share capital through cash payment	21	242,116	523,201			765,317
Balance as at 30th June 2011		712,998	2,954,078	(181,470)	(449,965)	3,035,640
Opening balance as at 1st July 2011		712,998	2,954,078	(181,470)	(449,965)	3,035,640
Other comprehensive income, net of tax	22			183,074		183,074
Results after tax for the period 1/7/2011 - 31/12/2011	22				(5,652,494)	(5,652,494)
Total recognised income for the period 1/7/2011 - 31/12/2011		0	0	183,074	(5,652,494)	(5,469,420)
Increase of share capital through cash payment	21		(723)			(723)
Issue of preference shares	21, 22	380,000			(4,180)	375,820
Balance as at 31st December 2011		1,092,998	2,953,356	1,603	(6,106,639)	(2,058,682)
Opening balance as at 1st January 2012		1,092,998	2,953,356	1,603	(6,106,639)	(2,058,682)
Other comprehensive income, net of tax	9, 22			38,730		38,730
Results after tax for the period 1/1/2012 - 30/6/2012	22				(286,567)	(286,567)
Total recognised income for the period 1/1/2012 - 30/6/2012		0	0	38,730	(286,567)	(247,837)
Expenses on issue of preference shares	22				(23)	(23)
Balance as at 30th June 2012		1,092,998	2,953,356	40,333	(6,393,229)	(2,306,542)

INTERIM CASH FLOW STATEMENT

	Period from 1 January to	
	30 June 2012	30 June 2011
<i>Cash flows from operating activities</i>		
Profit / (loss) before tax	(818,063)	(951,521)
Adjustments to profit/ (loss) before tax:		
Add: provisions and impairment	1,088,277	1,239,155
Add: depreciation and amortisation charge	24,962	17,897
Add: retirement benefits	7,231	15,846
(Gains)/ losses from valuation of trading securities and financial instruments at fair value through profit or loss	95,370	15,335
(Gains)/ losses from investing activities	(273,080)	(5,980)
<i>Cash flows from operating activities before changes in operating assets and liabilities</i>	124,695	330,734
<i>Changes in operating assets and liabilities:</i>		
Net (increase)/ decrease in cash and balances with Central Bank	5,198	(169)
Net (increase)/ decrease in trading securities and financial instruments at fair value through profit or loss	(55,057)	(91,135)
Net (increase)/ decrease in loans and advances to credit Institutions	161,655	146,805
Net (increase)/ decrease in loans and advances to customers	495,188	605,731
Net (increase)/ decrease in debt securities - receivables	2,111	(204,365)
Net (increase)/ decrease in reverse repos with customers	54,551	173,856
Net (increase)/ decrease in other assets	(16,166)	(117,805)
Net increase/ (decrease) in amounts due to credit institutions	1,164,918	3,048,360
Net increase/ (decrease) in liabilities at fair value through profit or loss	(18,075)	292,522
Net increase/ (decrease) in amounts due to customers	(2,880,610)	(3,047,220)
Net increase/ (decrease) in other liabilities	(47,319)	(185,992)
<i>Net cash flow from operating activities before income tax payment</i>	(1,008,909)	951,322
Income tax paid (including tax contribution)	(864)	(38,870)
Net cash inflow/ (outflow) from operating activities	(1,009,773)	912,452
<i>Cash flows from investing activities</i>		
Purchases of property, plant and equipment	(16,455)	(39,446)
Sales of property, plant and equipment	201	699
Purchases of intangible assets	(11,211)	(7,259)
Purchases of assets held for sale	-	(1,114)
Purchases of investment securities	(3,109,938)	(1,872,286)
Disposals/ maturity of investment securities	4,306,926	873,310
Acquisition of subsidiaries and participation in share capital increases	(46,652)	(76,006)
Disposals of subsidiaries	-	142
Acquisition of associates and participation in share capital increases	(844)	(11,340)
Dividends receipts from associates	1,855	2,188
Dividends receipts from available for sale securities	600	1,764
Net cash inflow/ (outflow) from investing activities	1,124,483	(1,129,348)
<i>Cash flows from financing activities</i>		
Net proceeds from issue/ (repayment) of debt securities and other borrowed funds	(383,324)	(715,105)
Increase of share capital through cash payment	-	754,883
Net cash inflow/ (outflow) from financing activities	(383,324)	39,778
Effect of exchange rate changes on cash and cash equivalents	(3)	(658)
Net increase/ (decrease) in cash and cash equivalents of the period	(268,617)	(177,777)
Cash and cash equivalents at the beginning of the period	1,841,271	2,886,063
Cash and cash equivalents at the end of the period	1,572,654	2,708,286

1. General information about the Bank

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 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 4,528 people.

Apart from the ATHEX Composite Index, Piraeus Bank's share is a constituent of other indices as well, such as FTSE/ATHEX (Banks, Large Cap), FTSE/ATHEX-CSE Banking Index, FTSE (Greece Small Cap, RAFI All World 3000 & Developed Mid Small, Med 100), MSCI (World Small Cap, Europe Small Cap, Greece Small Cap), Euro Stoxx (All Europe, TMI, Sustainability) and S&P (Global BMI, Europe Developed BMI).

2. General accounting policies, critical accounting estimates and judgements of the Bank

a. General accounting policies

The same accounting policies and methods of computation as those in the annual financial statements for the year ended 31 December 2011 have been followed.

The following amendments have been issued by the International Accounting Standards Board and are effective from 1.1.2012.

- **IFRS 7 (Amendment), "Financial instruments: Disclosures – transfers of financial assets" (effective for annual periods beginning on or after 1 July 2011).** This amendment is not expected to have a significant effect on the annual financial statements.
- **IAS 12 (Amendment), "Income taxes" (effective for annual periods beginning on or after 1 January 2012).** This amendment has not yet been endorsed by the EU, and therefore has not been applied by the Bank.
- **IFRS 1 (Amendment), "Severe hyperinflation and removal of fixed dates for first time adopters" (effective for annual periods beginning on or after 1 July 2011).** This amendment has not yet been endorsed by the EU.

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

The Bank's accounting estimates and judgements affect the reported amounts of assets and liabilities within the next financial year. Accounting estimates and judgements are continually evaluated based on historical experience as well as on expectations of future events and they are the same with those accounting estimates and judgements adopted and described in the annual financial statements for the year ended 31 December 2011.

In addition, note 4 refers to the accounting treatment of the exchange of the securities and loans of the Greek Government included in the revised private sector involvement programme (PSI).

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

b.1. Impairment losses on loans and 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 income statement. The estimates, methodology and assumptions used are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

b.2. Fair value of derivative financial instruments

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

b.3. Impairment of available for sale portfolio

The available for sale portfolio is recorded at fair value and any changes in fair value are recorded in the available for sale reserve. Impairment of available for sale investments in shares and bonds exists when the decline in the fair value below cost is significant or prolonged in the case of shares or there are reasonable grounds for the issuer's inability to meet its future obligations in the case of bonds. Then, the available for sale reserve is recycled to the income statement of the period. The assessment of the decline in fair value as significant or prolonged requires judgement. Judgement is also required for the estimation of the fair value of investments that are not traded in an active market. For these investments, the fair value computation through financial models takes also into account evidence of deterioration in the financial performance of the investee, as well as industry and sector performance and changes in technology.

b.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. In case that the Bank sells a significant amount of the held to maturity investments, then it will be required to reclassify the entire class to the available for sale portfolio. The investments would therefore be remeasured at fair value.

b.5. Investment property

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

b.6. 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 initially recorded, differences will impact the income tax and deferred tax assets/ liabilities in the period in which the tax computation is finalised.

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

The interim condensed financial information has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and it should be read along with the Bank's annual financial statements for the year ended 31 December 2011.

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

Interim condensed financial information attached is expressed in thousand euros (unless otherwise stated) and roundings are performed in the nearest thousand.

The Bank has incurred substantial impairment losses as a result of the Hellenic Republic's debt restructuring ("PSI"). Such losses had a respective impact on the accounting and regulatory capital of the Bank as at 30 June 2012, as explained in note 4 "Private sector involvement programme (PSI)".

The Hellenic Financial Stability Fund's (HFSF) commitment of 20 April 2012, after the relevant application submitted by the Bank, for its participation in the planned share capital increase, began to be implemented on 28 May 2012 in the form of an advance for the share capital increase, that took place through the transfer of EFSF bonds from the HFSF of total nominal value € 4.7 billion. Furthermore, on December 21st 2012, the HFSF provided an additional Capital Advance of € 1.5 billion and a Commitment Letter of € 1.1 billion for its participation in the recapitalisation program of Piraeus Bank (Share Capital Increase and Convertible Bonds). Hence, the total Capital Advances and the Commitment Letter that HFSF has provided to Piraeus Bank amount to € 7.3 billion, which corresponds to the Bank's total capital needs, as they were defined by the Bank of Greece (plus € 500 million for ATEbank S.A.). Note 25 refers to the acquisition of assets and liabilities of former ATEbank S.A.

It is noted that the recapitalisation program will be implemented in compliance with the law 3864/2010 and the terms of Cabinet Act 38/9/11/2012, and is expected to be completed until the end of April of 2013, according to the provisions of the Memorandum of Economic and Financial Policies for the recapitalisation of Greek financial institutions.

Taking into account that the fiscal situation in Greece remains the main risk factor for the Greek banking sector as of today as any possible negative outcome in this field strongly affects the Bank's liquidity and the asset quality, the aforementioned event enhances the reasonable expectations of the Bank's management that the recapitalisation of the Bank will be successfully completed within the timetable tentatively agreed between the Bank, the Bank of Greece and the HFSF and that the Bank will continue in operational existence for the foreseeable future. Accordingly, the interim condensed financial information has been prepared on a going concern basis.

4. Private sector involvement programme (PSI)

The discussions and negotiations for the specification of the agreed measures on 21 July 2011 and on 26 October 2011 namely to the revised private sector involvement programme (PSI), were completed on 21 February 2012. The finalisation of the revised private sector involvement programme (PSI) was taken into account in the annual financial statements as at 31.12.2011, and so the profit or loss was charged with the additional loss that resulted, compared to the initial loss that was recognized in the interim condensed financial information for June and for September 2011.

As the Bank considers that the exchange of bonds and loans constitutes discontinuation of the existing relationship between the Bank and the debtor, proceeded to the full derecognition of the old securities and loans and the recognition of the new securities received from the exchange at a value initially derived by a valuation model, in accordance with the special rules set out in the International Financial Reporting Standards (IAS 39), whereas any differences arising from the initial classification of the new securities affected the profit or loss for the first quarter of 2012.

Within the second quarter of 2012, the Bank redetermined the fair value of the new securities received from the exchange, based on their market value at the dates these securities were exchanged, that is 12/3/2012, 11/4/2012 and 25/4/2012. Due to the redetermination of the fair value, an additional loss was accounted for in the first quarter of 2012 and therefore the before and after tax consolidated profit or loss for the first quarter was charged with an amount of € 307 million and € 246 million respectively. Restated financial information for the first quarter of 2012 is presented in note 24.

From the new securities received under the private sector involvement programme (PSI), the Greek Government bonds were classified in the held to maturity portfolio and the EFSF bonds were classified in the available for sale portfolio.

The Bank does not have exposure in bonds and debt of other European countries which face increased problems relating to the servicing of their debt.

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 Board in order to monitor and assess each segment's performance. Critical elements are the evolution of figures and results per segment.

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

	Retail Banking	Corporate Banking	Investment Banking	Asset Management & Treasury	Other business segments	Total
1st half 2012						
Net interest income	263,646	108,120	1	15,332	(152,182)	234,916
Net fee and commission income	37,819	11,170	1,107	(2,811)	3,097	50,382
Net income	303,321	120,952	1,003	(56,908)	129,200	497,568
Segment results	(368,395)	(52,594)	(532)	(396,542)	-	(818,063)
Results before tax						(818,063)
Income tax						531,496
Results after tax						(286,567)
Other segment items						
Capital expenditure	6,620	65	-	1,112	19,868	27,666
Depreciation and amortisation	6,066	22	-	233	18,640	24,962
Provisions and impairments	510,845	142,083	-	320,695	125,801	1,099,424
1st half 2011						
Net interest income	263,063	131,957	2	129,146	(109,378)	414,790
Net fee and commission income	34,846	13,710	1,510	(935)	2,709	51,841
Net income	305,568	143,707	1,515	120,411	(49,822)	521,379
Segment results	(85,311)	(5,180)	877	(861,906)	-	(951,521)
Results before tax						(951,521)
Income tax						175,171
Results after tax						(776,349)
Other segment items						
Capital expenditure	8,282	4	-	661	37,758	46,705
Depreciation and amortisation	5,544	45	-	176	12,132	17,897
Provisions and impairments	176,239	91,383	-	971,533	-	1,239,156
At 30 June 2012						
Segment assets	20,944,621	6,597,865	13,795	9,337,696	4,316,433	41,210,410
Segment liabilities	14,313,380	553,780	277,472	27,817,955	554,365	43,516,952
At 31 December 2011						
Segment assets	20,768,002	7,859,230	13,370	12,752,417	2,447,288	43,840,306
Segment liabilities	17,000,039	752,954	317,311	27,517,562	311,122	45,898,988

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

6 Net trading Income

Net trading income amounts to a profit of € 204.6 million for the 1st half of 2012, mainly due to the profit from the buyback of hybrid capital (Tier 1) and subordinated debt (Lower Tier 2) of the Bank and bonds from securitization of loans.

7 Income tax

	1st half 2012	1st half 2011
Current tax	-	(10,845)
Deferred tax	532,452	189,829
Provisions for tax differences	(956)	(3,813)
	531,496	175,171

By virtue of law 3943/2011 (Government Gazette A' 66/31.3.2011), the corporate income tax rate of legal entities in Greece is 20% and the withholding tax rate imposed on distributed profits of legal entities is 25%.

Piraeus Bank has been audited by the tax authorities and all the unaudited fiscal years until 2009 have been finalized, while for the unaudited tax years a relevant provision has been raised according to International Financial Reporting Standards (IFRS).

For the year 2011, the tax audit of the Bank conducted by PricewaterhouseCoopers S.A has been completed and a non qualified Tax Compliance Report has been issued. It is noted that year 2011 will be considered as final, for tax audit purposes, eighteen months after the submission of the Tax Compliance Report to the Ministry of Finance.

The deferred tax for the period 1/1/2012 - 30/6/2012, is mainly due to the additional tax losses for this period, as well as to the recognition of income in the profit or loss account, arising from the additional deferred tax that related to the impairment of bonds in the context of PSI program, which had not been recognized in the financial statements as at 31/12/2011. The recognition of the deferred tax was based on the change in the tax law (extending the period in which relevant tax losses can be offset from 5 years to the duration of the new bonds) that took place in the first quarter of 2012, in combination with the best estimates of the Management for the future evolution of the Bank's tax results.

8 Earnings /(losses) per share

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

	1/1 - 30/6/2012	1/1 - 30/6/2011	1/4 - 30/6/2012	1/4 - 30/6/2011
Basic and diluted earnings/ (losses) per share				
Net profit/ (losses) attributable to ordinary shareholders	(286,567)	(776,349)	(371,257)	(786,901)
Weighted average number of ordinary shares in issue	1,143,326,564	1,028,584,198	1,143,326,564	1,143,326,564
Basic and diluted earnings/ (losses) per share (in euros)	(0.2506)	(0.7548)	(0.3247)	(0.6883)

Earnings/ (losses) attributable to ordinary shareholders of the parent entity for the period 1/1 - 30/6/2011 and 1/4 - 30/6/2011 have been adjusted so as to be comparable with the current period's and to reflect the proposal of the parent entity's Board of Directors to the Annual Ordinary General Meeting of Shareholders in 2012, not to distribute dividend, neither for the common shares nor for the preference shares.

9 Analysis of other comprehensive income

	Before-Tax amount	Tax	Net-of-Tax amount
1st half 2012			
Net change in available for sale reserve	48,435	(9,705)	38,730
Other comprehensive income	48,435	(9,705)	38,730
1st half 2011			
Net change in available for sale reserve	120,405	(30,712)	89,693
Other comprehensive income	120,405	(30,712)	89,693

10 Cash and balances with the Central Bank

	30 June 2012	31 December 2011
Cash in hand	238,269	194,805
Nostros and sight accounts with other banks	905,503	557,998
Balances with Central Bank	270,119	642,836
Cheques clearing system - Central Bank	39,487	150,522
Mandatory reserves with Central Bank	21,488	26,687
	1,474,866	1,572,849

11 Financial assets at fair value through profit or loss

	30 June 2012	31 December 2011
Trading securities		
Greek Government bonds	8,313	107,367
Greek Government treasury bills	5,145	8,144
Foreign Government bonds	7,973	-
Corporate bonds	418	9,538
Bank bonds	56	56
Total trading securities	21,906	125,106
Other financial instruments at fair value through profit or loss	6,922	9,922

The change in the value of Greek Government Bonds is due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4.

12 Loans and advances to customers and debt securities - receivables

	30 June 2012	31 December 2011
Mortgages	6,023,508	6,112,571
Consumer/ personal and other loans	1,845,227	1,885,027
Credit cards	658,888	700,279
Loans to individuals	8,527,624	8,697,877
Loans to corporate entities	21,253,821	22,198,112
Total loans and advances to customers	29,781,445	30,895,990
Corporate debt securities - receivables	4,968	4,834
Bank debt securities - receivables	23,846	23,178
Greek Government bonds debt securities - receivables	758,812	3,007,817
Total debt securities - receivables	787,625	3,035,829
Less: Allowance for impairment on loans and advances to customers and debt securities - receivables	(2,498,453)	(4,034,164)
Total loans and advances to customers and debt securities - receivables (less allowances for losses)	28,070,617	29,897,655
of which:		
Loans and advances to customers (net of provisions)	27,306,837	28,496,999
Debt securities - receivables (net of provisions)	763,780	1,400,655

The change in the value of Greek Government Bonds is due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4.

Debt securities - receivables as at 30/6/2012 include Greek Government Bonds of nominal value € 782 million, which was transferred to Piraeus Bank according to the requirements of Law 3723/2008 "Enhancement of the Greek economy's liquidity" in order to cover the issuance of Piraeus Bank's preference shares of amount € 370 million in 2009 and € 380 million in 2011 to the Greek State. The book value of the above mentioned bond, which was excluded from the PSI, amounts to € 759 million as at 30/6/2012.

Movement in allowance (impairment) for losses on loans and advances to customers and debt securities - receivables:

	Loans to individuals	Loans to corporate entities/ Public sector	Total
Opening balance at 1/1/2011	433,559	442,605	876,165
Charge for the period	89,405	797,194	886,600
Loans written-off	(41,009)	(30,481)	(71,490)
Foreign exchange differences	-	2,782	2,782
Balance at 30/6/2011	481,955	1,212,101	1,694,057
Opening balance at 1/7/2011	481,955	1,212,101	1,694,057
Charge for the period	86,710	2,476,302	2,563,012
Loans written-off	(30,615)	(196,655)	(227,269)
Foreign exchange differences	-	4,364	4,364
Balance at 31/12/2011	538,050	3,496,113	4,034,164
Opening balance at 1/1/2012	538,050	3,496,113	4,034,164
Charge for the period	92,766	578,957	671,723
Write offs and exchange of loans and debt securities - receivables	(20,697)	(2,188,596)	(2,209,293)
Foreign exchange differences	5	1,854	1,859
Balance at 30/6/2012	610,124	1,888,329	2,498,453

'Impairment losses on loans, debt securities and other receivables' in the Income Statement for the period 1/1 - 30/6/2012 includes an amount of € 3.3 million that relates to impairment losses on other receivables, an amount of € 2.9 million that relates to loans written-off directly in the income statement and an amount of € 11.1 million that relates to income from recoveries of corporate loans collaterals.

13 Investment securities

	30 June 2012	31 December 2011
Available for sale securities		
Bonds and other fixed income securities		
Greek Government bonds	-	154,756
Foreign Government bonds and EFSF bonds	15,408	15,093
Greek Government treasury bills	1,887,759	1,909,471
Corporate bonds	14,161	30,693
Bank bonds	1,033	9,398
	1,918,360	2,119,411
Shares and other variable income securities		
Listed shares	26,421	32,085
Unlisted shares	141,436	144,862
Mutual funds	51,926	85,193
Other Variable Income Securities	5,230	-
	225,013	262,140
Total available for sale securities	2,143,373	2,381,550
	30 June 2012	31 December 2011
Held to maturity		
Greek government bonds	740,237	1,198,239
Total held to maturity	740,237	1,198,239

The change in the value of Greek Government Bonds is due to the completion of the revised private sector involvement program (PSI), for which reference is made in note 4.

14 Reclassification of financial assets

The Investment portfolio as at 30/6/2012 includes shares, mutual funds and bonds, which have been reclassified during the financial year 2008 from the "Trading securities" portfolio. Specifically, the "Available for sale securities" portfolio as at 30/6/2012 includes shares and mutual funds with fair value of € 9.6 million. The revaluation loss of € 0.7 million for 2012 has been recognized in the "Available for sale reserve". In the first semester of 2012, due to the impairment of the above mentioned shares and mutual funds, a reserve of € 2.5 million was recycled in the Income Statement. Moreover, the "Available for sale securities" portfolio as at 30/6/2012 includes bonds with fair value of € 9.6 million. The revaluation loss of € 4.0 million for the first semester of 2012 was recognized in the "Available for Sale reserve".

"Debt securities – receivables" portfolio as at 30/6/2012 includes bonds with fair value of € 3.3 million (amortized cost of € 5.0 million) which have been reclassified from the "Available for sale securities" portfolio during the financial years 2008 and 2010. "Loans and advances to credit institutions" portfolio includes bank bonds with fair value of € 6.3 million (amortized cost € 5.9 million), which have been reclassified from the "Available for sale securities" portfolio during the financial year 2008. If these bonds had not been reclassified, a revaluation loss of € 0.4 million would have been recognized in the "Available for sale reserve" of 30/6/2012. No gains or losses from the sale of reclassified bonds have been recognized in the Income Statement for the first semester of 2012.

During the 1st semester of 2012, all reclassified Greek Government bonds were derecognized under the revised Private Sector Involvement program (PSI).

15 Investments in subsidiaries and associate companies

The investments of Piraeus Bank in subsidiaries and associates are:

A) Subsidiary companies				
a/a	Name of Company	Activity	% holding	Country
1.	Marathon Banking Corporation	Banking activities	98.54%	U.S.A.
2.	Tirana Bank I.B.C. S.A.	Banking activities	98.48%	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	98.30%	Egypt
7.	JSC Piraeus Bank ICB	Banking activities	99.99%	Ukraine
8.	Piraeus Bank Cyprus LTD	Banking activities	100.00%	Cyprus
9.	Piraeus Asset Management Europe S.A.	Mutual funds management	99.94%	Luxemburg

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Amounts in thousand euros (Unless otherwise stated)

a/a	Name of Company	Activity	% holding	Country
10.	Piraeus Leases S.A.	Finance leases	100.00%	Greece
11.	Piraeus Leasing Romania S.R.L.	Finance leases	99.85%	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.	Picar S.A.	City Link areas management	100.00%	Greece
21.	Bulfina S.A.	Property management	100.00%	Bulgaria
22.	General Construction and Development Co. S.A.	Property development/ holding company	66.67%	Greece
23.	Piraeus Direct Services S.A.	Call center services	100.00%	Greece
24.	Komotini Real Estate Development S.A.	Property management	100.00%	Greece
25.	Piraeus Real Estate S.A.	Construction company	100.00%	Greece
26.	ND Development S.A.	Property management	100.00%	Greece
27.	Property Horizon S.A.	Property management	100.00%	Greece
28.	ETVA Industrial Parks S.A.	Development/ management of industrial areas	65.00%	Greece
29.	Piraeus Development S.A.	Property management	100.00%	Greece
30.	Piraeus Asset Management S.A.	Mutual funds management	100.00%	Greece
31.	Estia Mortgage Finance PLC	SPE for securitization of mortgage loans	-	United Kingdom
32.	Euroinvestment & Finance Public LTD	Asset management, real estate operations	90.85%	Cyprus
33.	Lakkos Mikelli Real Estate LTD	Property management	40.00%	Cyprus
34.	Philoktimatiki Public LTD	Land and property development	6.39%	Cyprus
35.	New Evolution S.A.	Property, tourism & development company	100.00%	Greece
36.	Piraeus Green Investments S.A.	Holding company	100.00%	Greece
37.	Piraeus Cards S.A.	Financial services and consultancy	100.00%	Greece
38.	Capital Investments & Finance S.A.	Investment company	100.00%	Liberia
39.	Vitria Investments S.A.	Investment company	100.00%	Panama
40.	Trieris Real Estate Management LTD	Management of Trieris Real Estate Ltd	100.00%	British Virgin Islands
41.	Piraeus Insurance - Reinsurance Broker Romania S.R.L.	Insurance and reinsurance Brokerage	95.00%	Romania
42.	Olympic Commercial & Tourist Enterprises S.A.	Operating leases - rent-a-car and long term rental of vehicles	94.98%	Greece
43.	Piraeus Rent Doo Beograd	Operating leases	100.00%	Serbia
44.	Estia Mortgage Finance II PLC	SPE for securitization of mortgage loans	-	United Kingdom
45.	Piraeus Leasing Doo Beograd	Financial leasing	51.00%	Serbia
46.	Piraeus Capital Management S.A.	Venture capital fund	100.00%	Greece
47.	New Up Dating Development Real Estate and Tourism S.A.	Property, tourism & development company	5.67%	Greece
48.	Axia Finance PLC	SPE for securitization of corporate loans	-	United Kingdom
49.	Piraeus Wealth Management A.E.P.E.Y.	Wealth management	65.00%	Greece
50.	Praxis Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
51.	Piraeus Insurance Agency S.A.	Insurance agency	95.00%	Greece
52.	Axia Finance III PLC	SPE for securitization of corporate loans	-	United Kingdom
53.	Praxis II Finance PLC	SPE for securitization of consumer loans	-	United Kingdom
54.	Axia III APC LTD	SPE for securitization of corporate loans	-	United Kingdom
55.	Praxis II APC LTD	SPE for securitization of consumer loans	-	United Kingdom
56.	R.E. Anodus LTD	Consultancy serv. for real estate develop. and inv.	100.00%	Cyprus
57.	Piraeus Equity Partners Ltd.	Holding company	100.00%	Cyprus
58.	Achaia Clauss Estate S.A.	Property management	74.47%	Greece
59.	Kosmopolis A' A.E. Εκμ/σης εμπ. κέντρων - παροχής υπηρεσιών	Shopping Center's Management	100.00%	Greece

Companies numbered 31, 44, 48, 50 and 52-55 are special purpose vehicles for securitization of loans and issuance of debt securities. Companies numbered 33, 34 and 47, which are consolidated with ownership percentage of less than 50% are included in the Bank's subsidiaries portfolio due to the existence of control.

In addition, the companies numbered 18 and 38-39 are under liquidation as at 30/6/2012.

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 & Development S.A.	Holding Company	27.80%	Greece
5.	APE Fixed Assets Real Estate Tourist & Development S.A.	Real estate, development/ tourist services	27.80%	Greece
6.	Trieris Real Estate LTD	Property Management	22.94%	British Virgin Islands
7.	European Reliance Gen. Insurance Co. S.A.	General and life insurance and reinsurance	30.23%	Greece
8.	Trastor Real Estate Investment Company	Real estate investment property	33.80%	Greece
9.	APE Investment Property S.A.	Real estate, development/ tourist services	27.20%	Greece
10.	Sciens International Investments & Holding S.A.	Holding Company	28.10%	Greece
11.	Ekathariseis Aktoploias S.A.	Ticket Settlements	49.00%	Greece
12.	Euroterra S.A.	Property Management	39.22%	Greece
13.	Rebikat S.A.	Property Management	40.00%	Greece
14.	Abies S.A.	Property Management	40.00%	Greece
15.	ACT Services S.A.	Accounting and tax consulting	49.00%	Greece
16.	Exodus S.A.	Information technology & software	50.10%	Greece
17.	Piraeus - TANEQ Capital Fund	Venture capital fund	50.01%	Greece

The company numbered 16 is included in the associate companies' portfolio, as Piraeus Bank S.A. owns 40.10% of the voting rights. The company numbered 11 is under liquidation as at 30/6/2012. The company numbered 17 is included in the associate companies' portfolio, due to the fact that Piraeus Bank exercises significant influence on the investment committee of the fund, which takes the investment decisions.

16 Due to credit institutions

"Due to credit institutions" includes refinancing operations through repo transactions within the eurosystem amounting to € 25.7 billion (31/12/2011: € 22.0 billion). The increase of the raised liquidity of the Bank from the eurosystem through the available refinancing operations with collaterals, during the first semester of 2012, reflects the decreased overall liquidity within the Greek banking system (reduction of deposits).

17 Due to customers

	30 June 2012	31 December 2011
Current and sight deposits	2,916,832	3,430,114
Savings accounts	2,427,155	2,691,796
Term deposits	9,919,702	12,064,402
Other accounts	190,008	147,694
Repurchase agreements	122	423
	15,453,818	18,334,429

The decrease in 'Due to customers' is due to further, in the first semester of 2012, outflow of deposits from the Greek banking system.

18 Debt securities in issue

	30 June 2012	31 December 2011
ETBA bonds	1,756	4,015
Euro Medium Term Note		
€ 60 m. floating rate notes due 2015	60,000	60,000
€ 20 m. floating rate notes due 2012	18,364	19,964
€ 500 m. fixed rate notes due 2012	336,658	354,192
€ 50.3 m. fixed rate notes due 2012	-	38,228
€ 25.5 m. fixed rate notes due 2013	15,164	19,977
Accrued interest and other expenses	11,690	5,074
	441,875	497,435
Securitisation of mortgage loans		
€ 750 m. floating rate notes due 2040	82,248	190,867
€ 1,250 m. floating rate notes due 2054	242,320	574,471
	324,567	765,338
Total debt securities in issue	768,199	1,266,788

It should be noted that the first and third securitisation of corporate loans in the amount of € 1,750 million and € 2,352 million respectively as well as the first and second consumer loan backed securitisation of € 725 million and € 558 million respectively, continue to be retained by Piraeus Bank.

Issuance under the Euro Medium Term Note program is undertaken through Piraeus Group Finance PLC, a subsidiary of Piraeus Bank Group. Information concerning the new issues of debt securities during the 1st semester of 2012, which have been retained by the Bank, are presented below:

In February 2012 and in March 2012 Piraeus Bank issued three 3-month floating rate senior bonds in the total amount of € 5,337 million. In May 2012 and June 2012 Piraeus Bank issued two 3-month floating rate senior bonds in the amount of € 3,587 million. The bonds were issued with the unconditional guarantee of the Hellenic Republic under Art. 2 of Law 3723/2008 through Piraeus Bank's Euro Medium Term Note (EMTN) programme. The bonds pay a floating rate coupon of 3M Euribor plus 1200bps. All bonds have been retained by Piraeus Bank.

Piraeus Bank, within the first semester of 2012, proceeded to the buy back of bonds of securitised loans of total nominal value € 375 million.

19 Hybrid capital and other borrowed funds

	30 June 2012	31 December 2011
Hybrid Capital (Tier I)		
€ 200 m. floating rate notes due 2034	71,434	158,636
Accrued interest and other expenses	394	965
	71,828	159,601
Subordinated debt (Tier II)		
€ 400 m. floating rate notes due 2016	266,475	333,038
Accrued interest and other expenses	1,410	2,345
	267,885	335,383
Total hybrid capital and other borrowed funds	339,713	494,984

On 2 March 2012, Piraeus Bank announced a Tender Offer to purchase existing securities for cash. This Tender Offer referred to subordinated (€ 330 million) and hybrid (€ 159 million) securities of € 489 million total amount. On 12 March 2012, Piraeus Bank announced that it accepted offers of € 144 million, out of which € 60 million subordinated securities and € 84 million hybrid securities.

Accrued interest on hybrid capital and other borrowed funds is included in the respective balances of hybrid capital and other borrowed funds.

The Bank is not in default of any payments of principal and interest of the aforementioned borrowed funds. However, especially for hybrid capital, an assessment is carried out every time for the occurrence or not of the special terms and conditions that rule out the related payments.

20 Contingent liabilities and commitments

A) Legal procedures

The legal proceedings outstanding against the Bank as at 30/6/2012, 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 30/6/2012 the Bank had undertaken the following commitments:

	30 June 2012	31 December 2011
Letters of guarantee	2,649,908	2,767,158
Letters of credit	37,920	39,904
Commitments to extent credit	810,142	1,135,753
	3,497,970	3,942,815
C) Assets pledged		
	30 June 2012	31 December 2011
Loans and advances to credit institutions	785,951	-
Trading securities	8,182	120,248
Investment securities	1,984,859	2,976,914
Debt securities issued and held by the Bank	15,220,674	14,702,402
Loans and advances to customers & debt securities - receivables	14,749,829	13,928,154
	32,749,496	31,727,718

In the "Debt securities issued and held by the Bank" category, an amount of € 13,623 million refers to securities that had been issued with the unconditional guarantee of the Hellenic Republic, an amount of € 347 million refers to securities issued under the securitization of mortgage loans and an amount of € 1,250 million refers to Bank's issuance of covered bonds. The prementioned securities are not included in assets.

D) Operating lease commitments

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

	30 June 2012	31 December 2011
Up to 1 year	41,264	45,558
From 1 to 5 years	169,822	190,777
More than 5 years	332,583	389,627
	543,668	625,962

21 Share capital

	Share Capital	Share premium	Total
Opening balance at 1 January 2011	470,882	2,430,877	2,901,758
Increase of share capital through cash payment	242,116	522,478	764,594
Issue of preference shares	380,000	-	380,000
Balance at 31 December 2011	1,092,998	2,953,356	4,046,352
Balance at 30 June 2012	1,092,998	2,953,356	4,046,352

	Number of shares
Opening balance at 1 January 2011	413,840,653
Issue of ordinary shares	807,054,045
Issue of preference shares	1,266,666,666
Balance at 31 December 2011	2,487,561,364
Balance at 30 June 2012	2,487,561,364

On 30/6/2012 the Bank's share capital amounts to € 1,092,997,968.18, divided into 1,143,326,564 ordinary voting registered shares, each with a nominal value of € 0.30 and (a) 77,568,134 preferred non voting shares, each with a nominal value of € 4.77 and (b) 1,266,666,666 preferred non voting shares, each with a nominal value of € 0.30.

Pursuant to the Ordinary Shareholders Meeting resolution dated 29/6/2012, the revocation of the 20/5/2011 Ordinary Shareholders Meeting resolution was approved regarding the reverse split of the Bank's common shares and thus the restoration of the nominal value of each common share from one euro and twenty cents (€ 1.20) to thirty cents (€ 0.30) with simultaneous increase of the number of common shares of the Bank, from two hundred and eighty five million eight hundred and thirty one thousand six hundred and forty one (285,831,641) to one billion one hundred and forty three million three hundred and twenty six thousand five hundred and sixty four (1,143,326,564), as well as the relevant amendment of the articles 5 and 27 of the Bank's Articles of Association.

The Ordinary General Meeting of Shareholders, held on 29/6/2012, decided not to distribute dividend to the shareholders for fiscal year 2011, according to the established provisions (article 44a law 2190/1920 and article 1 of Law 3723/2008 as in force, combined with article 4 of Law 4063/2012) for the credit institutions participating in the Economy reinforcement plan.

According to article 28, Law 3756/2009 (Gov. Gazette A' 53/31.3.2009) the acquisition of treasury shares is not permitted for so long as the Bank participates in the reinforcement programmes, provided by the Law 3723/2008 (Gov. Gazette A' 250/9.12.2008).

22 Other reserves and retained earnings

	30 June 2012	31 December 2011
Legal reserve	68,995	68,995
Available for sale reserve	(28,662)	(67,392)
Total other reserves	40,333	1,603
Retained earnings	(6,393,229)	(6,106,639)
Total other reserves and retained earnings	(6,352,896)	(6,105,036)

Movement in available for sale reserve for the period is as follows:

	30 June 2012	31 December 2011
Available for sale reserve		
Opening balance for the period	(67,392)	(340,159)
Gains/ (losses) from the valuation of bonds and Greek government treasury bills	42,434	(258,983)
Gains/ (losses) from the valuation of shares and mutual funds	(3,615)	(91,355)
Recycling on Greek Government bonds impairment	-	427,614
Recycling on shares and mutual funds impairment	8,849	266,437
Deferred income taxes	(9,705)	(76,820)
Recycling of the accumulated fair value adjustment of disposed securities	815	(853)
Depreciation of accumulated impairment of transferred bonds	-	6,728
Foreign exchange differences and other adjustments	(48)	(1)
Closing balance for the period	(28,662)	(67,392)

	30 June 2012	31 December 2011
Retained earnings movement		
Opening balance for the period	(6,106,639)	326,384
Share capital increase expenses	(23)	(4,180)
Profit/ (loss) after tax for the period	(286,567)	(6,428,843)
Closing balance for the period	(6,393,229)	(6,106,639)

Negative retained earnings, mainly as a result of the Bank's participation to PSI, contributed to a negative shareholders' equity of the Bank and the Group, making therefore necessary the recapitalization of the Bank. The recapitalization is in progress and further information is provided in Note 3.

23 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 cumulatively 20%.

	Board of Directors members and key management personnel	
	30 June 2012	31 December 2011
Loans	87,962	129,699
Deposits	14,872	26,913

Letters of guarantee and letters of credit to the members of the Board of Directors and to the key management personnel as at 30/6/2012 are € 0.8 million (31/12/2011: € 1.2 million). Letters of guarantee to subsidiaries as at 30/6/2012 are € 315.3 million (31/12/2011: € 318.2 million). The total income that relates to members of the Board of Directors and the key management personnel for period 1/1 - 30/6/2012 is € 1.7 million (1/1-30/6/2011: € 2.3 million). The total expense that relates to the prementioned related parties for the period 1/1 - 30/6/2012 is € 0.4 million (1/1-30/6/2011: € 0.5 million).

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

	1st half 2012	1st half 2011
Directors' remuneration		
Wages, salaries, employers' share of social contributions and charges	2,228	2,253
Provisions and payments for compensation and retirement programs	1,244	4,138
	3,472	6,391

The aggregate provisions for benefit plans to Members of the Board of Directors and key management personnel amount to € 24.4 million from € 23.9 million as at 31/12/2011. The full amount of the above provisions has been included in the retirement benefit obligations.

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

	30 June 2012	31 December 2011
I. Subsidiaries		
Assets		
Cash and balances with the central bank	615	733
Loans and advances to credit institutions	2,717,124	2,928,900
Loans and advances to customers	651,543	671,044
Other assets	330,822	290,906
Total	3,700,104	3,891,583

Piraeus Bank - 30 June 2012
Amounts in thousand euros (Unless otherwise stated)

	30 June 2012	31 December 2011
Liabilities		
Due to credit institutions	188,006	276,192
Due to customers	548,109	553,055
Debt securities in issue	818,079	1,258,304
Hybrid capital and other borrowed funds	339,713	494,984
Other liabilities	13,175	13,541
Total	1,907,081	2,596,076
	1/1 - 30/6/2012	1/1 - 30/6/2011
Revenues		
Interest and similar income	48,692	101,593
Fee and commission income	4,757	5,419
Other operating income	885	905
Total	54,334	107,918
	1/1 - 30/6/2012	1/1 - 30/6/2011
Expenses		
Interest expense and similar charges	(38,561)	(108,352)
Fee and commission expense	(5,099)	(7,948)
Operating expenses	(17,928)	(18,032)
Total	(61,587)	(134,332)
	30 June 2012	31 December 2011
II. Associates		
Deposits and other liabilities	42,426	47,246
Loans and other receivables	169,099	100,624
	1st half 2012	1st half 2011
Total expense	(4,036)	(879)
Total income	3,459	1,343

24 Restatement of comparatives

a) Restatement of comparatives of 2011

Earnings /(losses) per share for the period 1/1 - 30/6/2011 and 1/4 - 30/6/2011 have been adjusted due to the proposal not to distribute dividend to shareholders of common and preference shares (refer to Note 8).

Moreover, at the period 1/1 - 30/6/2011 and 1/4 - 30/6/2011 a loss of € 551 thousand was reclassified from "Results from investment securities" and an amount of € 303,159 thousand from "Impairment losses on loans, receivables and greek government bonds" to "Impairment on investment securities".

b) Restatement of 31/3/2012 comparatives

Profit/ (loss) before income tax and profit/ (loss) after income tax of Piraeus Bank for the 1st quarter of 2012 has been restated by € 307 million and by € 246 million respectively under the Private sector involvement programme (PSI) as set out in note 4. The restatements of the 1st quarter of 2012 and the restated amounts of Piraeus Bank in the interim income statement, the interim statement of financial position, the interim statement of total comprehensive income and the interim statement of changes in equity are presented below.

RESTATEMENTS OF INTERIM INCOME STATEMENT

	Period from 1 January to 31 March 2012		
	Published Amounts	Restatements	Restated Amounts
PROFIT BEFORE PROVISIONS AND INCOME TAX	182,384	0	182,384
Impairment losses on loans, debt securities and other receivables	(241,679)		(241,679)
Impairment on investment securities	(1,610)	(306,850)	(308,460)
PROFIT/ (LOSS) BEFORE INCOME TAX	(60,905)	(306,850)	(367,755)
Income tax	391,820	60,625	452,445
PROFIT AFTER TAX	330,915	(246,225)	84,690
Earnings per share (in euros):			
- Basic and Diluted	0.2894	(0.2154)	0.0741

RESTATEMENTS OF INTERIM STATEMENT OF FINANCIAL POSITION

	31 March 2012		
	Published Amounts	Restatements	Restated Amounts
ASSETS			
Investment securities			
- Available for sale securities	2,775,028		2,775,028
- Held to maturity	986,855	(306,850)	680,005
Deferred tax assets	1,514,809	60,625	1,575,434
Other assets	36,981,753		36,981,753
TOTAL ASSETS	42,258,444	(246,225)	42,012,220
LIABILITIES			
TOTAL LIABILITIES	43,947,207	0	43,947,207
EQUITY			
TOTAL EQUITY	(1,688,762)	(246,225)	(1,934,987)
TOTAL LIABILITIES AND EQUITY	42,258,444	(246,225)	42,012,220

RESTATEMENTS OF INTERIM STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Period from 1 January to 31 March 2012	
	Published Amounts	Restated Amounts
Profit after tax for the period (A)	330,915	84,690
Other comprehensive income, net of tax:		
Net change in available for sale reserve	39,028	39,028
Other comprehensive income, net of tax (B)	39,028	39,028
Total comprehensive income, net of tax (A+B)	369,943	123,718

RESTATEMENTS OF INTERIM STATEMENT OF CHANGES IN EQUITY

	Share Capital	Share Premium	Other reserves	Retained earnings	TOTAL
Published Balance as at 31st March 2012	1,092,998	2,953,356	40,631	(5,775,747)	(1,688,762)
Restatement of results after tax				(246,225)	(246,225)
Restated Balance as at 31st March 2012	1,092,998	2,953,356	40,631	(6,021,971)	(1,934,987)

25 Events subsequent to the end of the Interim period

On July 27, 2012 Piraeus Bank acquired the "good" part (selected assets and liabilities) of the under special liquidation credit institution Agricultural Bank of Greece S.A. following the relevant decision of the Resolution Measures Committee (meeting 4/27/7/2012, Government Gazette 2209/27.07.12). The € 6.7 billion difference between the preliminary valued transferred assets and liabilities was covered by the Hellenic Financial Stability Fund (HFSF), according to the law provisions.

On July 31, 2012 Piraeus Bank announced the termination of the sale process for its subsidiary Piraeus Bank Egypt. Piraeus Bank will focus on providing full support to its banking operations in Egypt.

On August 2 and 3, 2012 the rating agencies Fitch, Standard & Poor's and Moody's affirmed their long-term and short-term counterparty credit ratings of Piraeus Bank (CCC/C, CCC/C and Caa2/NP respectively), following the acquisition of the "good" part of ATEbank.

The conclusion of the transfer of Piraeus Bank's 98.5% participation in Marathon Banking Corporation to Investors Bancorp Inc in New York took place at the end of September 2012.

On October 19, 2012 Piraeus Bank signed a definitive agreement with Societe Generale regarding the acquisition of Société Générale's total stake (99.08%) in Geniki Bank. The aggregate consideration for the acquisition of (i) 100% of Geniki shares held by Société Générale and (ii) Société Générale's receivables corresponding to the capital advances, was agreed at € 1 mn. The transaction was concluded on December 14, 2012 after having received all the required regulatory approvals.

On October 24, 2012 the rating agencies Moody's and Standard & Poor's affirmed the long-term and short-term counterparty credit ratings of Piraeus Bank to "Caa2/N-P" and "CCC/C" respectively, following the signing of the agreement for the acquisition of Geniki Bank by Piraeus Bank.

Dividend payment to holders of preference shares is compulsory according to L.3723/2008, as modified by the L.4093/12.11.2012, if the terms of article 44A of codified law 2190/1920 do not apply, except for the case that the payment of the relevant amount would result in a reduction of Core Tier I capital below the minimum required.

On December 7, 2012 Piraeus Bank announced that on the meeting of the BoD that took place on the same date. Mr. Anthimos Thomopoulos was elected as new Executive Member of the BoD, in succession of the resigned member Mr. Alexandros Manos, in order for Mr Manos to assume the role of CEO at Geniki Bank. Mr Thomopoulos was appointed Deputy CEO at Piraeus Bank Group.

On December 18, 2012 Standard & Poor's Ratings Services raised Greece's ratings (last report December 05, 2012) by 6 notches, it raised its long-term sovereign credit ratings to 'B-' from 'SD' (selective default), and short-term to 'B' from 'SD' and at the same time raised the outlook to stable. The upgrade reflects S&P's view of the strong determination of the eurozone member states to preserve Greece's membership in the eurozone.

In the second half of December, 2012, the HFSF provided an additional Capital Advance of €1.5 bn and a Commitment Letter of € 1.1 billion for its participation in the recapitalization programme of Piraeus Bank (Share Capital Increase and Convertible Bonds). Hence, the total Capital Advances and the Commitment Letter that HFSF has provided to Piraeus Bank amount to € 7.3 billion, that correspond to the bank's total capital needs, as they were defined by the Bank of Greece (plus € 500 million for ATEbank).

According to L.4093/12.11.2012, credit institutions that participate in the recapitalization program according to the terms of L.3723/2008, will pay to the HFSF an once off total amount of € 555.6 million, of which approximately € 133 million relates to the Bank's portion.

Piraeus Bank, following the decision of the Board of Directors of the Bank as at 7/12/2012, participated in the buy back programme of the Hellenic Government bonds in response to the relevant invitation of the Hellenic Ministry of Finance dated 3/12/2012 with the total new Greek Government Bonds that the Bank owned of nominal value € 4.3 billion including the bonds from the acquisition of ATEbank S.A.

Athens, December 19th, 2012

CHAIRMAN
OF THE BOARD OF DIRECTORS

MICHALIS G. SALLAS

MANAGING DIRECTOR
& C.E.O

STAVROS M. LEKKAKOS

CHIEF FINANCIAL
OFFICER

GEORGE I. POULOPOULOS

ASSISTANT
GENERAL MANAGER

KONSTANTINOS S. PASCHALIS



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 2012 to 30th June 2012
 (according to the Rule 4/507/28.04.2009 of the Capital Market Commission)

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

COMPANY'S PROFILE

Company's 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, 2012: December 19th, 2012
 The certified auditor: Dimitrios A. Sourbis
 Auditing company: PricewaterhouseCoopers S.A.
 Type of review report: Non qualified - Emphasis of matter (the emphasis of matter is referred in note 22)

STATEMENT OF FINANCIAL POSITION

Amounts in thousand euros

	GROUP		BANK	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
ASSETS				
Cash and balances with Central Banks	2,361,299	2,552,717	1,474,866	1,572,849
Loans and advances to credit institutions	481,960	316,136	2,725,569	3,065,200
Derivative financial instruments - assets	390,269	379,238	386,339	375,069
Trading securities	282,713	464,313	21,906	125,106
Financial instruments at fair value through profit or loss	6,922	9,922	6,922	9,922
Reverse repos with customers	2,987	57,395	2,576	57,127
Loans and advances to customers and debt securities - receivables (net of provisions)	33,517,083	35,633,795	28,070,617	29,897,655
Investment securities				
Available for sale securities	2,546,692	2,745,065	2,143,373	2,381,550
Held to maturity	797,516	1,249,849	740,237	1,198,239
Investments in associated undertakings	204,234	214,644	2,883,610	3,579,789
Investments in subsidiaries	-	-	215,114	228,418
Intangible assets	302,967	325,454	1,995,976	1,909,309
Property, plant and equipment	896,966	896,756	143,870	133,999
Investment property	867,190	877,511	305,398	314,133
Assets held for sale	14,087	14,021	207,137	201,767
Other assets			67,849	172,992
Deferred tax assets	1,688,573	1,177,992	1,655,058	1,132,455
Inventories property	281,229	264,891	139,157	128,998
Other assets	969,933	1,015,397	908,445	935,518
Assets from discontinued operations	715,648	1,157,214	-	-
TOTAL ASSETS	46,330,268	49,352,308	41,210,409	43,840,306
LIABILITIES				
Due to credit institutions	26,498,228	25,413,598	26,188,532	25,023,614
Liabilities at fair value through profit or loss	400	18,475	400	18,475
Derivative financial instruments - liabilities	365,120	389,728	359,756	381,321
Due to customers	19,836,106	21,795,677	15,453,918	18,334,429
Debt securities in issue	769,502	1,268,045	768,199	1,266,788
Hybrid capital and other borrowed funds				
Hybrid capital (Tier I)	71,828	159,601	71,828	159,601
Subordinated debt capital (Tier II)	267,885	339,713	267,885	339,713
Other liabilities				
Retirement benefit obligations	178,599	172,856	138,131	139,060
Deferred tax liabilities	48,724	46,540	-	-
Other provisions	19,763	18,302	10,665	10,665
Current income tax liabilities	16,696	13,742	8,409	4,380
Other liabilities	967,235	648,774	249,329	225,572
Liabilities from discontinued operations	703,453	623,675	-	-
Total Liabilities	48,599,979	51,292,146	43,516,952	45,898,988
EQUITY				
Share Capital	1,092,998	1,092,998	1,092,998	1,092,998
Share premium	2,953,356	2,953,356	2,953,356	2,953,356
Less: Treasury shares	(68)	(192)	-	-
Other reserves and retained earnings	(6,443,667)	(6,106,700)	(6,352,897)	(6,105,036)
Amounts recognized directly in equity relating to non-current assets from discontinued operations	(3,021)	(14,529)	-	-
Capital and reserves attributable to equity holders of the parent entity	(2,400,402)	(2,075,677)	(2,306,543)	(2,058,682)
Non controlling interest	130,691	135,229	-	-
Total Equity	(2,269,711)	(1,939,838)	(2,306,543)	(2,058,682)
TOTAL LIABILITIES AND EQUITY	46,330,268	49,352,308	41,210,409	43,840,306

STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euros

	GROUP			BANK		
	1 Jan - 30 Jun 2012	1 Jul - 31 Dec 2011	1 Jan - 30 Jun 2011	1 Jan - 30 Jun 2012	1 Jul - 31 Dec 2011	1 Jan - 30 Jun 2011
Opening balance	(1,939,838)	3,303,742	3,273,732	(2,058,682)	3,035,640	2,956,979
Total comprehensive income for the period, net of tax	(329,957)	(5,621,283)	(732,213)	(247,838)	(5,469,419)	(686,656)
Increase and expenses on increase of share capital through cash payment	-	(723)	765,317	-	(723)	765,317
Issue and expenses on issue of preference shares	(23)	375,820	-	(23)	375,820	-
Prior year dividends of ordinary shares	(63)	(30)	-	-	-	-
(Purchases) Sales of treasury shares and preemption rights	189	4,106	(3,042)	-	-	-
Acquisitions, disposals, liquidation and movement in participating interest	(19)	(1,470)	133	-	-	-
Other movements	-	-	(165)	-	-	-
Closing balance	(2,269,711)	(1,939,838)	3,303,742	(2,306,543)	(2,058,682)	3,035,640

CASH FLOW STATEMENT

Amounts in thousand euros

	GROUP		BANK	
	1 Jan - 30 Jun 2012	1 Jan - 30 Jun 2011	1 Jan - 30 Jun 2012	1 Jan - 30 Jun 2011
Net cash inflow/ (outflow) from continuing operating activities	(830,374)	479,631	(1,009,773)	912,452
Net cash inflow/ (outflow) from discontinued operating activities	2,168	(34,574)	-	-
Total inflows/ (outflows) from operating activities	(828,206)	445,057	(1,009,773)	912,452
Net cash inflow/ (outflow) from continuing investing activities	1,134,397	(1,261,157)	1,124,483	(1,129,348)
Net cash inflow/ (outflow) from discontinued investing activities	4,984	7,334	-	-
Total inflows/ (outflows) from investing activities	1,139,381	(1,253,823)	1,124,483	(1,129,348)
Net cash inflow/ (outflow) from continuing financing activities	(378,984)	64,752	(383,324)	39,778
Net cash inflow/ (outflow) from discontinued financing activities	110	(291)	-	-
Total inflows/ (outflows) from financing activities	(378,874)	64,461	(383,324)	39,778
Net increase/ (decrease) in cash and cash equivalents of the period	(67,699)	(744,105)	(268,614)	(177,118)
Effect of exchange rate changes on cash and cash equivalents	2,637	(1,920)	(4)	(659)
Total inflows/ (outflows) for the period	(65,062)	(746,025)	(268,618)	(177,777)
Cash and cash equivalents at the beginning of the period	2,681,134	4,034,929	1,841,272	2,886,063
Cash and cash equivalents at the end of the period	2,616,072	3,288,904	1,572,654	2,708,286

STATEMENT OF TOTAL COMPREHENSIVE INCOME

Amounts in thousand euros

	GROUP						BANK					
	1 Jan - 30 Jun 2012		1 Jan - 30 Jun 2011		1 Apr - 30 Jun 2012		1 Apr - 30 Jun 2011		1 Jan - 30 Jun 2012		1 Apr - 30 Jun 2011	
	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations	Continuing operations	Discontinued operations
Interest and similar income	1,305,834	13,769	1,319,603	1,406,403	12,513	1,418,916	611,003	7,051	618,054	726,333	6,066	732,399
Interest expenses and similar charges	(897,464)	(1,820)	(899,284)	(898,696)	(2,107)	(790,803)	(437,857)	(863)	(438,720)	(412,045)	(991)	(413,036)
Net interest income	408,370	11,949	420,319	507,707	10,406	628,113	173,146	6,188	179,334	314,288	5,075	319,363
Fee and commission income	103,026	677	103,703	116,452	619	117,071	50,232	350	50,582	59,662	292	59,954
Fee and commission expense	(13,805)	(145)	(13,950)	(17,427)	(128)	(17,555)	(6,812)	(76)	(6,888)	(9,022)	(70)	(9,072)
Net fee and commission income	89,221	532	89,753	99,025	491	99,516	43,420	274	43,694	50,660	222	50,882
Dividend income	1,938	59	1,997	3,086	57	3,143	1,852	2,934	2,958	3,439	4,657	3,421
Net trading income	210,934	-	210,934	27,109	-	27,109	113,603	-	113,603	13,063	-	13,063
Net income from financial instruments designated at fair value through profit or loss	2,440	-	2,440	(2,354)	-	(2,354)	425	-	425	(1,150)	-	(1,150)
Results from investment securities	(645)	-	(645)	101	-	101	(441)	-	(441)	(815)	-	(815)
Other operating income/ (expense)	(5,772)	278	(5,494)	25,735	253	25,988	(19,865)	143	(19,722)	13,075	129	13,204
Total net income	706,486	12,816	719,304	776,409	11,207	781,616	312,140	6,835	318,775	393,201	5,459	398,651
Staff costs	(169,768)	(4,485)	(174,253)	(191,197)	(3,913)	(195,110)	(85,374)	(2,237)	(87,611)	(92,584)	(1,908)	(94,492)
Administrative expenses	(147,029)	(3,419)	(150,448)	(155,323)	(3,522)	(158,845)	(81,968)	(1,765)	(83,733)	(84,273)	(1,692)	(85,965)
Gains/ (Losses) from sale of assets	(206)	-	(206)	(1,618)	-	(1,618)	(243)	-	(243)	(976)	-	(976)
Depreciation and amortisation	(51,967)	(770)	(52,737)	(46,609)	(701)	(47,310)	(23,818)	(387)	(24,205)	(22,914)	(344)	(23,258)
Total operating expenses before provisions	(368,970)	(8,674)	(377,644)	(394,747)	(6,136)	(402,883)	(191,403)	(4,389)	(195,792)	(200,747)	(3,944)	(204,691)
Profit before provisions and tax	337,516	4,144	341,660	381,662	3,071	378,733	120,737	2,446	123,983	192,454	1,506	193,960
Provisions and impairment	(1,201,107)	-	(1,201,107)	(1,376,747)	11	(1,376,736)	(593,569)	-	(593,569)	(1,206,154)	11	(1,206,143)
Share of profit of associates	(10,906)	-	(10,906)	(5,815)	-	(5,815)	(9,480)	-	(9,480)	(1,673)	-	(1,673)
Profit/ (Loss) before tax	(874,497)	4,144	(870,353)	(1,006,900)	3,082	(1,003,818)	(482,312)	2,246	(480,066)	(1,015,373)	1,517	(1,013,856)
Income tax	514,516	(1,450)	513,066	176,759	(1,078)	175,681	78,461	(786)	77,675	184,368	(530)	183,838
Profit/ (Loss) after tax (A)	(359,981)	2,694	(357,287)	(830,141)	2,004	(828,137)	(403,851)	1,460	(402,391)	(831,005)	987	(827,018)
Less: Non controlling interest	(4,838)	40	(4,798)	(7,816)	59	(7,757)	(2,745)	21	(2,724)	(7,839)	21	(7,818)
Profit/ (Loss) after tax attributable to equity holders of the parent entity	(355,143)	2,654	(352,489)	(822,329)	1,945	(820,380)	(401,106)	1,439	(399,567)	(822,166)	966	(822,200)
Other comprehensive income, net of tax (B)	26,552	778	27,330	98,379	(2,455)	95,924	(15,392)	1,840	(13,552)	75,530	(320)	75,210
Total comprehensive income for the period/net of tax (A+B)	(332,429)	3,472	(328,957)	(723,950)	(451)	(724,213)	(419,243)	3,300	(415,943)	(754,676)	667	(754,008)
-Attributable to equity holders of the parent entity	(328,642)	3,395	(325,247)	(723,702)	(410)	(724,112)	(416,612)	3,205	(413,407)	(747,629)	563	(747,066)
-Non controlling interest	(4,787)	77	(4,710)	(8,060)	(41)	(8,101)	(2,631)	95	(2,536)	(7,047)	104	(7,151)
Profit/ (Loss) after tax per share (in euros):												
- Basic and diluted	(0.3108)	0.0023	(0.3085)	(0.8033)	0.0019	(0.8014)	(0.3510)	0.0013	(0.3497)	(0.7232)	0.0008	(0.7224)

Athens, December 19th, 2012

CHAIRMAN OF THE